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DOCKET NO. 49631

APPLICATION OF CONROE RESORT,  
LLC FOR A PRICE INDEX RATE  
ADJUSTMENT

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PUBLIC UTILITY COMMISSION  
OF TEXAS



NOTICE OF APPROVAL

This Notice of Approval addresses the application of Conroe Resort Utilities, LLC for a price index rate adjustment. The Commission adjusts Conroe Resort’s monthly meter charges based upon the Commission’s price index of 3.20%. The application is granted for the reasons discussed in this Notice of Approval.<sup>1</sup>

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Conroe Resort is a foreign limited liability company registered with the Texas secretary of state on June 8, 2007, under file number 800827099.
2. Conroe Resort provides water service in Montgomery County under certificate of convenience and necessity (CCN) number 11942 which serves 358 active water connections, and sewer service in Montgomery County under CCN number 20638 which serves 345 active sewer connections.
3. Conroe Resort operates approved Texas Commission on Environmental Quality (TCEQ) approved public water system (PWS) number 1700416 and public sewer system number WQ0012439001.

Application

4. On June 14, 2019, Conroe Resort filed an application for a price index rate adjustment for its Conroe Resort water and sewer systems serving the Del Lago subdivision, West Palm Villas, Lakeview Marina, and LaToretta Resort.

<sup>1</sup> All citations to the Texas Water Code in this Notice of Approval are to the version of the statutes in effect prior to September 1, 2019, which are applicable to this application because it was filed prior to that date. See, Act of May 21, 2019, 86<sup>th</sup> Leg., R.S., S.B. 700, § 13.



- In Order No. 2 filed July 17, 2019, the administrative law judge (ALJ) deemed the application administratively complete.

**Rate Adjustment**

- Conroe Resort requested an adjustment to its water base rate and sewer base rate monthly meter charges as well as its water and sewer gallonage rates based on the Commission’s current price index of 3.20%.<sup>2</sup>

- Conroe Resort proposed increasing the monthly water base rates as follows:

Meter Size	Approved Tariff Base Rate	Proposed Rate Adjustment
5/8" x 3/4"	\$ 17.71	\$ 18.28
3/4"	\$ 26.57	\$ 27.42
1"	\$ 44.28	\$ 45.70
1 1/2"	\$ 88.57	\$ 91.40
2"	\$ 141.71	\$ 146.24
3"	\$ 265.70	\$ 274.20
8"	\$ 1,062.80	\$ 1096.81

- Conroe Resort proposed increasing the water gallonage rate from \$2.21 to \$2.28 per 1,000 gallons for usage over 1,000 gallons.

- Conroe Resort proposed increasing the monthly sewer base rates as follows:

Meter Size	Approved Tariff Base Rate	Proposed Rate Adjustment
5/8"	\$ 23.85	\$ 24.61
3/4"	\$ 35.77	\$ 36.91
1"	\$ 59.63	\$ 61.54
1 1/2"	\$ 119.25	\$ 123.07
2"	\$ 190.81	\$ 196.92
3"	\$ 376.35	\$ 388.39
8"	\$ 1,431.10	\$ 1476.90

- Conroe Resort proposed increasing the sewer gallonage rate from \$3.57 to \$3.68 per 1,000 gallons.

**Filing Schedule**

- 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

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<sup>2</sup> 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. Conroe Resort filed in June with a water CCN number ending in 42 and a sewer CCN number ending in 38.

12. This filing is the third price index adjustment for Conroe Resort.

### **Annual Report**

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

### **Tariff**

14. On July 15, 2019, Commission Staff filed the proposed water and sewer tariffs for this docket as an attachment to its recommendation.

### **Informal Disposition**

15. More than 15 days have passed since the completion of notice provided in this docket.
16. No person filed a protest or motion to intervene.
17. Conroe Resort and Commission Staff are the only parties to this proceeding.
18. No party requested a hearing and no hearing is needed.
19. Commission Staff recommended approval of the application.
20. 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. Conroe Resort 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), Conroe Resort 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 Conroe Resort's 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,<sup>3</sup> and Commission rules.
- 6. Conroe Resort 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), Conroe Resort must provide notice after it receives a copy of this Notice of Approval and at least 30 days before the effective date of the proposed change.

**III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

- 1. The Commission grants the application of Conroe Resort for a price index rate adjustment for the Conroe Resort public water and sewer systems in accordance with this Notice of Approval.
- 2. The Commission adjusts Conroe Resort’s monthly water base rate as follows:

<b>Meter Size</b>	<b>Rate</b>
5/8" x 3/4"	\$ 18.28
3/4"	\$ 27.42
1"	\$ 45.70
1 1/2"	\$ 91.40
2"	\$ 146.24
3"	\$ 274.20
8"	\$ 1,096.81

- 3. The Commission adjusts Conroe Resort’s water gallonage rate to \$2.28 per 1,000 gallons for usage over 1,000 gallons.

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<sup>3</sup> Tex. Gov’t Code ch. 2001

4. The Commission adjusts Conroe Resort’s monthly sewer base rate as follows:

Meter Size	Rate
5/8”	\$ 24.61
3/4”	\$ 36.91
1”	\$ 61.54
1 1/2”	\$ 123.07
2”	\$ 196.92
3”	\$ 388.39
8”	\$ 1,476.90

5. The Commission adjusts Conroe Resort’s sewer gallonage rate to \$3.68 per 1,000 gallons.

6. The Commission approves the tariff attached to Commission Staff’s recommendation filed in this docket on July 15, 2019, to be effective December 31, 2019.

7. Conroe Resort must, by December 1, 2019, provide by mail, or by electronic mail, if the ratepayer has agreed to receive communications electronically, the notice with the effective date and provide each ratepayer the proposed rate adjustment, which is 30 days before the effective date of December 31, 2019.

8. Within ten days after Conroe Resort files proof of notice, Commission Staff must file a clean copy of the water and sewer tariffs with Central Records to be marked *Approved* and kept in the Commission’s tariff book.

9. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 21<sup>st</sup> day of November 2019.

**PUBLIC UTILITY COMMISSION OF TEXAS**



**CHRISTOPHER OAKLEY  
ADMINISTRATIVE LAW JUDGE**

