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TARIFF CONTROL NO. 52246

**APPLICATION OF LAKELAND
SECTION FOUR CIVIC CLUB FOR A
PASS-THROUGH RATE CHANGE**

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**PUBLIC UTILITY COMMISSION

OF TEXAS**

JOINT MOTION TO ADMIT EVIDENCE AND PROPOSED NOTICE OF APPROVAL

On June 15, 2021, Lakeland Section Four Civic Club (Lakeland) filed an application under 16 Texas Administrative Code (TAC) § 24.25(b)(2) for approval of a pass-through rate change for fees billed by the San Jacinto River Authority (SJRA).

On July 20, 2021, the administrative law judge filed Order No. 2, directing Lakeland and the Staff (Staff) of the Public Utility Commission of Texas (Commission) (collectively, the parties) to file joint proposed findings of facts and conclusions of law by August 6, 2021. Therefore, this pleading is timely filed.

I. MOTION TO ADMIT EVIDENCE

The parties move to admit the following items into the record of this proceeding:

- 1) Lakeland's application and all attachments filed on June 15, 2021 (Interchange Item No. 1); and
- 2) Commission Staff's recommendation on the application and notice and all attachments filed on July 15, 2021 (Interchange Item No. 3).

II. PROPOSED NOTICE OF APPROVAL

The parties request that the attached Proposed Notice of Approval be adopted.

III. CONCLUSION

The parties respectfully request that an order be issued granting the above Motion to Admit Evidence and adopting the attached Proposed Notice of Approval.

Dated: August 6, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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TARIFF CONTROL NO. 52246

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 August 6, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Daniel Moore
Daniel Moore

TARIFF CONTROL NO. 52246

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**PUBLIC UTILITY COMMISSION

OF TEXAS**

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses Lakeland Section Four Civic Club's application for approval of a pass-through rate change for fees bill to Lakeland by the San Jacinto River Authority (SJRA) for the Lakeland Section Four subdivision. The Commission approves the pass-through rate increase from \$3.00 per 1,000 gallons of water to \$3.16 per 1,000 gallons of water, effective September 1, 2021.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Lakeland holds water Certificate of Convenience and Necessity (CCN) number 12270 that obligates Lakeland to provide retail water service in its certificated service area including in Montgomery county.
2. Lakeland owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 1700019.

Application

3. On June 15, 2021, Lakeland filed the application at issue in this proceeding.
4. In its application, Lakeland seeks an adjustment to the pass-through clause in its approved tariff. Specifically, Lakeland seeks to increase the SJRA pass-through fee from \$3.00 to \$3.16 per 1,000 gallons.
5. The requested change is the result of SJRA's increase in the water usage fee it bills to Lakeland from \$2.73 per 1,000 gallons to \$2.88 per 1,000 gallons. The increase by SJRA becomes effective on September 1, 2021.
6. The application contained the affected CCN number, the affected subdivision, the public water system name and corresponding number issued by the TCEQ, 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, the calculations and assumptions used to determine the new rates, and a copy of the pages of the utility's tariff that contain the rates that will change if the utility's application is approved.

7. In Order No. 2 filed on July 20, 2021, the administrative law judge (ALJ) found the application administratively complete.

Notice

8. On June 15, 2021, Lakeland included with its application a copy of the notice it provided to affected customers, detailing the proposed pass-through gallonage charge increase effective September 1, 2021.
9. The notice contained the effective date of the change, the present calculation of customer billings, the new calculation of customer billings, the change in SJRA charges to Lakeland or 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 (TAC) § 24.25. The cost to you as a result of this change will not exceed the costs charged to your utility."
10. In Order No. 2 filed on July 20, 2021, the ALJ found the notice sufficient.

Jurisdiction

11. Lakeland is a utility that purchases water.
12. Lakeland is under the original jurisdiction of the Commission.

Eligibility for Pass-Through Rate Change

13. The proposed charge will pass through only the actual increase in costs charged to Lakeland by SJRA and does not duplicate costs otherwise charged to customers under the current tariff.

Tariff

14. Lakeland's current SJRA pass-through fee was approved by the Commission on October 24, 2019, in Tariff Control No. 49928.¹
15. On July 15, 2021, Commission Staff filed a proposed tariff as an attachment to its recommendation on the application and notice.

Evidence

16. On August 6, 2021, Commission Staff and Lakeland filed a joint motion to admit evidence and proposed Notice of Approval.
17. In Order No. ___ filed on August __, 2021, the ALJ admitted the following evidence into the record of this proceeding: (a) Lakeland's application and all attachments filed on June 15, 2021; and (b) Commission Staff's recommendation on the application and notice and all attachments filed on July 15, 2021.

Informal Disposition

18. More than 15 days have passed since the completion of the notice provided in this docket.
19. No person filed a protest or motion to intervene.
20. Commission Staff and Lakeland are the only parties to this proceeding.
21. No party requested a hearing and no hearing is needed.
22. Commission Staff recommended approval of the application.
23. The decision is not adverse to any party.

II. Conclusions of law

The Commission makes the following conclusions of law.

1. Lakeland is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31), and a utility as defined in TWC § 13.002(23) and 16 TAC § 24.3(39).
2. The Commission has authority over the application under TWC § 13.041.

¹ *Application of Lakeland Section Four Civic Club for a Pass Through Rate Change*, Tariff Control No. 49928, Notice of Approval (Oct. 24, 2019).

3. The Commission may approve this minor change to Lakeland'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 these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves a pass-through rate increase from \$3.00 per 1,000 gallons to \$3.16 per 1,000 gallons for customers in the Lakeland Section Four subdivision, effective September 1, 2021.
2. The Commission approves the tariff filed by Commission Staff on July 15, 2021.
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 Lakeland collects an amount as a result of this pass-through rate increase that is higher than the purchased water costs incurred, Lakeland 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.

Signed at Austin, Texas the ___ day of August 2021.

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