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TARIFF CONTROL NO. 54146

APPLICATION OF RIO CONCHO	§	PUBLIC UTILITY COMMISSION
AVIATION, INC. FOR A	§	
PASS-THROUGH RATE CHANGE	§	OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Rio Concho Aviation, Inc. for approval of a pass-through rate change related to fees imposed by the Northern Trinity Groundwater Conservation District (NTGCD). The Commission approves the pass-through rate change, effective February 25, 2023, to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Rio Concho is a Texas corporation registered with the Texas secretary of state under file number 131931000.
2. Rio Concho holds certificate of convenience and necessity (CCN) number 12835 that obligates it to provide retail water service in Tarrant County.
3. Rio Concho owns and operates a public water system registered with the Texas Commission on Environmental Quality as Rio Concho Aviation, identification number 2200330.

Application

4. On September 23, 2022, Rio Concho filed the application at issue in this proceeding.
5. On December 20, 2022, Rio Concho filed corrections to the application.
6. In its application, Rio Concho seeks approval of a pass-through rate change, effective February 25, 2023. Specifically, Rio Concho requested to increase the NTGCD pass-through fee for customers served by the Rio Concho Aviation public water system from \$0.12 per 1,000 gallons to \$0.17 per 1,000 gallons.

7. Rio Concho's requested increase is the result of an increase in the groundwater production fees charged by NTGCD to Rio Concho. NTGCD increased the groundwater production fee rate from \$0.125 per 1,000 gallons to \$0.155 per 1,000 gallons, effective January 1, 2022.
8. Rio Concho requested a pass-through fee of \$0.17, which includes compensation for line loss of 11%, calculated in accordance with the pass-through equation in its approved tariff.
9. The application contained the affected CCN number, the affected subdivision, public water system name and corresponding number issued by the TCEQ, 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 contains the rates that will change if the application is approved.
10. In Order No. 10 filed on May 23, 2023, the administrative law judge (ALJ) found the application administratively complete.

Notice

11. On September 23, 2022, Rio Concho included with its application a copy of the proposed notice to customers.
12. On December 20, 2022, Rio Concho provided a copy of revised notice to customers.
13. On or about January 19, 2023, Rio Concho provided notice of its requested pass-through rate change to affected customers.
14. 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 Rio Concho 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."
15. In Order No. 5 filed January 27, 2023, the ALJ found the notice sufficient.

Eligibility for Pass-Through Rate Change

16. The proposed charge will pass-through only the actual costs charged to Rio Concho by NTGCD and does not duplicate costs otherwise charged to customers under the current tariff.

Tariff

17. Rio Concho's current NTGCD pass-through fee was approved by the Commission on June 29, 2022 in Docket No. 53494.¹
18. Rio Concho's current tariff prescribes a formula by which changes in pass-through fees are to be calculated.
19. On May 3, 2023, Commission Staff filed a proposed tariff as an attachment to its final recommendation. The proposed tariff reflects the approval of the proposed NTGCD pass-through gallonage charge increases.

Evidence

20. In Order No. 12 filed on June 30, 2023, the ALJ admitted the following evidence into the record:
- (a) Rio Concho's application for a pass-through rate change filed on September 23, 2022;
 - (b) Rio Concho's final corrections for pass-through water utility tariff filing filed on December 20, 2022;
 - (c) Commission Staff's recommendation on administrative completeness filed on January 11, 2023;
 - (d) Commission Staff's clarification on sufficiency of notice filed January 26, 2023; and
 - (e) Commission Staff's recommendation on the application and final recommendation filed on May 3, 2023.

¹ *Application of Rio Concho Aviation Water, LLC for a Class D Rate Adjustment*, Tariff Control No. 53494, Notice of Approval (Jun. 29, 2022).

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. Rio Concho 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.
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 Texas Water Code (TWC) § 13.041.
2. Rio Concho 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(38).
3. The Commission may approve this minor change to Rio Concho'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

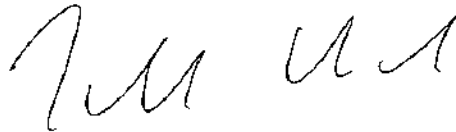
In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

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

1. The Commission approves the pass-through rate change from \$0.12 per 1,000 gallons to \$0.17 per 1,000 gallons, effective February 25, 2023, for Rio Concho's customers on its Rio Concho Aviation public water system.
2. The Commission approves the proposed tariff attached to Commission Staff's final recommendation filed on May 3, 2023.
3. Within ten days of the date this Notice of Approval is filed, Commission Staff must provide the Commission with a clean copy of the Rio Concho tariff to be stamped *Approved* and retained by Central Records.
4. If Rio Concho collects an amount as a result of this pass-through rate increase that is higher than the purchased water costs incurred, Rio Concho must refund any amounts collected in excess of the purchased water costs.
5. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 5th day of July 2023.

PUBLIC UTILITY COMMISSION OF TEXAS



JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE