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TARIFF CONTROL NO. 52032

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

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS, NOTICE, AND EFFECTIVE DATE**

On April 15, 2021, Inline Development Inc. (Inline) filed an application under 16 Texas Administrative Code (TAC) § 24.25(b) for approval of a pass-through rate change related to an increase in fees imposed on the utility by North Harris County Regional Water Authority. On April 19, 2024 the docket was restyled to Application of Inline Utilities, LLC for a Pass Through Rate Change.

On May 15, 2024, the Administrative Law Judge filed Order No. 14 directing Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation on notice, a recommendation regarding the effective date, and a recommendation on administrative completeness by May 31, 2024. Therefore, this pleading is timely filed.

I. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplements and, as stated in the attached memorandum of James Onyeneke of the Rate Regulation Division, recommends that the application be found administratively complete.

II. RECOMMENDATION ON NOTICE

Staff has reviewed the clarification on notice filed by Inline on May 24, 2024 and finds that notice is sufficient. Inline provided a sworn affidavit attesting to the provision of notice on March 4, 2021. Notice of the pass through was mailed to each customer in accordance with 16 TAC § 24.25(b)(2)(F). Therefore, Staff finds notice sufficient.

III. EFFECTIVE DATE

Inline proposed an effective date of April 1, 2021. On August 20, 2021, Inline and Staff jointly filed a motion to set interim rates under Texas Water Code § 13.187(1) and 16 TAC

§ 24.37(d).¹ The ALJ issued its Notice Approving Interim Rates on September 17, 2021. In that notice, the ALJ determined the following: “The presiding officer has established the following interim rates to be in effect until the final decision on the requested rate change or until another interim rate is established.” Because the interim rates remain in effect until the date that the ALJ signs its notice of approval in this proceeding, and Staff’s recommended pass-through rate is the same as the interim rate, Staff believes the effective date of the pass-through rate change should be the date of the ALJ’s approval.

IV. CONCLUSION

Staff respectfully requests an order with the foregoing recommendations.

Dated: May 31, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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Division Director

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/s/ Anthony Kanalas
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¹ *Joint Motion to Set Interim Rates*, Tariff Control No. 52032, (Aug. 20, 2021).

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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 31, 2024, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Anthony Kanalas
Anthony Kanalas

Public Utility Commission of Texas

Memorandum

TO: Anthony Kanalas, Attorney
Legal Division

FROM: James Onyeneke, Regulatory Accountant
Rate Regulation Division

DATE: May 31, 2024

RE: **Tariff Control No. 52032** – *Application of Inline Utilities, LLC for a Pass-Through Rate Change*

On May 15, 2024, the administrative law judge (ALJ) assigned to this pass-through rate change docket issued Order No. 14, which requires Inline Utilities, LLC (Inline) and Commission Staff to respond to the Order. Order No. 14 requests clarification and recommendations indicating whether notice was provided to all customers prior to the beginning of the billing period in which the revision to the approved pass-through provision took effect, determination of the effective date of the pass-through rate change, and determination as to administrative completeness. In that Order, the ALJ directed Inline and Staff to do the following:

1. Inline must file a response to this Order and clarify whether notice was provided to all customers prior to the beginning of the billing period in which the revision to the approved pass-through provision took effect under 16 Texas Administrative Code (TAC) § 24.25(b)(2)(F).
2. According to the notice included with Inline's supplement to the application filed on May 25, 2021, Inline proposed an effective date of April 1, 2021. In light of the interim rates, the ALJ requires clarification as to whether this remains as the effective date.
3. Commission staff must file a recommendation on the administrative completeness and notice.

In reference to Issue No. 1 above, Inline provided clarification on May 24, 2024, showing that notice was provided to all customers prior to the beginning of the billing period in which the revision to the approved pass-through provision took effect. Inline provided an affidavit sworn by Danisha Kozackiewicz, its Office Manager, stating that Inline previously mailed notice to customers of the Cottage Gardens public water system on March 4, 2021, prior to the effective date of the pass-through rate increase.

In response to Issue No. 2 above, Inline proposed an effective date of April 1, 2021. On August 20, 2021, Inline and Staff jointly filed a motion to set interim rates under Texas Water Code § 13.187(1) and 16 TAC § 24.37(d).¹ The ALJ issued its Notice Approving Interim Rates on September 17, 2021. In that notice, the ALJ determined the following: "The presiding officer has established the following interim rates to be in effect until the final decision on the requested rate

¹ *Joint Motion to Set Interim Rates*, Tariff Control No. 52032, (Aug. 20, 2021).

change or until another interim rate is established.” Because the interim rates remain in effect until the date that the ALJ signs its notice of approval in this proceeding, and my recommended pass-through rate is the same as the interim rate, the effective date of the pass-through rate change should be the date of the ALJ’s approval.

In response to Issue No. 3, based upon my review of Inline’s response to Order No. 14 and the filings submitted in this proceeding, I find Inline’s pass-through rate change application administratively complete and notice sufficient.