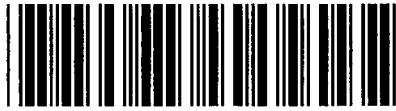




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PUBLIC UTILITY COMMISSION
OF TEXAS

**APPLICATION OF MUNSON POINT §
PROPERTY OWNER'S ASSOCIATION §
FOR AUTHORITY TO CHANGE §
WATER AND SEWER RATES AND FOR §
A PASS THROUGH RATE CHANGE §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

**AGREED MOTION TO ADMIT EVIDENCE
AND PROPOSED NOTICE OF APPROVAL**

On October 1, 2020, Munson Point Property Owner's Association (Munson Point), a Class D utility with 21 water and 11 sewer connections, filed a Class C Rate Change Application with the Public Utility Commission of Texas (Commission) for service provided in Grayson County under certificate of convenience and necessity (CCN) Nos. 13016 and 20919. Munson Point filed an amended application on December 28, 2020. Munson Point requested a total revenue requirement of \$11,182 for water and \$3,690 for sewer.¹ Munson Point also requested a pass-through rate change.

On February 19, 2021, the administrative law judge (ALJ) filed Order No. 6, which established a deadline of July 12, 2021 for Munson Point and the Staff of the Public Utility Commission of Texas (Staff) (collectively, the Parties) to file proposed findings of fact, conclusions of law, and ordering paragraphs. Therefore, this pleading is timely filed.

I. MOTION TO ADMIT EVIDENCE

The Parties move to admit the following evidence into the record of this proceeding:

- A. Munson Point's application for pass-through provision, water rate/tariff change, and sewer rate/tariff change filed on October 1, 2020 (Interchange Item No. 2);
- B. Additional information for tariff filed on October 20, 2020 (Interchange Item No. 4);
- C. Forwarding letter and amended rate change application filed on December 28, 2020 (Interchange Item No. 11);
- D. Proposed notices for rate change and pass thru rate change filed on December 30, 2020 (Interchange Item No. 12);
- E. Commission Staff's recommendation on administrative completeness filed on January 14, 2021 (Interchange Item No. 13);

¹ Application at 20 (Oct. 1, 2020); Amended Application at 7 (Dec. 28, 2020).

- F. Record city water bills and city ordinance with rates filed on January 14, 2021 (Interchange Item No. 14);
- G. Additional Denison water bills 2018 filed on January 14, 2021 (Interchange Item No. 15);
- H. Details of misc expenses for 2018/2019 filed on January 26, 2021 (Interchange Item No. 17);
- I. New water utility tariff and new sewer tariff for MPPOA filed on January 28, 2021 (Interchange Item No. 18);
- J. Affidavit and copy of Pass thru Rate Change mailing for MPPOA filed on February 1, 2021 (Interchange Item No. 19);
- K. Sewer invoice and receipt details filed on March 30, 2021 (Interchange Item No. 22); and
- L. Commission Staff's recommendation on final disposition filed on July 1, 2021 (Interchange Item No. 23).

II. PROPOSED NOTICE OF APPROVAL

The Parties move for adoption of the attached proposed notice of approval.

III. CONCLUSION

The Parties respectfully request that the ALJ approve the application using the tariffs attached to Staff's Recommendation on Final Disposition, which includes Munson Point's requested pass-through provision, admit into evidence the items listed above, and adopt the attached proposed notice of approval.

Dated: July 12, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

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/s/ Merritt Lander
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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record on July 12, 2021 in accordance with the Order Suspending Rules filed in Project No. 50664.

/s/ Merritt Lander
Merritt Lander

DOCKET NO. 51370

**APPLICATION OF MUNSON POINT § PUBLIC UTILITY COMMISSION
PROPERTY OWNER'S ASSOCIATION §
FOR AUTHORITY TO CHANGE § OF TEXAS
WATER AND SEWER RATES AND FOR §
A PASS THROUGH RATE CHANGE §**

PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Munson Point Property Owner's Association for a pass-through rate change and to increase rates for service provided in Grayson County under certificate of convenience and necessity (CCN) Nos. 13016 and 20919. The Commission approves the rates and terms, including the requested pass-through rates, in the tariff attached to this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Munson Point is a domestic nonprofit corporation registered with the Texas secretary of state under filing number 0138612301.
2. Munson Point provides retail water and sewer service under CCN numbers 13016 and 20919 in Grayson County.
3. Munson Point serves the Munson Point Property Owners water system, registered with the Texas Commission on Environmental Quality (TCEQ) under public water system number 0910140.
4. Munson Point leases its distribution system.
5. Munson Point purchases treated water from the City of Denison. Under Munson Point's existing water tariff, purchased water costs are recovered through its base water rates.
6. As of December 30, 2020, Munson Point serves 21 water customers and 11 sewer customers.

