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APPLICATION OF KERR COUNTY	§	PUBLIC UTILITY COMMISSION
WATER SYSTEMS, LLC FOR A CLASS	§	
D RATE ADJUSTMENT	§	OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the amended application of Kerr County Water Systems, LLC, a class D utility, for an annual rate adjustment under Texas Water Code (TWC) § 13.1872. The Commission increases Kerr County Water Systems' monthly minimum charges and gallonage rate by 5%, effective July 20, 2022.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Kerr County Water Systems is a Texas limited liability company registered with the Texas secretary of state under file number 800611297.
2. Kerr County Water Systems owns and operates for compensation equipment or facilities for the transmission, storage, distribution, sale, or provision of potable water to the public in Kerr County, Texas under certificate of convenience and necessity (CCN) number 13166.
3. Kerr County Water Systems serves 91 active water connections.
4. Kerr County Water Systems operates a public water system registered with the Texas Commission on Environmental Quality under identification number 1330092.

Application

5. On May 3, 2022, Kerr County Water Systems filed an application for a class D annual rate adjustment of 5%.
6. On May 16, 2022, Kerr County Water Systems filed revised pages of its application to correct information identified by Commission Staff in its 10-day letter filed on May 13, 2022.

7. This application is Kerr County Water Systems' first requested class D rate adjustment between base rate proceedings.
8. In Order No. 2 filed on June 8, 2022, the administrative law judge (ALJ) found the application administratively complete and accepted for filing.

Rate Adjustment

9. Kerr County Water Systems requests a 5% annual rate adjustment to its monthly minimum charges and gallonage rate.
10. Kerr County Water Systems' current and proposed monthly minimum water charges, by meter size, are:

Meter Size (includes 0 gallons)	Current Monthly Minimum Charge	Proposed Monthly Minimum Charge
5/8"	\$23.82	\$25.01
3/4"	\$35.73	\$37.52
1"	\$59.55	\$62.53
1 1/2"	\$119.10	\$125.06
2"	\$190.56	\$200.09
3"	\$357.30	\$375.17
4"	\$595.50	\$625.28

11. Kerr County Water Systems' current and proposed minimum monthly gallonage rates are:

Gallonage Charge	Current Gallonage Rate (per 1,000 gallons)	Proposed Gallonage Rate (per 1,000 gallons)
	\$3.02	\$3.17

Good Cause Exception

12. Kerr County Water Systems is typically required by 16 Texas Administrative Code (TAC) § 24.49(f)(2)(C) to file this type of application in the third quarter (July-September) because the last two digits of its CCN number falls within the range of 55 through 81.
13. On May 20, 2022, as permitted by 16 TAC § 24.49(f)(2), Kerr County Water Systems requested a good cause exception to allow it to file its application two months early.
14. Kerr County Water Systems represented that the factors that contributed to its request for a good cause exception include the need to install a new well motor and ongoing increases in the prices of chlorine, supplies related to repairs, and contract labor.

15. The ALJ granted Kerr County Water Systems a good cause exception in Order 2 filed on June 8, 2022.

Tariff

16. On June 3, 2022, Commission Staff filed the proposed water tariff as an 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. Kerr County Water Systems is a public utility as defined in TWC § 13.002(23) and a class D utility under TWC § 13.002(4-d).
3. Under TWC § 13.1872(f), Kerr County Water Systems 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 Kerr County Water Systems' monthly minimum 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,¹ and Commission rules.
6. Kerr County Water Systems demonstrated that it has met the requirements of TWC § 13.1872 for approval of the rate adjustments.
7. Under TWC § 13.1872(c)(1), Kerr County Water Systems must provide notice 30 days before the effective date of the approved change.
8. Under 16 Texas Administrative Code § 24.49(e), Kerr County Water Systems must provide notice after it receives a written order by the Commission approving or modifying the application.

¹ Tex. Gov't Code §§ 2001.001–.903.

III. Ordering Paragraphs

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

1. The Commission approves increases in Kerr County Water Systems' monthly minimum charges and gallonage rate by 5%, effective July 20, 2022.
2. Effective July 20, 2022, Kerr County Water Systems' monthly minimum water charges, by meter size are:

Meter Size (includes 0 gallons)	Monthly Minimum Charge
5/8"	\$25.01
3/4"	\$37.52
1"	\$62.53
1 1/2"	\$125.06
2"	\$200.09
3"	\$375.17
4"	\$625.28

3. Effective July 20, 2022, Kerr County Water Systems' monthly gallonage rate is:

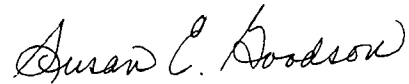
Gallonage Rate (per 1,000 gallons)
\$3.17

4. The Commission approves the water tariff attached to Commission Staff's June 3, 2022 recommendation on administrative completeness and final disposition.
5. Within ten days of the date of this Notice of Approval, Commission Staff must file a clean copy of the tariff approved by this Notice of Approval, with the approved effective date, with Central Records to be marked *Approved* and kept in the Commission tariff book.
6. Kerr County Water Systems must, by June 20, 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 July 20, 2022, using the Commission approved notice.
7. By July 1, 2022, Kerr County Water Systems must file proof that it has provided notice as specified above.

8. 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 9th day of June 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in cursive script, reading "Susan E. Goodson".

**SUSAN E. GOODSON
ADMINISTRATIVE LAW JUDGE**