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DOCKET NO. 51334

**APPLICATION OF K & K WATER
COMPANY 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 K & K Water Company, a Class D utility, for an annual rate adjustment under Texas Water Code (TWC) § 13.1872. The Commission increases K & K Water's monthly base and gallonage rates by 5.0%, effective December 1, 2020.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. K & K Water is a sole proprietorship located in Red Rock, Texas.
2. K & K Water operates and maintains facilities for providing water service under certificate of convenience and necessity (CCN) number 11836 in Bastrop County and serves 88 active water connections.
3. K & K Water operates a public water system registered with the Texas Commission on Environmental Quality under identification number 0110045.

Application

4. On September 16, 2020, K & K Water filed an application for a Class D annual rate adjustment of 5.0%.
5. K & K Water proposed an effective date for the rate change of August 30, 2020.
6. The application is K & K Water's first requested Class D rate adjustment.
7. In Order No. 2 filed on October 19, 2020, the administrative law judge deemed the application administratively complete and accepted for filing.

Rate Adjustment

8. K & K Water requested a 5.0% annual rate adjustment to its water monthly base rates and gallonage rates.

9. K & K Water proposed increasing its minimum monthly charge. The proposed new minimum monthly charge reflects a meter size that conforms with K & K Water's previously approved tariff as follows:

Meter Sizes	Current Minimum Monthly Charge (includes 0 gallons)	Proposed Minimum Monthly Charge (includes 0 gallons)
5/8" x 3/4"	\$20.00	\$21.00

10. K & K Water proposed increasing its block gallonage charges. The proposed new block gallonage charges include changes to the tariff language for simplicity and clarity as follows:

Current Tariff Block Gallonage Charges	Proposed Tariff Block Gallonage Charges
\$3.00 per 1,000 gallons, 1 st 10,000 gallons	\$3.15 per 1,000 gallons, 0 to 10,000 gallons
\$3.25 per 1,000 gallons, next 10,000 gallons	\$3.41 per 1,000 gallons, 10,001 to 20,000 gallons
\$3.50 per 1,000 gallons thereafter	\$3.68 per 1,000 gallons, above 20,000 gallons

Tariff and Notice

11. On October 15 and 16, 2020, Commission Staff filed the proposed water tariff as an attachment to its recommendation on administrative completeness and final disposition, and a proposed notice for K & K Water to provide to its customers.

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. K & K Water is a utility as defined in TWC § 13.002(23) and is a Class D utility under TWC § 13.002(4-d).
3. Under TWC § 13.1872(f), K & K Water 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 5.0% increase in K & K Water's minimum monthly charge and tariff block gallonage charges 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. K & K Water has 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 30 days before the effective date of the proposed change.
8. Under 16 TAC § 24.49(e), the applicant 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 the application for a Class D annual rate adjustment, effective December 1, 2020.
2. The Commission adjusts K & K Water's monthly water base rates, effective December 1, 2020, as follows:

Meter Size	Minimum Monthly Charge (Includes 0 Gallons)
5/8" x 3/4"	\$ 21.00

3. The Commission adjusts K & K Water's monthly water gallonage rates, effective December 1, 2020, as follows:

Tariff Block Gallonage Charges
\$3.15 per 1,000 gallons, 0 to 10,000 gallons
\$3.41 per 1,000 gallons, 10,001 to 20,000 gallons
\$3.68 per 1,000 gallons, above 20,000 gallons

4. The Commission approves the tariff pages attached to Commission Staff's recommendation on administrative completeness and final disposition filed on October 15, 2020.

¹ Tex. Gov't Code §§ 2001.001–.903.

5. Within ten days of the date 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. K & K Water must, by November 1, 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 new effective date of December 1, 2020, using the form filed by Commission Staff on October 15 and 16, 2020.
7. By November 15, 2020, K & K Water 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 21st day of October 2020.

PUBLIC UTILITY COMMISSION OF TEXAS


HUNTER BURKHALTER
CHIEF ADMINISTRATIVE LAW JUDGE