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DOCKET NO. 51907

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**APPLICATION OF PALO DURO
SERVICE COMPANY, INC. FOR A
CLASS D RATE ADJUSTMENT**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

FILED
FILING CLERK

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Palo Duro Service Company, Inc., a class D utility, for an annual rate adjustment under Texas Water Code (TWC) § 13.1872. The Commission increases Palo Duro’s monthly water base rates and gallonage rates by 5.0%, effective July 30, 2021.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Palo Duro is a Texas corporation registered with the Texas secretary of state under filing number 143729200.
2. Palo Duro operates and maintains facilities for providing water service under water certificate of convenience and necessity (CCN) number 12200 in Parker and Wise counties and serves 215 active water connections in the Duchane Chateaux, Glider Base Estates, and Trinity River subdivisions and 25 active water connections in the Aledo Ridge subdivision.
3. Palo Duro operates public water systems registered with the Texas Commission on Environmental Quality (TCEQ) under identification numbers 1840100 (Duchane Chateaux), 2490028 (Glider Base Estates), 1840099 (Trinity River Estates) and 1840185 (Aledo Ridge).

Application

4. On March 17, 2021, Palo Duro filed two applications with the Commission, the first being the application at issue in this proceeding seeking a class D annual rate adjustment of 5.0% for the Duchane Chateaux, Glider Base Estates, and Trinity River subdivisions, and the

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second in Docket No. 51908 for a class D annual rate adjustment of 5.0% for the Aledo Ridge subdivision.

5. On March 26, 2021, Commission Staff filed a response to Order No. 1 and a motion to consolidate.
6. On April 5, 2021, the administrative law judge (ALJ) granted Commission Staff’s motion and consolidated both applications into Docket No. 51907.
7. This application is Palo Duro’s third requested class D rate adjustment between base rate proceedings.
8. In Order No. 3 filed on May 10, 2021, the ALJ found the application administratively complete and accepted for filing.

Rate Adjustment

9. Palo Duro requested a 5.0% annual rate adjustment to its monthly water base rates and gallonage rates.
10. Palo Duro proposed increasing its monthly water base rates for Duchane Chateaux, Glider Base Estates, and Trinity River Estates as follows:

Meter Size	Current Minimum Monthly Charge (includes 2,000 gallons of water)	Proposed Minimum Monthly Charge
5/8”	\$46.43	\$48.75
3/4”	\$46.43	\$48.75
	Current Gallonage Rate (per 1,000 gallons)	Proposed Gallonage Rate (per 1,000 gallon)
2,001gallons and thereafter	\$2.83	\$2.97

11. Palo Duro proposed increasing its monthly water base rates for Aledo Ridge subdivision as follows:

Meter Size	Current Minimum Monthly Charge (includes 2,000 gallons of water)	Proposed Minimum Monthly Charge
5/8”	\$55.00	\$57.75
3/4”	\$55.00	\$57.75

	Current Gallonage Rate (per 1,000 gallons)	Proposed Gallonage Rate (per 1,000 gallon)
1,501 to 2,000 gallons	\$3.75	\$3.94
2,001 to 4,000 gallons	\$5.75	\$6.04
4,001 gallons thereafter	\$7.75	\$8.14

Tariffs

12. On May 7, 2021, Commission Staff filed the proposed water tariff as an attachment to its recommendation on administrative completeness and final disposition.

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. Palo Duro 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), Palo Duro 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 Palo Duro's monthly water 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,¹ and Commission rules.
6. Palo Duro 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 Texas Administrative Code § 24.49(e), the applicant must provide notice after it receives a written order by the Commission approving or modifying the application.

¹ Tex. Gov't Code §§ 2001.001–.903.

III. Ordering Paragraphs

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

1. The Commission approves Palo Duro's application for a class D annual rate adjustment, effective July 30, 2021.
2. The Commission adjusts Palo Duro's monthly water base rates and gallonage charge, effective July 30, 2021, for Duchane Chateaux, Glider Base Estates, and Trinity River Estates as follows:

Meter Size	Current Minimum Monthly Charge (includes 2,000 gallons of water)	Proposed Minimum Monthly Charge
5/8"	\$46.43	\$48.75
3/4"	\$46.43	\$48.75
	Current Gallonage Rate (per 1,000 gallons)	Proposed Gallonage Rate (per 1,000 gallon)
2,001gallons and thereafter	\$2.83	\$2.97

3. The Commission adjusts Palo Duro's monthly water base rates and gallonage charges, effective July 30, 2021, for Aledo Ridge as follows:

Meter Size	Current Minimum Monthly Charge (includes 2,000 gallons of water)	Proposed Minimum Monthly Charge
5/8"	\$55.00	\$57.75
3/4"	\$55.00	\$57.75
	Current Gallonage Rate (per 1,000 gallons)	Proposed Gallonage Rate (per 1,000 gallon)
1,501 to 2,000 gallons	\$3.75	\$3.94
2,001 to 4,000 gallons	\$5.75	\$6.04
4,001 gallons thereafter	\$7.75	\$8.14

4. The Commission approves the water tariff attached to Commission Staff's May 7, 2021 recommendation on administrative completeness and final disposition.
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. Palo Duro must, by June 30, 2021, 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 July 30, 2021, using the form attached to Commission Staff's recommendation on administrative completeness and final disposition filed on May 7, 2021.
7. By July 7, 2021, Palo Duro 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 23 day of June 2021.

PUBLIC UTILITY COMMISSION OF TEXAS



**KATIE MOORE MARX
ADMINISTRATIVE LAW JUDGE**