



## Filing Receipt

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**TARIFF CONTROL NO. 53375**

<b>APPLICATION OF CONCHO RURAL</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER CORPORATION FOR 2020-</b>	<b>§</b>	
<b>2021 TRUE-UP REPORT AND PASS-</b>	<b>§</b>	<b>OF TEXAS</b>
<b>THROUGH GALLONAGE CHARGE</b>	<b>§</b>	
<b>FOR GROUP 1 CUSTOMERS</b>	<b>§</b>	

**NOTICE OF APPROVAL**

This Notice of Approval addresses the application of Concho Rural Water Corporation for approval of a true-up report and request for a pass-through rate change for fees billed by Upper Colorado River Authority (UCRA). The pass-through rate change affects Group 1 customers within Concho Rural's service area under certificate of convenience and necessity (CCN) number 11361. The Commission approves the true-up report and requested pass-through rates to the extent provided in this Notice of Approval.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. Concho Rural is a Texas corporation registered with the Texas secretary of state under filing number 0065831000.
2. Concho Rural holds CCN number 11361 that obligates Concho Rural to provide retail water service in its certificated service area in Tom Green County.

**Application**

3. On March 18, 2022, Concho Rural filed the application at issue in this proceeding.
4. In its application, Concho Rural filed a true-up report to address any over or under collection of revenues produced by the pass-through gallonage rates for the UCRA fees subjected to the rate change approved in Docket No. 49892.<sup>1</sup> Additionally, Concho Rural requests approval of a proposed pass-through rate change related to UCRA fees based on

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<sup>1</sup> *Application of Concho Rural Water Corporation for Authority to Change Rates*, Docket No. 49892, Order (Nov. 18, 2021).

August 2020–August 2021 revenue and usage data. The proposed pass-through rate affects Group 1 customers within the service area of Concho Rural’s CCN number 11361.

5. The proposed pass-through rate would decrease the UCRA pass-through rate from \$2.38 per 1000 gallons to \$2.17 per 1000 gallons.
6. Concho Rural seeks to adjust the pass-through rate for the affected subdivisions, effective April 1, 2022.
7. The application contained the affected subdivisions, a copy of the notice to the customers, documentation supporting the stated amounts of any new or modified pass-through costs, line loss of 3.5%, all calculations and assumptions for the true-up of pass-through costs, the calculations and assumptions for to determine the new rates, a true-up report, and a copy of the pages of the utility’s tariff that contain the rates that will change if Concho Rural’s application is approved.
8. In Order No. 2 filed on April 20, 2022, the administrative law judge (ALJ) found the application administratively complete.

#### **Notice**

9. On or about March 18, 2021, Concho Rural provided notice of its requested pass-through rate 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 Concho Rural 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. 2 filed on April 20, 2022, the ALJ found the notice sufficient.

#### **Jurisdiction**

12. Concho Rural is a retail public utility that purchases water on a wholesale basis.
13. Concho Rural is under the original jurisdiction of the Commission.

**Eligibility for Pass-Through Rate Change**

14. The proposed charge will pass-through only the actual costs charged to Concho Rural by its suppliers and does not duplicate costs otherwise charged to customers under the current tariff.
15. Concho Rural provided a true-up report reflecting any over or under collection of revenues produced by the pass-through gallonage rates for the UCRA fees paid for by Group 1 customers subjected to the rate change approved in Docket No. 49892.

**Tariff**

16. The current tariff for CCN number 11361 was approved by the Commission on November 18, 2021, in Docket No. 49892. Concho Rural applied the approved formula in determining the new regional pass-through gallonage charge for Concho Rural.
17. Concho Rural provided a true-up report reflecting the amounts billed in the previous year compared with amounts paid to water districts having jurisdiction over Concho Rural.
18. Concho Rural's true-up report was not filed by September 1, 2021, as required by ordering paragraph number nine of the final order in Docket No. 49892.
19. On April 18, 2022, Commission Staff filed a proposed tariff for this case as an attachment to its recommendation on the application and notice.

**Evidence**

20. On May 18, 2022, Concho Rural and Commission Staff filed a joint motion to admit evidence.
21. In Order No. 3 filed on June 3, 2022, the ALJ admitted the following evidence into the record: (a) Concho Rural's application and all attachments filed on March 18, 2022; and (b) Commission Staff's recommendation on sufficiency of the application, notice, true-up report, and final disposition and all attachments filed on April 18, 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. Concho Rural 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. Concho Rural is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31), and a utility as defined under TWC § 13.002(23) and 16 TAC § 24.3(39).
3. The Commission may approve this minor change to Concho Rural'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,<sup>2</sup> 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 Concho Rural's 2020–2021 true-up report.
2. The Commission approves, effective April 1, 2022, a UCRA pass-through rate of \$2.17 per 1000 gallons for Group 1 customers within Concho Rural's service area under CCN number 11361.
3. The Commission approves the proposed tariff filed by Commission Staff on April 18, 2022.

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<sup>2</sup> Tex. Gov't Code Ann. §§ 2001.001–2001.903.

4. 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.
5. If Concho Rural collects an amount as a result of this pass-through rate decrease that is higher than the purchased water costs incurred, Concho Rural must refund any amounts collected in excess of the purchased water costs.
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 1st day of July 2022.**

**PUBLIC UTILITY COMMISSION OF TEXAS**



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**KATIE MOORE MARX**  
**ADMINISTRATIVE LAW JUDGE**