Application

7. On October 1, 2020, Munson Point filed an application for authority to change its water and sewer rates.

8. Munson Point amended its application or provided supplemental information on October 20, 2020, December 28, 2020, December 30, 2020, January 14, 2021, January 26, 2021, January 28, 2021, and March 30, 2021.
9. The amended application seeks approval to implement a pass-through rate, effective April 1, 2021, that includes a monthly base rate water charge of \$4.29 per month and a volumetric rate of \$9.4551 per 1,000 gallons.
10. In its application, Munson Point requested an annual sewer revenue requirement of \$3,690.
11. In its amended application, Munson Point requested an annual water revenue requirement of \$11,182.
12. In Order No. 5 filed on January 19, 2021, the administrative law judge (ALJ) found the amended application administratively complete.

Notice

15. On February 1, 2021, Munson Point filed the affidavit of William Retz, President of Munson Point Property Owner's Association, attesting that notice of the proposed pass-through rates and the proposed water and sewer rate changes was mailed to customers on February 1, 2021.
16. The notice contained the effective date of the pass-through change, the calculation of customer billings, the change in charges to Munson Point for the applicable pass-through fees, and the following language: "This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code § 24.25. The cost to you as a result of this change will not exceed the costs charged to your utility. . . ."
17. In Order No. 6 filed on February 19, 2021, the ALJ found the notice sufficient.

Ratepayer Protests

18. No ratepayers filed protests in this docket.
19. More than 10% of the ratepayers affected by the proposed rate increase did not file protests in this docket.

Evidentiary Record

20. On July 9, 2021, Munson Point and Commission Staff jointly filed a motion to admit evidence.

21. In Order No. 7 filed on _____, 2021, the ALJ admitted the following items into the record of this proceeding: (a) Munson Point's application for pass-through provision, water rate/tariff change, and sewer rate/tariff change filed on October 1, 2020; (b) additional information for tariff filed on October 20, 2020; (c) forwarding letter and amended rate change application filed on December 28, 2020; (d) proposed notices for rate change and pass thru rate change filed on December 30, 2020; (e) Commission Staff's recommendation on administrative completeness filed on January 14, 2021; (f) record city water bills and city ordinance with rates filed on January 14, 2021; (g) additional Denison water bills 2018 filed on January 14, 2021; (h) details of misc expenses for 2018/2019 filed on January 26, 2021; (i) new water utility tariff and new sewer tariff for MPPOA filed on January 28, 2021; (j) affidavit and copy of pass thru rate change mailing for MPPOA filed on February 1, 2021; (k) sewer invoice and receipt details filed on March 30, 2021; (l) and Commission Staff's recommendation on final disposition filed on July 1, 2021.

Pass-Through Rates

22. Munson Point is a retail public utility that purchases water.
23. Munson Point is under the original jurisdiction of the Commission.
24. The application contained the affected CCN number, the affected subdivision, the affected public water system name and corresponding number issued by the Texas Commission on Environmental Quality, a copy of the notice to the affected customers, documentation supporting the stated amounts of any new or modified pass through costs, historical documentation of line loss for one year, all calculations and assumptions for any true-up of pass-through costs, and the calculations and assumptions used to determine the new rate.
25. Effective December 1, 2020, the City of Denison increased the monthly base rate for water charged to Munson Point to \$90.
26. Allocating the \$90 per month using a connection count of 21, the resulting monthly pass-through rate is \$4.29 per connection.
27. Effective December 1, 2020, the City of Denison increased the volumetric rate for water charged to Munson Point to \$8.0368 per 1,000 gallons.
28. Adjusting for line loss of 15%, the resulting volumetric pass-through rate is \$9.4551 per 1,000 gallons.

29. The purchased water costs to be recovered by the proposed pass-through rates are not included in the cost of service used to calculate the rates for which Munson Point has requested approval in this docket.
30. The proposed rates will pass through only the actual costs charged to Munson Point by City of Denison.
31. On January 14, 2021, Commission Staff recommended approval of the pass-through rates requested in Munson Point's amended application.

Revenue Requirement and Rates

32. In its original application, filed on October 1, 2020, Munson Point requested a sewer revenue requirement \$3,690.
33. In its amended application, filed on December 28, 2020, Munson Point requested a water revenue requirement \$11,182.
34. The revenue requirement requested by Munson Point included only operations and maintenance expenses totaling
35. Munson Point requested a flat sewer rate of \$27.95 per month.
36. Munson Point's requested the following water rates:

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonge Charge</u>
5/8"	<u>\$44.37</u>	<u>\$0 per 1,000 gallons</u>
3/4"	<u>\$66.56</u>	
1"	<u>\$110.93</u>	
1½"	<u>\$221.87</u>	
2"	<u>\$354.98</u>	
3"	<u>\$665.60</u>	

37. Munson Point's requested rates and miscellaneous fees are just and reasonable.

Tariff

38. Munson Point's current water tariff does not include a pass-through provision.
39. On July 1, 2021, Commission Staff filed proposed water and sewer tariffs for this case as an attachment to its recommendation on final disposition. The proposed water tariff reflects the pass-through fee increase approved in this Notice.

Effective Date

40. Munson Point proposed an effective date of April 1, 2021 for the proposed pass-through provision and the proposed rate change.

41. In Order No. 6 filed on February 19, 2021, the ALJ suspended the effective date until December 22, 2021.

Informal Disposition

42. More than 15 days have passed since the completion of notice provided in this docket.
43. No person filed a protest or motion to intervene.
44. Munson Point and Commission Staff are the only parties to this proceeding.
45. No party requested a hearing and no hearing is needed.
46. Commission Staff recommended approval of the application.
47. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over the application under Texas Water Code (TWC) § 13.041, 13.1871, and 13.1872(c)(2).
2. Munson Point is a retail public utility as defined in TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Munson Point is a utility, public utility, and water utility as defined in TWC § 13.002(23) and 16 TAC § 24.3(39).
4. Munson Point is a class D utility as defined in TWC § 13.002(4-d) and 16 TAC § 24.3(8).
5. The application meets the requirements set forth in 16 TAC § 24.25.
6. Notice of the application was provided in compliance with TWC § 13.1871 and 16 TAC §§ 24.27(d)(1) and 24.25(b)(2)(F).
7. The Commission processed the application as required by the TWC, the Administrative Procedure Act,² and Commission rules.
8. Munson Point met its burden of proof under TWC § 13.184(c) and 16 TAC § 24.12 to show that the rates approved by this Notice are just and reasonable.
9. The rates approved by this Notice are just and reasonable in accordance with TWC § 13.182(a).

² Tex. Gov't Code §§ 2001.001–.903.

10. In accordance with TWC § 13.182(b), the rates approved by this Notice are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each class of customers.
11. In accordance with TWC § 13.183(a), the rates approved by this Notice will preserve the financial integrity of Munson Point.
12. As required by TWC § 13.185(h), the rates approved by this Notice do not include legislative advocacy expenses, the costs of processing a refund or credit, or any expenditure that is unreasonable, unnecessary, or not in the public interest.
13. The Commission was not required to refer this proceeding to the State Office of Administrative Hearings under 16 TAC § 24.37(c)(2).
14. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

1. The Commission approves, effective April 1, 2021, a pass-through provision that consists of a minimum monthly charge of \$4.29 per connection and a volumetric rate of \$9.4551 per 1,000 gallons.
2. The Commission approves Munson Point's amended application to the extent provided in this Notice.
3. The Commission approves the proposed tariff filed by Commission Staff on July 1, 2021.
4. Within ten days after the date of this Notice of Approval, Commission Staff must provide a clean copy of the tariff approved in this Notice of Approval to central records to be marked *Approved* and filed in the Commission's tariff book.
5. If Munson Point collects an amount as a result of this pass-through rate increase that is higher than the purchased water costs incurred, Munson Point must refund any amounts collected in excess of the purchased water costs.
6. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the _____ day of _____, 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

ADMINISTRATIVE LAW JUDGE