



## Filing Receipt

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| <b>APPLICATION OF SUNSET HILLS</b>    | <b>§</b> | <b>PUBLIC UTILITY COMMISSION</b> |
| <b>SUBDIVISION WATER SYSTEM FOR A</b> | <b>§</b> |                                  |
| <b>CLASS D RATE ADJUSTMENT</b>        | <b>§</b> | <b>OF TEXAS</b>                  |

**NOTICE OF APPROVAL**

This Notice of Approval addresses the application of Sunset Hills Subdivision Water System, a class D utility, for an annual rate adjustment under Texas Water Code (TWC) § 13.1872. The Commission increases Sunset Hills' monthly charges and gallonage rates by 5%, effective March 21, 2022.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. Ricky L. Rowe is an individual doing business as Sunset Hills.
2. Sunset Hills owns and operates for compensation in Texas equipment or facilities for the transmission, storage, distribution, sale, or provision of potable water to the public in Burnet County under certificate of convenience and necessity number 11483.
3. Sunset Hills serves 104 water taps or connections.
4. Sunset Hills operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 0270043.

**Application**

5. On November 19, 2021, Sunset Hills filed an application for a class D annual rate adjustment of 5%.
6. This application is Sunset Hills' first requested class D rate adjustment between base rate proceedings.
7. In Order No. 2 filed on December 30, 2021, the administrative law judge found the application administratively complete and accepted for filing.

**Rate Adjustment**

8. Sunset Hills requests a 5% annual rate adjustment to its minimum monthly charges and gallonage rates.
9. Sunset Hills' current and proposed minimum monthly charges, by meter size, and current and proposed gallonage rates are:

| <b>Meter Size</b>             | <b>Current Minimum Monthly Charge<br/>(includes 2,000 gallons)</b> | <b>Proposed Minimum Monthly Charge<br/>(includes 2,000 gallons)</b> |
|-------------------------------|--|---|
| 5/8"                          | <b>\$31.57</b>   | <b>\$33.15</b>  |
| 3/4"                          | <b>\$31.57</b>   | <b>\$33.15</b>  |
| 1"                            | <b>\$69.93</b>   | <b>\$73.43</b>  |
| 1½"                           | <b>\$133.85</b>  | <b>\$140.54</b>   |
| 2"                            | <b>\$210.56</b>  | <b>\$221.09</b>   |
| 3"                            | <b>\$389.55</b>  | <b>\$409.03</b>   |
| 4"                            | <b>\$645.25</b>  | <b>\$677.51</b>   |
|                               |  |   |
| <b>Tier</b>                   | <b>Current Gallonage Rate<br/>(per 1,000 gallons)</b>              | <b>Proposed Gallonage Rate<br/>(per 1,000 gallons)</b>              |
| 2,001 – 15,000 gallons        | <b>\$3.00</b>  | <b>\$3.15</b>   |
| 15,001 – 30,000 gallons       | <b>\$4.00</b>  | <b>\$4.20</b>   |
| For usage over 30,000 gallons | <b>\$5.00</b>  | <b>\$5.25</b>   |

**Tariff**

10. On December 30, 2021, Commission Staff filed the proposed water tariff as 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. Sunset Hills is a public 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), Sunset Hills 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 Sunset Hills' minimum monthly charges and gallonage rates 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,<sup>1</sup> and Commission rules.
6. Sunset Hills demonstrated that it has met the requirements of TWC § 13.1872 for approval of the rate adjustments.
7. Under TWC § 13.1872(c)(1), Sunset Hills must provide notice 30 days before the effective date of the approved change.
8. Under 16 Texas Administrative Code § 24.49(e), Sunset Hills must provide the 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 Sunset Hills' application for a class D annual rate adjustment, effective March 21, 2022.
2. Effective March 21, 2022, Sunset Hills' minimum monthly charges, by meter size, and gallonage rates, are as follow:

| <b>Meter Size</b>             | <b>Minimum Monthly Charge<br/>(includes 2,000 gallons)</b> |
|-------------------------------|--|
| 5/8"                          | <b>\$33.15</b>   |
| 3/4"                          | <b>\$33.15</b>   |
| 1"                            | <b>\$73.43</b>   |
| 1½"                           | <b>\$140.54</b>  |
| 2"                            | <b>\$221.09</b>  |
| 3"                            | <b>\$409.03</b>  |
| 4"                            | <b>\$677.51</b>  |
|                               |  |
| <b>Tier</b>                   | <b>Gallonage Rate (per 1,000 gallons)</b>                  |
| 2,001 – 15,000 gallons        | <b>\$3.15</b>  |
| 15,001 – 30,000 gallons       | <b>\$4.20</b>  |
| For usage over 30,000 gallons | <b>\$5.25</b>  |

3. The Commission approves the water tariff attached to this Notice of Approval.

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<sup>1</sup> Tex. Gov't Code §§ 2001.001–.903.

4. Within ten days of the date of this Notice of Approval, Commission Staff must file a clean copy of the tariff approved by the Notice of Approval, with the approved effective date, with Central Records to be marked *Approved* and kept in the Commission tariff book.
5. Sunset Hills must, by February 1, 2022, 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 March 21, 2022, using the form attached to Sunset Hills' November 19, 2021 application.
6. By February 15, 2022, Sunset Hills 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 11th day of January 2022.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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