



Filing Receipt

Received - 2022-10-19 11:33:05 AM
Control Number - 53209
ItemNumber - 28

TARIFF CONTROL NO. 53209

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

**§
§
§**

**PUBLIC UTILITY COMMISSION

OF TEXAS**

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Undine Texas, LLC for approval of a pass-through rate change for customers in the Spring Creek Valley Estates, Hazy Hollow East Estates, and River Club Water Company subdivisions. The Commission approves the pass-through rate change, effective September 15, 2022, to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Undine is Delaware limited liability company registered with the Texas secretary of state under filing number 0802339329.
2. Undine provides retail water service under certificate of convenience and necessity (CCN) number 13260 in Harris and Montgomery counties, among others.

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 clause in its approved tariff 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 line loss, or the result of a combination of a change in line loss and an increase to the well pumpage fees charged by the North Harris County Regional Water Authority (NHCRWA) and by the San Jacinto River Authority (SJRA).
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 September 15, 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, 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. 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. In Order No. 9 filed on August 16, 2022, the administrative law judge (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 consistent 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. In Order No. 9 filed on August 16, 2022, the ALJ found the notice sufficient.

Jurisdiction

15. Undine is a utility that purchases water.
16. Undine is under the original jurisdiction of the Commission.

Eligibility for Pass-Through Rate Change

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 for Spring Creek Valley Estates, Hazy Hollow East Estates, and River Club Water Company 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.

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

Evidence

21. In Order No. 10 filed on September 21, 2022, the ALJ admitted the following evidence into the record: (a) Undine's application for a pass through rate change, and all attachments thereto, filed on February 11, 2022; (b) Commission Staff's recommendation filed on August 12, 2022; (c) Order No. 9 finding application administratively complete, revised notice sufficient, and establishing procedural schedule filed on August 16, 2022; (d) Undine's response to Commission Staff's recommendation filed on August 30, 2022; and (e) Commission Staff's pass-through supplemental recommendation filed on September 15, 2022.

Informal Disposition

22. More than 15 days have passed since the completion of notice provided in this docket.
23. No person filed a protest or motion to intervene.
24. Undine and Commission Staff are the only parties to this proceeding.
25. No party requested a hearing, and no hearing is needed.
26. Commission Staff recommended approval of the application.
27. 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 Texas Water Code (TWC) § 13.041.
2. Undine is a retail public utility as defined in TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31), and a utility as defined under TWC § 13.002(23) and 16 TAC § 24.3(38).
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)(ii).

6. The Commission processed the application as required by the TWC, the Administrative Procedure Act,² 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 15, 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	Approved Rate
Spring Creek Valley Estates	\$8.12	\$6.70
Hazy Hollow East Estates	\$3.42	\$3.80
River Club Water Company	\$5.44	\$4.19

2. The Commission approves the proposed tariff, filed by Undine on September 15, 2022.
3. Within ten days of the date this Notice of Approval is filed, Commission Staff must provide the Commission with a clean copy of Undine's tariff to be stamped *Approved* and retained by Central Records.
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. Within 60 days from the date of this Notice of Approval, Undine must file documents to (1) true-up the difference between the Commission-approved rates and the requested rates charged from April 1, 2021 through April 30, 2022; and (2) true-up the difference between

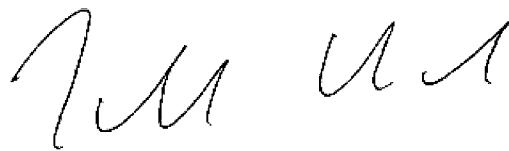
² Tex. Gov't Code Ann. §§ 2001.001–2001.903.

rates charged from May 1, 2022, through the date of this Notice of Approval. The filings must be made in Docket No. 54216 *Compliance Docket for Docket No. 53209 (Application of Undine Texas, LLC for a Pass-Through Rate Change)*.

6. 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.
7. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 19th day of October 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read 'J. Huhn', is written over a horizontal line.

JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE