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APPLICATION OF LONE STAR WATER COMPANY FOR A CLASS D RATE ADJUSTMENT	§ § §	PUBLIC UTILITY COMMISSION OF TEXAS
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NOTICE OF APPROVAL

This Notice of Approval addresses the application of Lone Star Water Company, a class D utility, for an annual rate adjustment under Texas Water Code (TWC) § 13.1872. The Commission increases Lone Star's monthly water base rates and gallonage rate by 5%, effective October 18, 2021.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Lone Star is a Texas for-profit corporation registered with the Texas secretary of state under filing number 803137555.
2. Lone Star operates and maintains facilities for providing water services under certificate of convenience and necessity (CCN) number 13279 in Denton County and serves 337 active water connections.
3. Lone Star operates several public water systems (PWSs) registered with the Texas Commission on Environmental Quality (TCEQ) under the following identification numbers: Double Rock Estates, PWS ID 0610179; Longhorn Meadows Addition, PWS ID 0610217; Meadow Ranch, PWS ID 0610223; and Westover Ranch, PWS ID 0610217.

Application

4. On July 22, 2021, Lone Star filed an application for a class D annual rate adjustment of 5%.
5. Lone Star filed a revised application on August 4, 2021.
6. Lone Star's revised application proposed an effective date of October 18, 2021.
7. This application is Lone Star's first requested class D rate adjustment between base rate proceedings.

8. In Order No. 2 filed on August 26, 2021, the administrative law judge found the application, as revised, administratively complete and accepted for filing.

Rate Adjustment

9. Lone Star requests a 5% annual rate adjustment to its monthly water base rates and gallonage rate.
10. Lone Star's current and proposed monthly water base rates by meter size and gallonage rate are as follows:

Meter Size	Current Monthly Water Base Rates (includes 0 gallons)	Proposed Monthly Water Base Rates (includes 0 gallons)
5/8"	\$46.43	\$48.75
3/4"	\$69.64	\$73.12
1"	\$116.06	\$121.86
1½"	\$232.12	\$243.73
2"	\$371.39	\$389.96
3"	\$696.36	\$731.18

Gallonage Rate	Current Gallonage Rate (per 1,000 gallons)	Proposed Gallonage Rate (per 1,000 gallons)
	\$5.16	\$5.42

Tariff

11. On August 23, 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. Lone Star 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), Lone Star 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% increase in Lone Star's monthly water base rates and gallonage rate 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. Lone Star demonstrated that it has met the requirements of TWC § 13.1872 for approval of the rate adjustments.
7. Under TWC § 13.1872(c)(1), Lone Star must provide notice 30 days before the effective date of the approved change.
8. Under 16 Texas Administrative Code (TAC) § 24.49(e), Lone Star must provide notice after it receives a written order by the Commission approving or modifying the application.

III. Ordering Paragraphs

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

1. The Commission approves Lone Star's application for a class D annual rate adjustment, effective October 18, 2021.
2. The Commission adjusts Lone Star's monthly water base rates by meter size and gallonage rate, effective October 18, 2021, as follows:

Meter Size	Approved Monthly Water Base Rates (includes 0 gallons)
5/8"	\$48.75
3/4"	\$73.12
1"	\$121.86
1½"	\$243.73
2"	\$389.96
3"	\$731.18

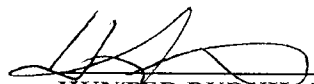
Gallonage Charge	Approved Gallonage Rate (per 1,000 gallons)
	\$5.42

¹ Tex. Gov't Code §§ 2001.001–903.

3. The Commission approves the water tariff attached to Commission Staff's August 23, 2021 recommendation on administrative completeness and final disposition.
4. Within ten days of the date of this Notice of Approval, Commission Staff must file clean copies of the water tariff, with the approved effective date, with Central Records to be marked *Approved* and kept in the Commission tariff book.
5. Lone Star must, by September 15, 2021, provide to each ratepayer by mail, or by electronic mail if the ratepayer has agreed to receive communications electronically, notice of the rate adjustments with the effective date of October 18, 2021, using the form attached to Lone Star's August 4, 2021 revised application.
6. By September 22, 2021, Lone Star must file proof that it has provided notice as specified above.
7. 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 2nd day of September 2021.

PUBLIC UTILITY COMMISSION OF TEXAS



**HUNTER BURKHALTER
CHIEF ADMINISTRATIVE LAW JUDGE**