



Control Number: 49229



Item Number: 6

Addendum StartPage: 0

DOCKET NO. 49229

RECEIVED

JAN-5 PM 4:33

APPLICATION OF KATY-HOCKLEY
CORP. FOR A PRICE INDEX RATE
ADJUSTMENT

§
§
§

PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Katy-Hockley Corp. (KHC) for a price index rate adjustment. The Commission approves the application and adjusts KHC's monthly water base rate to \$28.84 for 5/8 inch meters, \$43.26 for 3/4 inch meters, \$72.10 for 1 inch meters, \$144.20 for 1 1/2 inch meters, \$230.71 for 2 inch meters, \$432.59 for 3 inch meters, \$720.99 for 4 inch meters, and \$1,441.96 for 6 inch meters; its block water gallonage rate to \$3.21 per 1,000 gallons; its monthly sewer base rate to \$53.41 for 5/8 inch meters, \$80.11 for 3/4 inch meters, \$133.52 for 1 inch meters, \$267.03 for 1 1/2 inch meters, \$427.25 for 2 inch meters, \$801.09 for 3 inch meters, \$1,335.15 for 4 inch meters, and \$2,670.30 for 6 inch meters; and its block sewer gallonage rate to \$3.74 per 1,000 gallons.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. KHC is a domestic for-profit corporation registered with the Texas secretary of state under file number 149311300.
2. KHC provides water service under certificate of convenience and necessity (CCN) number 12985 and sewer service under CCN number 20900.
3. KHC operates Texas Commission on Environmental Quality (TCEQ)-approved public water system ID No. 1013191 (Hunter Place), which serves 200 connections.
4. KHC operates a sewer system under TCEQ discharge permit 14109-001, which serves 200 sewer connections.

Application

5. On February 15, 2019, KHC filed an application for a price-index rate adjustment to its water and sewer rates.
6. KHC proposed an effective date of May 6, 2019.
7. In Order No. 2 issued on March 19, 2019, the administrative law judge (ALJ) deemed the application administratively complete.

Rate Adjustment

8. KHC requested an adjustment to its water and sewer tariff base rates (monthly meter charge) and its water and sewer block gallonage rates based on the Commission's current price index of 3.20%.
9. KHC proposed increasing the monthly water base rate from \$27.95 to \$28.84 for 5/8 inch meters, \$41.92 to \$43.26 for 3/4 inch meters, \$69.86 to \$72.10 for 1 inch meters, \$139.73 to \$144.20 for 1 1/2 inch meters, \$223.56 to \$230.71 for 2 inch meters, \$419.18 to \$432.59 for 3 inch meters, \$698.63 to \$720.99 for 4 inch meters, and \$1,397.25 to \$1,441.96 for 6 inch meters.
10. KHC proposed increasing its water block gallonage rate from \$3.11 to \$3.21 per 1,000 gallons.
11. KHC proposed increasing the monthly sewer base rate \$51.75 to \$53.41 for 5/8 inch meters, \$77.63 to \$80.11 for 3/4 inch meters, \$129.38 to \$133.52 for 1 inch meters, \$258.75 to \$267.03 for 1 1/2 inch meters, \$414.00 to \$427.25 for 2 inch meters, \$776.25 to \$801.09 for 3 inch meters, \$1,293.75 to \$1,335.15 for 4 inch meters, and \$2,587.50 to \$2,670.30 for 6 inch meters.
12. KHC proposed increasing the sewer block gallonage rate \$3.62 to \$3.74 per 1,000 gallons.

Filing Schedule

13. In accordance with 16 TAC § 24.49(f)(2), a class C utility with a CCN number ending in 00-27 may file an application for a price-index rate adjustment in Quarter 1, January through March.
14. KHC filed in February with a water CCN number ending in 00.

15. This filing is the second price index adjustment for KHC.

Annual Report

16. KHC must file its annual service, financial, and normalized-earnings report on June 1 of each year as required by 16 Texas Administrative Code (TAC) § 24.129.

Tariff

17. On March 14, 2019, Commission Staff filed the proposed tariff as an attachment to its recommendation.

Informal Disposition

18. More than 15 days have passed since the completion of notice provided in this docket.
19. No person filed a protest or motion to intervene.
20. KHC and Commission Staff are the only parties to this proceeding.
21. No party requested a hearing and no hearing is needed.
22. Commission Staff recommended approval of the application.
23. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over the application under Texas Water Code (TWC) § 13.1872.
2. KHC is a utility as defined in TWC § 13.002(23) and is a class C utility under TWC § 13.002(4-c).
3. Under TWC § 13.1872(f), KHC may adjust its rates not more than once each year and not more than four times between rate proceedings under TWC § 13.1871.
4. An increase in KHC rates of 3.20% complies with 16 TAC § 24.49(c)(1).
5. The Commission processed the application in accordance with the requirements of the TWC, the Administrative Procedure Act,¹ and Commission's rules.

¹ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001–.902

6. KHC has demonstrated that it has met the requirements of TWC § 13.1872 and 16 TAC § 24.49 for approval of the rate adjustments.
7. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.
8. Under 16 TAC § 24.49(e), KHC must provide notice after it receives a copy of this Notice of Approval and 30 days before the effective date of the proposed change.

III. Ordering Paragraphs

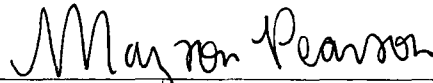
In accordance with the preceding findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission adjusts KHC's monthly water base rate to \$28.84 for 5/8 inch meters, \$43.26 for 3/4 inch meters, \$72.10 for 1 inch meters, \$144.20 for 1 1/2 inch meters, \$230.71 for 2 inch meters, \$432.59 for 3 inch meters, \$720.99 for 4 inch meters, and \$1,441.96 for 6 inch meters.
2. The Commission adjusts KHC's water block gallonage rate to \$3.21 per 1,000 gallons
3. The Commission adjusts KHC's monthly sewer base rate to \$53.41 for 5/8 inch meters, \$80.11 for 3/4 inch meters, \$133.52 for 1 inch meters, \$267.03 for 1 1/2 inch meters, \$427.25 for 2 inch meters, \$801.09 for 3 inch meters, \$1,335.15 for 4 inch meters, and \$2,670.30 for 6 inch meters.
4. The Commission adjusts KHC's sewer block gallonage rate to \$3.74 per 1,000 gallons.
5. The Commission approves the tariffs attached to Commission Staff's recommendation filed on March 14, 2019, effective 30 days after KHC provides notice to its customers.
6. KHC's new rates may go into effect 30 days after KHC provides notice to customers.
7. KHC must issue notice of the approved rate change to its customers at least 30 days before the effective date of the rate change.
8. Within ten days after KHC files proof of notice, Commission Staff must file a clean copy of the tariffs with Central Records to be marked *Approved* and kept in the Commission tariff books.

9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 5th day of April 2019.

PUBLIC UTILITY COMMISSION OF TEXAS



MAYSON PEARSON
ADMINISTRATIVE LAW JUDGE

q:\cadm\doCKET management\water\rates\class c rate adj\49xxx\49229 noa.docx