



Control Number: 51828



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TARIFF CONTROL NO. 51828

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**APPLICATION OF UNDINE TEXAS,
LLC FOR A PASS THROUGH RATE
CHANGE**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Undine Texas, LLC for approval of a pass-through rate change for the Spring Creek Valley Estates, Hazy Hollow East Estates, River Club Water Company, and Riverside Ranch subdivisions. The Commission approves the requested pass-through rates to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Undine is a foreign limited liability company registered with the Texas secretary of state under filing number 802339329.
2. Undine holds CCN number 13260 that obligates Undine to provide retail water service in its certificated service area in Brazoria County.

Application

3. On February 23, 2021, Undine filed the application at issue in this proceeding.
4. In its application, Undine seeks an adjustment to the pass-through clause in its approved tariff for certain subdivisions. Specifically, Undine seeks to increase the pass-through fees in its Spring Creek Valley Estates, Hazy Hollow East Estates, River Club Water Company, and Riverside Ranch subdivisions. The requested changes are the result of changes in line loss, or the result of a combination of a change in line loss and an increase to the well pumpage fee charged by the North Harris County Regional Water Authority (NHCRA), the Groundwater Reduction Plan (GRP) fee charged by the San Jacinto River Authority (SJRA), or the North Fort Bend Water Authority production fee (NFBWA).

5. The proposed pass-through rate change will adjust Undine's pass-through rates for customers of the Spring Creek Valley Estates, Hazy Hollow East Estates, River Club Water Company, and Riverside Ranch subdivisions receiving water from each applicable district, effective April 1, 2021, as follows:

Subdivision	Current Rate	Requested Rate	Line Loss Percentage	Fee Passed Through
Spring Creek Valley Estates	\$4.53*	\$8.12	.3012 (average)	NHCRWA
Hazy Hollow East Estates	\$3.11**	\$3.42	.2026 (actual)	SJRA GRP
River Club Water Company	\$3.21	\$5.44	.3012 (average)	SJRA GRP
Riverside Ranch	\$3.68	\$4.57	.07 (actual)	NFBWA

*The Commission approved a pass-through rate of \$5.00 in Tariff Control No. 50636. Due to a clerical error, Undine has been charging \$4.53.

**The Commission approved a pass-through rate of \$3.21 in Tariff Control No. 49775. Due to a clerical error, Undine has been charging \$3.11.

6. The application contained the affected CCN number, the affected subdivisions, the affected public water system names and corresponding numbers issued by the Texas Commission on Environmental Quality, a copy of the notice to the 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 rates.
7. On March 29, 2021, Commission Staff filed recommendations regarding Undine's application and notice.
8. On April 7, 2021, the ALJ found the application administratively complete.

Notice

13. On or about February 24, 2021, Undine provided notice of the pass-through rate change to affected customers.
14. The notice contained the effective date of the change, the present calculation of customer billings, the new calculation of customer billings, the change in charges to Undine for purchased water, and the following language: "This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code

§ 24.21. The cost to you as a result of this change will not exceed the costs charged to your utility.”

15. On April 7, 2021, the ALJ found the notice sufficient.

Jurisdiction –Texas Water Code (TWC) §§ 13.002(19) and 13.041

16. Undine is a retail public utility that purchases water.
17. Undine is under the original jurisdiction of the Commission.

Eligibility for Pass-Through Rate Change – 16 TAC § 24.25

18. The proposed charge will pass-through only the actual costs charged to Undine by its suppliers and does not duplicate costs otherwise charged to customers under the current tariff.

Tariff

19. Undine’s current pass-through fees were approved by the Commission on February 3, 2020, in Tariff Control No. 49570.¹
20. On March 29, 2021, Commission Staff filed a proposed tariff for this case as an attachment to its recommendation on the application and notice.

Informal Disposition

21. More than 15 days have passed since the completion of notice provided in this docket.
22. No person filed a protest or motion to intervene.
23. Undine and Commission Staff are the only parties to this proceeding.
24. No party requested a hearing and no hearing is needed.
25. Commission Staff recommended approval of the application.
26. 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 TWC § 13.041.

¹ Application of Undine Texas, LLC for a Pass Through Rate Change, Tariff Control No. 49570, Notice of Approval, (Feb. 3, 2020).

2. Undine is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).
3. The Commission may approve this minor change to Undine's water tariff under 16 TAC § 24.25(b)(2)(A)(vii).
4. The application meets the requirements set forth in 16 TAC § 24.25.
5. Notice of the application was provided in compliance with 16 TAC § 24.25(b)(2)(F).
6. The Commission processed the application as required by the TWC, the Administrative Procedure Act,² and Commission rules.
7. 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, the following pass-through rates for customers in the Spring Creek Valley Estates, Hazy Hollow East Estates, River Club Water Company, and Riverside Ranch subdivisions:

Subdivision	Current Rate	Requested Rate	Line Loss Percentage	Fee Passed Through
Spring Creek Valley Estates	\$4.53*	\$8.12	.3012 (average)	NHCRWA
Hazy Hollow East Estates	\$3.11**	\$3.42	.2026 (actual)	SJRA GRP
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2. The Commission approves the proposed tariff filed by Commission Staff on March 11, 2021.

² Tex. Gov't Code §§ 2001.001–.903.

3. 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.
4. If Undine collects an amount as a result of this pass-through rate increase that is higher than the purchased water costs incurred, Undine must refund any amounts collected in excess of the purchased water costs.
5. Undine is required to file an application for a pass-through rate change within one year of the date of this Notice of Approval so that the pass-through rates can be adjusted to incorporate any reductions in line loss Undine is able to achieve during that time.
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 13th day of April 2021.

PUBLIC UTILITY COMMISSION OF TEXAS



GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE