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TARIFF CONTROL NO. 53209

**APPLICATION OF UNDINE TEXAS,
LLC 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

COMES NOW Undine Texas, LLC (Undine), together with the Staff (Staff) of the Public Utility Commission of Texas (Commission) representing the public interest (collectively, Parties), and files this Joint Motion to Admit Evidence and Proposed Notice of Approval. In support thereof, the Parties show the following:

I. BACKGROUND

On February 11, 2022, Undine filed an application under 16 Texas Administrative Code (TAC) § 24.25(b)(2) and Ordering Paragraph No. 5 of the Notice of Approval filed in Tariff Control No. 51828 for approval of a pass-through rate change.¹ On August 12, 2022, Commission Staff filed its Recommendation on the Application (Recommendation) recommending approval of the Application with significant modifications to Undine's requested line loss recoveries in the Spring Creek Valley Estates, Hazy Hollow East Estates, and River Club Water Company subdivisions (collectively, the Nerro Systems).² On August 16, 2022, the Administrative Law Judge (ALJ) issued Order No. 9 finding the Application administratively complete.³

On August 30, 2022, Undine filed its Response to Staff's Recommendation (Response) contesting Commission Staff's modifications to Undine's requested line loss recoveries for the Nerro Systems.⁴ As reflected in Staff's memo filed on September 15, 2022, the Parties subsequently agreed on a 31.3% line loss recovery for the Spring Creek Valley Subdivision and River Club Water Company Subdivision, and a 24.28% line loss recovery for the Hazy Hollow

¹ *Application of Undine Texas, LLC for a Pass Through Rate Change*, Tariff Control No. 51828, Notice of Approval at 5 (Apr. 13, 2021).

² *Application of Undine Texas, LLC for a Pass Through Rate Change*, Tariff Control No. 53209, Commission Staff's Recommendation, Memorandum of Kathryn Eiland (Memorandum) at 2 (Aug. 12, 2022).

³ Order No. 9—Finding Application Administratively Complete, Revised Notice Sufficient, and Establishing Procedural Schedule (Aug. 16, 2022).

⁴ Undine Texas, LLC's Response to Commission Staff's Recommendation on the Application (Aug. 30, 2022).

East Estates Subdivision. In Order No. 9, the ALJ required the Parties to file a joint motion to admit evidence, proposed findings of fact, and conclusions of law by September 15, 2022.¹ Therefore, this pleading is timely filed.

II. JOINT MOTION TO ADMIT EVIDENCE

The Parties respectfully request that the following documents be admitted into evidence in this proceeding for the purpose of supporting a Commission notice of approval or final order consistent with the Parties' agreement.

1. Undine's Application for a Pass Through Rate Change, and all attachments thereto, filed on February 11, 2022 (Interchange Item No. 1);
2. Commission Staff's Recommendation, filed on August 12, 2022 (Interchange Item No. 19);
3. Order No. 9—Finding Application Administratively Complete, Revised Notice Sufficient, and Establishing Procedural Schedule, filed on August 16, 2022 (Interchange Item No. 20);
4. Undine's Response to Commission Staff's Recommendation, filed on August 30, 2022 (Interchange Item No. 21); and
5. Staff's Pass-Through Supplemental Recommendation, filed on September 15, 2022 (Interchange Item No. 22).

III. PROPOSED NOTICE OF APPROVAL

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

IV. CONCLUSION

The Parties have agreed that Undine is authorized to file this pleading on their behalf. Therefore, the Parties request that the Commission grant the Joint Motion to Admit Evidence and adopt the Proposed Notice of Approval.

¹ Order No. 9—Finding Application Administratively Complete, Revised Notice Sufficient, and Establishing Procedural Schedule (Aug. 16, 2022).

Respectfully submitted,

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& TOWNSEND, P.C.**

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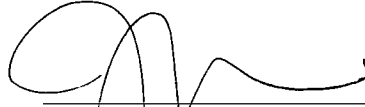
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ATTORNEYS FOR UNDINE TEXAS, LLC

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 September 15, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.



JAMIE L. MAULDIN

TARIFF CONTROL NO. 53209

**APPLICATION OF UNDINE TEXAS,
LLC FOR A PASS THROUGH RATE
CHANGE**

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PUBLIC UTILITY COMMISSION

OF TEXAS

JOINT PROPOSED NOTICE OF APPROVAL

This Joint Proposed Notice addresses the application of Undine Texas, LLC (Undine) for a pass-through rate change. Staff (Staff) of the Public Utility Commission of Texas's (Commission) Pass Through Supplemental Recommendation (Supplemental Recommendation) resolves all issues between the parties to this proceeding. The Commission approves Undine's application for a pass-through rate change, as modified by the Supplemental Recommendation, to the extent provided in this Order.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Undine is a limited liability corporation registered with the Texas Secretary of State under filing No. 802339329.
2. Undine holds CCN No. 13260 that obligates Undine to provide retail water service in its certified areas in Harris and Montgomery Counties.

Application

3. On February 11, 2022, Undine filed the application at issue in this proceeding.
4. In its application, Undine seeks an adjustment to the pass-through fee in its approved tariffs for certain subdivisions. Specifically, Undine seeks to increase the pass-through fees in its Spring Creek Valley Estates, Hazy Hollow East Estates, and River Club Water Company subdivisions. The requested changes are the result of changes in actual line losses.
5. The proposed pass-through rate changes will adjust Undine's pass-through rates for customers of the Spring Creek Valley Estates, Hazy Hollow East Estates, and River Club Water Company subdivisions receiving water from each applicable district, effective May 1, 2022, as follows:

Subdivision	Current Rate	Requested Rate	Approved Rate	Line Loss Percentage	Fee Passed Through
Spring Creek Valley Estates	\$8.12	\$9.63	\$6.70	.313 (average)	NHCRWA
Hazy Hollow East Estates	\$3.42	\$3.80	\$3.80	.2428 (actual)	SJRA
River Club Water Company	\$5.44	\$7.46	\$4.19	.313 (average)	SJRA

6. The application 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 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, and the calculations and assumptions used to determine the new rates.
7. On August 12, 2022, Commission Staff filed recommendations regarding Undine's application and notice. Commission Staff recommended the approval of Undine's application with modifications to Undine's requested line loss recoveries.
8. On August 16, 2022, the ALJ found the application administratively complete.
9. On August 30, 2022, Undine filed its Response to Commission Staff's Recommendation disputing Commission Staff's modifications to Undine's requested line loss recoveries.
10. Undine and Commission Staff subsequently reached an agreement resolving the line loss discrepancies with the figures listed above.
11. On September 15, 2022, Staff filed a memo explaining why it had agreed to change the pass-through rates it had recommended in its August 12, 2022 recommendation.

Notice

12. On or about February 18, 2022, Undine provided notice of the pass-through rate change to affected customers.
13. 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 Undine 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 § 24.25. The cost to you as a result of this change will not exceed the costs charged to your utility.”

14. On August 16, 2022, the ALJ found the notice sufficient.

Jurisdiction – Texas Water Code (TWC) §§ 13.002(19) and 13.041

15. Undine is a retail public utility that purchases water.

16. Undine is under the original jurisdiction of the Commission.

Eligibility for Pass-Through Rate Change – 16 TAC § 24.25

17. The proposed charge will pass-through only the actual costs charged to Undine by its suppliers and does not duplicate costs otherwise charged to customers under the current tariff.

Tariff

18. Undine’s current pass-through fees were approved by the Commission on April 13, 2021, in Tariff Control No. 51828.¹

19. On August 12, 2022, Commission Staff filed a proposed tariff for this case as an attachment to its recommendation on the application and notice.

20. On September 15, 2022, Undine filed a revised proposed tariff..

Informal Disposition

21. More than 15 days have passed since the completion of notice provided in this docket.

22. No person filed a protest or motion to intervene.

23. Undine and Commission Staff are the only parties to this proceeding.

24. No party requested a hearing and no hearing is needed.

25. Commission Staff recommended approval of the application as modified in Commission Staff’s Supplemental Recommendation.

26. This decision is not adverse to any party.

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. Undine is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).

¹ *Application of Undine Texas, LLC for a Pass Through Rate Change*, Tariff Control No. 51828, Notice of Approval, (Apr. 13, 2021).

3. The Commission may approve this minor change to Undine'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 as required by the TWC, the Administrative Procedure Act,¹ 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 September ___, 2022, the following pass-through rates for customers in the Spring Creek Valley Estates, Hazy Hollow East Estates, and River Club Water Company subdivisions:

Subdivision	Current Rate	Requested Rate	Approved Rate	Line Loss Percentage	Fee Passed Through
Spring Creek Valley Estates	\$8.12	\$9.63	\$6.70	.313 (average)	NHCRWA
Hazy Hollow East Estates	\$3.42	\$3.80	\$3.80	.2428 (actual)	SJRA
River Club Water Company	\$5.44	\$7.46	\$4.19	.313 (average)	SJRA

2. The Commission approves the proposed tariff, as modified by the Supplemental Recommendation, filed by Commission Staff on September 15, 2022.
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.

¹ Tex. Gov't Code §§ 2001.001-.903.

4. If Undine collects an amount as a result of this pass-through rate increase that is higher than the purchased water costs incurred, Undine must refund any amounts collected in excess of the purchased water costs.
5. Undine is required to file an application for a pass-through rate change within one year of the date of this Notice of Approval so that the pass-through rates can be adjusted to incorporate any reductions in line loss Undine is able to achieve during that time.
6. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the _____ day of _____, 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

PETER LAKE, CHAIRMAN

WILL MCADAMS, COMMISSIONER

LORI COBOS, COMMISSIONER

JIMMY GLOTFELTY, COMMISSIONER

KATHLEEN JACKSON, COMMISSION