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DOCKET NO. 49424

APPLICATION OF UA HOLDINGS 1994-§5 L.P. DBA SC UTILITIES FOR A PRICE§INDEX RATE ADJUSTMENT FOR THE§SPRING CYPRESS SHOPPING CENTER§

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NOTICE OF APPROVAL

This Notice of Approval grants the application of UA Holdings 1994-5 L.P. dba SC Utilities (SC Utilities) for a price index rate adjustment for the Spring Cypress Shopping Center subdivision. The Commission adjusts SC Utilities' water base rate to \$56.31 for 1-inch meters, \$105.71 for 1 1/2-inch meters, \$165.48 for 2-inch meters, and the water gallonage charge to \$3.38 per each additional 1,000 gallons over the minimum. The Commission adjusts SC Utilities' sewer base rate to \$53.66 for 5/8 or 3/4-inch meters, \$80.50 for 3/4-inch meters, \$134.16 for 1-inch meters, \$268.32 for 1 1/2-inch meters, \$429.31 for 2-inch meters, \$804.96 for 3-inch meters, \$1,341.60 for 4-inch meters, \$2,683.20 for 6-inch meters, \$4,293.12 for 8-inch meters and the gallonage rate to \$7.12 per each additional 1,000 gallons over the minimum. The application is granted for the reasons discussed in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

- 1. SC Utilities is a domestic limited partnership registered with the Texas secretary of state under file number 800240916.
- 2. SC Utilities provides sewer service under certificate of convenience and necessity (CCN) number 20586 which serves 185 connections and water service under CCN No. 11749 which serves 35 connections.
- 3. SC Utilities operates Texas Commission on Environmental Quality (TCEQ) approved public water system registered under license number 1011916.
- 4. SC Utilities operates TCEQ approved waste water system registered under license number WQ0012248001.

<u>Application</u>

- 5. On April 5, 2019, SC Utilities filed an application for a price-index rate adjustment for the Spring Cypress Shopping Center subdivision.
- 6. Commission Staff proposed an effective date of July 1, 2019.
- 7. In Order No. 2 issued on May 7, 2019, the administrative law judge deemed the application administratively complete.

<u>Rate Adjustment</u>

- 8. SC Utilities requested an adjustment to its water and sewer tariff base-rate monthly meter charge and its water and sewer gallonage rates based on the Commission's current price index of 3.20%.¹
- SC Utilities proposed increasing the monthly water base rate from \$54.56 to \$56.31 for 1-inch meters, \$102.43 to \$105.71 for 1 1/2- inch meters, and \$160.35 to \$165.48 for 2-inch meters.
- SC Utilities proposed increasing the water gallonage rate \$3.28 to \$3.38 per each additional 1,000 gallons over the minimum.
- SC Utilities proposed increasing the monthly sewer base rate from \$52.00 to \$53.66 for 5/8 or 3/4-inch meters, from \$78.00 to \$80.50 for 3/4-inch meters, from \$130.00 to \$134.16 for 1-inch meters, from \$260.00 to \$268.32 for 1 1/2-inch meters, from \$416.00 to \$429.31 for 2-inch meters, from \$780.00 to \$804.96 for 3-inch meters, from \$1,300.00 to \$1,341.60 for 4-inch meters, from \$2,600.00 to \$2,683.20 for 6-inch meters, from \$4,160.00 to \$4,293.12 for 8-inch meters.
- 12. SC Utilities proposed increasing the sewer gallonage rate from \$6.90 to \$7.12 per each additional 1,000 gallons over the minimum.

Filing Schedule

13. In accordance with 16 Texas Administrative Code (TAC) § 24.49(f)(2), a class C utility with a CCN number ending in 28-54 may file an application for a price-index rate

¹ Proceeding to Establish the Calendar Year 2019 Price Index for Rate Adjustments Under Texas Water Code § 13.1872, Docket No. 45320, Order (Nov. 8, 2018).

adjustment in Quarter 2, April through June. SC Utilities filed in April with a water CCN number ending in 49.

14. This filing is the first price index adjustment for SC Utilities.

Annual Report

15. SC Utilities must file its annual service, financial, and normalized-earnings report on June 1 of each year as required by 16 TAC § 24.129.

<u>Tariff</u>

 SC Utilities has concurrent price index adjustment applications in Docket Nos. 49423 and 49425. On May 6, 2019, Commission Staff filed the proposed tariff for Docket Nos. 49423, 49424, and 49425 as an attachment to its recommendation in Docket No. 49423.

Informal Disposition

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

II. Conclusions of Law

The Commission makes the following conclusions of law.

- The Commission has jurisdiction over the application under Texas Water Code (TWC) § 13.1872.
- SC Utilities 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), SC Utilities 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 SC Utilities 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,² and Commission rules.
- SC Utilities 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.
- Under 16 TAC § 24.49(e), SC Utilities 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 grants the application of SC Utilities for a price index rate adjustment for the Spring Cypress Shopping Center subdivision.
- The Commission adjusts SC Utilities' monthly water base rate from \$54.56 to \$56.31 for 1-inch meters, \$102.43 to \$105.71 for 1 1/2-inch meters, and \$160.35 to \$165.48 for 2-inch meters, and the water gallonage rate \$3.28 to \$3.38 per each additional 1,000 gallons over the minimum.
- 3. The Commission adjusts SC Utilities' monthly sewer base rate from \$52.00 to \$53.66 for 5/8 or 3/4-inch meters, from \$78.00 to \$80.50 for 3/4-inch meters, from \$130.00 to \$134.16 for 1-inch meters, from \$260.00 to \$268.32 for 1 1/2-inch meters, from \$416.00 to \$429.31 for 2-inch meters, from \$780.00 to \$804.96 for 3-inch meters, from \$1,300.00 to \$1,341.60 for 4-inch meters, from \$2,600.00 to \$2,683.20 for 6-inch meters, from \$4,160.00 to \$4,293.12 for 8-inch meters, and the sewer gallonage rate from \$6.90 to \$7.12 per each additional 1,000 gallons over the minimum.

² Administrative Procedure Act, Tex. Gov't Code §§ 2001.001-.902.

- 4. The Commission approves the tariff attached to Commission Staff's recommendation filed in Docket No. 49423 on May 6, 2019, effective 30 days after SC Utilities provides notice to its customers.
- 5. SC Utilities' new rates may go into effect 30 days after SC Utilities provides notice to customers.
- 6. SC Utilities must issue notice of the approved rate change to its customers at least 30 days before the effective date of the rate change.
- 7. Within ten days after SC Utilities files proof of notice, Commission Staff must file a clean copy of the tariff with Central Records to be marked *Approved* and kept in the Commission tariff book.
- 8. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the <u>25</u>th day of June 2019.

PUBLIC UTILITY COMMISSION OF TEXAS

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