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TARIFF CONTROL NO. 52032

**APPLICATION OF INLINE UTILITIES, § PUBLIC UTILITY COMMISSION
LLC FOR A PASS THROUGH RATE §
CHANGE § OF TEXAS**

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

Inline Utilities, LLC (Inline) and the Staff of the Public Utility Commission of Texas (Staff) (collectively, the Parties) file this Joint Motion to Admit Evidence and Proposed Notice of Approval. In support thereof, the Parties show the following:

I. BACKGROUND

On April 15, 2021, Inline Development, Inc. filed its Application for a Pass-Through Rate Change under 16 Texas Administrative Code (TAC) § 24.25(b) related to the increase in fees imposed by North Harris County Regional Water Authority. On July 22, 2021, the presiding Administrative Law Judge (ALJ) issued a Notice Granting Motion to Abate and Abating Proceeding, pending the resolution of a sale, transfer, or merger application that would transfer certificate of convenience and necessity (CCN) No. 12946 from the terminated Inline Development Corporation (Inline Development) to the active entity Inline. On April 11, 2024, the ALJ issued Order No. 11 which lifted the abatement and on April 19, 2024, Order No. 12 established a deadline of May 10, 2024, for the parties to file a joint motion to admit evidence and proposed findings of fact, conclusions of law, and ordering paragraphs. Therefore, this pleading is timely filed.

II. JOINT MOTION TO ADMIT EVIDENCE

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

1. Inline's application and all attachments, filed on April 15, 2021 (Interchange Item No. 1);
2. Inline's supplemental application filing and all attachments, filed on May 25, 2021 (Interchange Item No. 5);
3. Staff's recommendation on notice of interim rates and third status update, filed on October 29, 2021 (Interchange Item No. 24);

4. Inline's notice of approval in Docket No. 54729, filed on April 10, 2024 (Interchange Item No. 62);
5. Staff's final application recommendation and all attachments, filed on April 26, 2024 (Interchange Item No. 66);

III. JOINT PROPOSED NOTICE OF APPROVAL

Attached as **Attachment A** to this filing is the Joint Proposed Notice of Approval. Staff and Inline respectfully request that the attached Joint Proposed Notice of Approval be adopted.

IV. CONCLUSION

Staff and Inline respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the Joint Proposed Notice of Approval be adopted.

Respectfully submitted,

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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 via electronic mail on May 10, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

Chloe A. Daniels

Chloe A. Daniels

Attachment A

Joint Proposed Notice of Approval

TARIFF CONTROL NO. 52032

APPLICATION OF INLINE UTILITIES, LLC FOR A PASS THROUGH RATE CHANGE	§ § §	PUBLIC UTILITY COMMISSION OF TEXAS
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JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the April 15, 2021, application of Inline Development, Inc., now Inline Utilities, LLC (Inline) for approval of a proposed pass-through rate change under 16 Texas Administrative Code (TAC) § 24.25(b)(2). Specifically, Inline requested a pass-through rate increase related to water use fees imposed by North Harris County Regional Water Authority (NHCRWA) under 16 Texas Administrative Code (TAC) § 24.25(b)(2) with a proposed effective date of April 26, 2021. Inline requested a rate increase from \$4.25 per thousand gallons to \$4.72 per thousand gallons for customers located in the Cottage Gardens subdivision and public water system (PWS ID No. 1013271) under certificate of convenience and necessity (CCN) number 12946.

I. Findings of Fact

The Commission makes the following findings of fact and conclusions of law:

Applicant

1. Inline is a Texas limited liability company registered with the Texas secretary of state under file number 800043693.
2. Inline provides water service pursuant to CCN number 13313 in Harris County.
3. Inline owns and operates facilities for providing water service under Texas Commission on Environmental Quality (TCEQ) PWS No. 1013271.

Application

4. On April 15, 2021, Inline Development, Inc. filed an application to increase its pass-through rate due to an increase in the fees billed by the NHCRWA.
5. Inline Development, Inc. requested a change to reflect an increase in NHCRWA's water use fee and Inline's historical line loss.

6. Inline Development, Inc. requested a pass-through rate change from \$4.25 to \$4.72 per thousand gallons for customers in the Cottage Gardens Subdivision within CCN No. 12946.
7. On May 25, 2021, Inline Development, Inc. filed supplemental application information.
8. On July 22, 2021, the administrative law judge (ALJ) abated the docket to enable Inline Development, Inc. an opportunity to file and complete a sale, transfer, or merger application to transfer certificate of convenience and necessity number 12946 from the defunct Inline Development, Inc. to Inline Utilities, LLC.
9. On October 29, 2021, Staff recommended the proof of notice and interim rates be found sufficient.
10. On November 1, 2021, the ALJ found the notice of interim rates sufficient.
11. On April 10, 2024, Inline filed a notice of approval from Docket No. 54729 as proof of completion of its sale, transfer, or merger application.
12. On April 26, 2024, Staff recommended approval of Inline's application and filed a revised tariff.

Notice

13. Inline mailed notice of the pass-through rate increase to customers served by the affected PWS during the regular September 2021 billings.
14. The notice contained the effective date of NHCRWA's change in fees, the present pass-through fee, the new calculation for the pass-through fee, and the effective date of the change to the pass-through fee.
15. On November 1, 2021, the ALJ found notice sufficient.

Jurisdiction

16. Inline is a retail public utility that provides retail water service.
17. Inline is under the original jurisdiction of the Commission.

Eligibility for Pass-Through Rate Change

18. The proposed rate change will pass through only the actual costs charged to Inline by NHCRWA.

Tariff

19. The current tariff was approved by the Commission on April 3, 2024, in Docket No. 54729.¹
20. The current tariff includes a pass-through fee to recover the fees charged to Inline by NHCRWA.
21. On April 26, 2024, Staff filed a proposed tariff as an attachment to its Final Recommendations that includes the requested pass-through rate increase.

Evidence

22. On May 10, 2024, Staff and Inline filed an agreed motion to admit evidence.
23. On _____, 2024, Order No. ____ was issued, admitting the following evidence into the record of this proceeding: (a) Inline's application and all attachments, filed on April 15, 2021; (b) Inline's supplemental application filing and all attachments, filed on May 25, 2021; (c) Staff's recommendation on notice of interim rates and third status update, filed on October 29, 2021; (d) Inline's notice of approval in Docket No. 54729, filed on April 10, 2024; and (e) Staff's final application recommendation and all attachments, filed on April 26, 2024.

Informal Disposition

24. More than 15 days have passed since the completion of the notice provided in this docket.
25. No person filed a protest or motion to intervene.
26. Staff and Inline are the only parties to this proceeding.
27. No party requested a hearing, and no hearing is needed.
28. Staff recommended approval of the application.
29. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law:

1. Inline is a retail public utility as defined in Texas Water Code (TWC) § 13.002(19) and 16 TAC § 24.3(31).
2. The Commission has authority over the application under TWC § 13.041.

¹ *Application Inline Utilities, LLC and Inline Development Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County*, Docket No. 54729 (April 3, 2024).

3. The Commission may approve this minor change to Inline's water tariff under 16 TAC § 24.25(b)(2)(A)(vii).
4. Notice of the application was provided in compliance with 16 TAC § 24.25(b)(2)(F)(ii).
5. The Commission processed the application as required by the TWC, the Administrative Procedure Act,² and Commission rules.
6. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.
7. The application meets the requirements set forth in 16 TAC § 24.25.

III. Ordering Paragraphs

In accordance with the preceding findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves a pass-through rate increase from \$4.25 per thousand gallons to \$4.72 per thousand gallons for customers in the Cottage Garden subdivision under CCN number 13313.
2. The Commission approves the tariff filed by Staff on April 26, 2024.
3. Within ten days after the date of this Notice of Approval, 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 Inline collects an amount as a result of this pass-through rate increase that is higher than the purchased water costs incurred, Inline must refund any amounts collected in excess of the purchased water costs.
5. The Commission denies all other motions and any other request for general or specific relief that have not been expressly granted.

² Tex. Gov't Code Ann. §§ 2001.001-2001.903.

Signed at Austin, Texas the ____ day of _____ 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

**CHRISTINE DENMARK
ADMINISTRATIVE LAW JUDGE**