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DOCKET NO. 51017

**APPLICATION OF SOUTHERN
HORIZONS DEVELOPMENT, INC.
FOR A CLASS D RATE ADJUSTMENT** §
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§

**PUBLIC UTILITY COMMISSION
OF TEXAS**

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Southern Horizons Development, Inc. for an annual rate adjustment under Texas Water Code (TWC) § 13.1872. The Commission increases Southern Horizon’s water monthly base rate and gallonage rate by 5%, effective October 24, 2020.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Southern Horizons is a domestic for-profit corporation registered with the Texas secretary of state under registration number 144217300.
2. Southern Horizons operates and maintains facilities for providing water service under certificate of convenience and necessity (CCN) number 12863 in Liberty and Montgomery counties and serves 346 active water connections under this CCN.
3. Southern Horizons operates two public water systems registered with the Texas Commission on Environmental Quality under identification numbers 1460150 (Southern Oaks Subdivision) and 1460158 (Southern Crossings Water System Phase 2).

Application

4. On July 8, 2020, Southern Horizons filed the application at issue in this proceeding in which it seeks a Class D annual rate adjustment of 5%.
5. On July 16, 2020, Southern Horizons filed a supplement to the application.
6. Southern Horizons did not propose a specific effective date, but proposed its rate adjustment to apply to all service rendered after the effective date to be reflected on the bill its customers receive approximately 30 to 45 days after the effective date.

7. This is Southern Horizons’ first Class D rate adjustment request.
8. In Order No. 2 filed on August 10, 2020, the administrative law judge deemed the application administratively complete and accepted for filing, and established an effective date of October 24, 2020.

Rate Adjustment

9. Southern Horizons requested a 5% annual rate adjustment to its water monthly base rate and gallonage rate.
10. Southern Horizons proposed increasing the base rate as follows:

Meter Size	Current Base Rate (Includes 2,000 Gallons)	Proposed Base Rate (Includes 2,000 Gallons)
5/8”	\$ 30.67	\$ 32.20

11. Southern Horizons proposed increasing the gallonage rate as follows:

Current Gallonage Rate (per 1,000 gallons)	Proposed Gallonage Rate (per 1,000 gallons)
\$ 3.03	\$ 3.18

Tariff

12. On August 17, 2020, Commission Staff filed the proposed water tariff as an attachment to its clarification in response to Order No. 2.
13. In the water tariff, Commission Staff proposed October 24, 2020, as the effective date for the new rates, and Southern Horizons agrees with that effective date.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over the application under TWC § 13.1872.
2. Southern Horizons is a utility as defined in TWC § 13.002(23) and a Class D utility under TWC § 13.002(4-d).
3. Under TWC § 13.1872(f), Southern Horizons may adjust its rates not more than once each year and not more than four times between rate proceedings under TWC § 13.1871.

4. A 5% increase in Southern Horizons’ monthly water base rate and gallonage rate complies with TWC § 13.1872(e)(2).
5. The Commission processed the application in accordance with the requirements of the TWC, the Administrative Procedure Act,¹ and Commission rules.
6. Southern Horizons demonstrated that it has met the requirements of TWC § 13.1872 for approval of the rate adjustments.
7. Under TWC § 13.1872(c)(1), the applicant must provide notice at least 30 days before the effective date of the rate change.
8. Under 16 TAC § 24.49(e), the application must provide notice after it receives a written order by the Commission approving or modifying the application.

III. Ordering Paragraphs

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

1. The Commission approves Southern Horizons’ application for a Class D annual rate adjustment, effective October 24, 2020.
2. The Commission adjusts Southern Horizons’ monthly base rate, effective October 24, 2020, as follows:

Meter Size	Base Rate (Includes 2,000 Gallons)
5/8”	\$ 32.20

3. The Commission adjusts Southern Horizons’ gallonage rate, effective October 24, 2020, as follows:

Gallonage Rate (per 1,000 gallons)
\$ 3.18

4. The Commission approves the tariff pages attached to Commission Staff’s clarification in response to Order No. 2 filed on August 17, 2020.

¹ Tex. Gov’t Code §§ 2001.001–.903.

5. Within ten days of this Notice of Approval, Commission Staff must file a clean copy of the tariff, with the approved effective date, with central records to be marked *Approved* and kept in the Commission tariff book.
6. Southern Horizons must, by September 24, 2020, provide to each ratepayer by mail, or by electronic mail if the ratepayer has agreed to receive communications electronically, notice of the rate adjustment with the effective date of October 24, 2020, using the form included with Commission Staff's clarification in response to Order No. 2 filed on August 17, 2020.
7. By October 8, 2020, Southern Horizons must file proof that it has provided notice as specified above.
8. 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 24th day of August 2020.

PUBLIC UTILITY COMMISSION OF TEXAS



for

HUNTER BURKHALTER
CHIEF ADMINISTRATIVE LAW JUDGE