



## Filing Receipt

**Received - 2022-03-10 12:52:54 PM**

**Control Number - 52722**

**ItemNumber - 14**

**TARIFF CONTROL NO. 52722**

**APPLICATION OF CSWR-TEXAS            §        PUBLIC UTILITY COMMISSION**  
**UTILITY OPERATING                    §**  
**COMPANY, LLC FOR A                   §**  
**PASS-THROUGH RATE CHANGE       §                                    OF TEXAS**

**NOTICE OF APPROVAL**

This Notice of Approval addresses the application of CSWR-Texas Utility Operating Company, LLC for a pass-through rate change related to an increase in the wholesale water rate charged by the City of Rockport. The pass-through change affects only those customers within CSWR Texas’s service area under certificate of convenience and necessity (CCN) number 13290 served by the Copano Heights Units 1 & 2 Water System. The Commission approves the requested pass-through rate, effective November 1, 2021, to the extent provided in this Notice of Approval.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. CSWR Texas is a Texas limited liability company registered with the Texas secretary of state under file number 0803367893.
2. CSWR Texas holds CCN number 13290 that obligates the utility to provide retail water service in its certificated service area in Aransas, Austin, Burleson, Burnet, Guadalupe, Harris, Hood, Parker, Victoria, and Wilson counties.

**Application**

3. On October 15, 2021, CSWR Texas filed the application at issue in this proceeding.
4. In its application, CSWR Texas seeks an adjustment to the pass-through clause in its approved tariff for the Copano Heights Units 1 & 2 Water System (public water system number 0040017) due to an increase in the wholesale water rates charged to CSWR Texas by the City of Rockport that became effective on September 15, 2021.
5. The requested change to the pass-through rate would increase the pass-through fee from \$6.60 to \$7.35 per 1,000 gallons, effective November 1, 2021.

6. The application, as amended, contained the affected CCN number, the affected subdivisions, the affected public water system names, and corresponding numbers issued by the Texas Commission on Environmental Quality, a copy of the notice to customers, documentation supporting the stated amounts on 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 CSWR Water's tariff that contains the rates that will change if CSWR Texas's application is approved.
7. On November 29, 2021, CSWR Texas filed supplemental information in support of the application.
8. In Order No. 4 filed on January 18, 2022, the administrative law judge (ALJ) found CSWR Texas's application sufficient for further review.

#### **Notice**

9. On or about November 24, 2021, CSWR Texas provided an amended notice of the pass-through change to affected customers.
10. The notice contained the effective date of the change, the present calculation of customer billings, the new calculation of customer billings, the change in charges to CSWR Texas 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."
11. In Order No. 4 filed on January 18, 2022, the ALJ found notice sufficient.

#### **Jurisdiction**

12. CSWR Texas is a retail public utility that purchases water.
13. CSWR Texas is under the original jurisdiction of the Commission.

#### **Eligibility for Pass-Through Rate Change**

14. The proposed pass-through charge is not included in the cost of service used to calculate the rates in the currently approved tariff.

15. The proposed pass-through charge will pass-through only the actual increase in costs charged to CSWR Texas by its supplier and does not duplicate costs otherwise charged to customers under the current tariff.

### **Tariff**

16. CSWR Texas's current pass-through fees were approved by the Commission on July 15, 2020, in Tariff Control No. 50483.<sup>1</sup>
17. On January 14, 2022, Commission Staff filed a proposed tariff for this case as an attachment to its supplemental recommendation.

### **Evidentiary Record**

18. On February 1, 2022, Commission Staff and CSWR Texas filed a joint motion to admit evidence.
19. In Order No. 5 filed on February 18, 2022, the ALJ admitted the following evidence into the record of this proceeding: (a) CSWR Texas's application and all attachments filed on October 15, 2021; (b) CSWR Texas's response to Order No. 2 filed on November 29, 2021; and (c) Commission Staff's supplemental recommendation on the application and notice filed on January 14, 2022.

### **Informal Disposition**

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

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<sup>1</sup> *Application of Copano Heights Water Co. for a Pass-Through Rate Change*, Tariff Control No. 50483, Notice of Approval (Jul. 15, 2020).

## II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over the application under TWC § 13.041.
2. CSWR Texas is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31), and a utility as defined by TWC § 13.002(23) and 16 TAC § 24.3(39).
3. The Commission may approve this minor change to CSWR Texas's water tariff under 16 TAC § 24.25(b)(2)(A)(vii).
4. The application meets the requirements set forth in 16 TAC § 24.25.
5. Notice of the application was provided in compliance with 16 TAC § 24.25(b)(2)(F).
6. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,<sup>2</sup> the TWC, and Commission rules.
7. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

## III. Ordering Paragraphs

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

1. The Commission approves, effective November 1, 2021, a pass-through fee of \$7.35 per 1,000 gallons for only those customers within CSWR Texas's service area under CCN number 13290 that are served by the Copano Heights Units 1 & 2 Water System (public water system number 0040017) for which CSWR Texas purchases water from the City of Rockport.
2. The Commission approves the proposed tariff attached to Commission Staff's supplemental recommendation on the application and notice filed on January 14, 2022.

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<sup>2</sup> Tex. Gov't Code §§ 2001.001-.903.

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 CSWR Texas collects an amount as a result of this pass-through rate increase that is higher than the purchased water costs incurred, CSWR Texas must refund any amounts collected in excess of the purchased water costs.
5. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

**Signed at Austin, Texas the 10th day of March 2022.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
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**HUNTER BURKHALTER**  
**CHIEF ADMINISTRATIVE LAW JUDGE**

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