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DOCKET NO. 51337

APPLICATION OF MUNICIPAL  
OPERATIONS, LLC 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 Municipal Operations, LLC, a Class D utility, for an annual rate adjustment under Texas Water Code (TWC) § 13.1872. The Commission increases Municipal Operations' monthly base and gallonage rates by 5.0%, effective January 1, 2021.

#### I. Findings of Fact

The Commission makes the following findings of fact.

##### Applicant

1. Municipal Operations is a Texas limited liability company registered with the Texas secretary of state under file number 802348599.
2. Municipal Operations operates, maintains, and controls facilities for providing water service under certificate of convenience and necessity (CCN) number 11872 in Harris County and serves 42 active water connections.
3. Municipal Operations operates a public water system registered with the Texas Commission on Environmental Quality under identification number 1010218.

##### Application

4. On September 15, 2020, Municipal Operations filed an application for a Class D annual rate adjustment of 5.0%.
5. Municipal Operations proposed an effective date for the rate change of November 3, 2020.
6. The application is Municipal Operations' 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, and established January 1, 2021 as the effective date for the rate increase.

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**Rate Adjustment**

8. Municipal Operations requested a 5.0% annual rate adjustment to its water monthly base rates and gallonage rates.

9. Municipal Operations proposed increasing its monthly base rates as follows:

<b>Meter Sizes</b>	<b>Current Minimum Monthly Charge (includes 0 gallons)</b>	<b>Proposed Minimum Monthly Charge (includes 0 gallons)</b>
5/8"	\$43.14	\$45.30
3/4"	\$43.14	\$45.30

10. Municipal Operations proposed increasing its gallonage rates as follows:

<b>Current Tariff Gallonage Charges</b>	<b>Proposed Tariff Gallonage Charges</b>
\$2.06 per 1,000 gallons	\$2.16 per 1,000 gallons

**Tariff and Notice**

11. On October 15, 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 Municipal Operations 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. Municipal Operations 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), Municipal Operations 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 Municipal Operations' monthly base and gallonage rates 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,<sup>1</sup> and Commission rules.

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<sup>1</sup> Tex. Gov't Code §§ 2001.001–.903.

6. Municipal Operations 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 January 1, 2021.
2. The Commission adjusts Municipal Operations' monthly water base rates, effective January 1, 2021, as follows:

Meter Size	Minimum Monthly Charge (Includes 0 Gallons)
5/8"	\$45.30
3/4"	\$45.30

3. The Commission adjusts Municipal Operations' monthly water gallonage rates, effective January 1, 2021, as follows:

Tariff Gallonage Charge
\$2.16 per 1,000 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.
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. Municipal Operations must, by December 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 January 1, 2021, using the form filed by Commission Staff on October 15, 2020.

7. By December 15, 2020, Municipal Operations 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 9<sup>th</sup> day of November 2020.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

A handwritten signature in black ink, appearing to read 'S. Leary', is written over a horizontal line.

**STEVEN LEARY  
ADMINISTRATIVE LAW JUDGE**