



**Control Number: 54153**



**Item Number: 34**

APPLICATION OF OAK BEND §  
HOMEOWNERS' WATER SUPPLY §  
CORPORATION FOR AUTHORITY §  
TO CHANGE RATES §

PUBLIC UTILITY COMMISSION  
OF TEXAS

2023 SEP 28 PM 1:00  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**ORDER**

This Order addresses the application of Oak Bend Homeowner’s Water Supply Corporation for authority to change its water rates and associated tariff under certificate of convenience and necessity (CCN) number 11633. The Commission approves the proposed tariff and associated water rates filed by Commission Staff on June 16, 2023, to the extent provided in this Order.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant and Utility**

1. Oak Bend Homeowner’s Water Supply Corporation (Oak Bend) is a Texas non-profit corporation registered with the Texas secretary of state under filing number 0063325201.
2. Oak Bend owns and operates for compensation in Denton County facilities and equipment for the transmission, storage, distribution, sale, or provision of potable water to the public.
3. Oak Bend Property Owners Association holds CCN number 11633, and the utility provides retail water service for compensation to 29 active water connections.

**Application**

4. On September 27, 2022, Oak Bend filed an application to change its water rates and associated tariff for its service area in Denton County.
5. On November 29, 2022, and February 9, 2023, Oak Bend filed supplemental information to the application.
6. The application is based on a historical test year ending August 31, 2022, adjusted for known and measurable changes.

7. In Order No. 7 filed on February 27, 2023, the administrative law judge (ALJ) found the application administratively complete.

**Notice**

8. On November 29, 2022, Oak Bend filed the affidavit of Daphyne Miller, treasurer, attesting to the provision of notice to all customers, affected municipalities, affected parties, and the Office of Public Utility Counsel on November 25, 2022.
9. In Order No. 7 filed on February 27, 2023, the ALJ found the notice sufficient.

**Interventions and Rate Protests**

10. No motions to intervene were filed in this proceeding.
11. No ratepayers filed protests in this proceeding.

**Evidentiary Record**

12. In Order No. 11 filed on June 21, 2023, the ALJ admitted the following evidence into the record of this proceeding:
- a. Oak Bend's application and its attachments filed on September 27, 2022;
  - b. Affidavit of notice to customers filed on November 29, 2022;
  - c. Oak Bend's first supplement to the application filed on February 9, 2023;
  - d. Commission Staff's recommendation on administrative completeness and notice and proposed procedural schedule filed on February 24, 2023;
  - e. Commission Staff's recommendation on final disposition filed on May 16, 2023;
  - f. Commission Staff's supplemental recommendation on final disposition filed on May 26, 2023; and
  - g. the proposed tariff filed on June 16, 2023.

**Revenue Requirement and Rates**

13. In its application, Oak Bend requested a total revenue requirement of \$23,932 consisting of the following:

Description	Amount
Operating Expenses	\$23,932
Depreciation	\$0

Taxes other than Income Taxes	\$0
Federal Income Tax	\$0
Return on Rate Base	\$0
<b>Total</b>	<b>\$23,932</b>

14. Oak Bend's actual operating expenses are \$23,932.
15. Oak Bend did not request an overall rate of return.
16. On May 26, 2023, Commission Staff recommended a total revenue requirement of \$23,932 which is equal to Oak Bend's request.
17. In its application, Oak Bend requested the following rates:

<b>Meter Size: Residential</b>	<b>Minimum Monthly Charge includes 0 gallons</b>
5/8"	\$46.09
3/4"	\$69.14
1"	\$115.23
1 1/2"	\$230.45
2"	\$368.72

18. In its application, Oak Bend requested a volumetric charge of \$1.67 per 1,000 gallons of usage.
19. Commission Staff recommends approval of Oak Bend's monthly charge and gallonage rate.
20. The agreed minimum monthly charge and gallonage rates recommended by Commission Staff are just and reasonable.

**Return on Invested Capital**

21. In its application, Oak Bend did not request an overall rate of return on its invested capital.
22. Oak Bend provided a total rate base of \$0.00 in its rate change application.

**Rate-case Expenses**

23. Oak Bend did not request the recovery of any rate-case expenses in its application.

**Affiliate Expenses**

24. Oak Bend has no affiliates and, therefore, no affiliate transactions are included in its revenue requirement.

**Effective Date**

25. Oak Bend proposed an effective date of February 1, 2023.
26. In Order No. 2 filed on November 16, 2022, the ALJ suspended the effective date.

**Tariff Provisions**

27. Oak Bend did not request any changes to the terms and conditions of its tariff.
28. On June 16, 2023, Commission Staff filed a proposed tariff for Oak Bend Homeowner's Water Supply Corporation.

**Informal Disposition**

29. More than 15 days have passed since the completion of notice provided in this docket.
30. No person filed a protest or motion to intervene.
31. Oak Bend and Commission Staff are the only parties to this proceeding.
32. No party requested a hearing, and no hearing is needed.
33. Commission Staff recommended approval of the application.
34. 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 this proceeding under Texas Water Code (TWC) §§ 13.041, 13.181, 13.1871, and 13.1872(c)(2).
2. Oak Bend is a utility, public utility, and water utility, as those terms are defined in TWC § 13.002(23) and 16 Texas Administrative Code (TAC) § 24.3(38).
3. Oak Bend is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).
4. Oak Bend is a class D utility as defined in TWC § 13.002(4-d) and 16 TAC § 24.3(8) because it has less than 500 active water connections.
5. The Commission processed the application in accordance with the requirements of the TWC, Administrative Procedure Act,<sup>1</sup> and Commission rules.

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<sup>1</sup> Tex. Gov't Code §§ 2001.001-903.

6. Oak Bend provided notice of the application in compliance with TWC § 13.1871 and 16 TAC § 24.27(d)(1).
7. Oak Bend met its burden of proof under TWC § 13.184(c) and 16 TAC § 24.12 to show that the rates approved by this Order are just and reasonable.
8. The rates approved by this Order are just and reasonable in accordance with TWC § 13.182(a).
9. In accordance with TWC § 13.182(b), the rates approved by this Order are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each class of customers.
10. Oak Bend's operating expenses are reasonable and necessary under 16 TAC § 24.41(b).
11. As required by TWC § 13.183(a) and 16 TAC § 24.41(c)(1), the rates approved by this Order will permit Oak Bend a reasonable opportunity to recover its reasonable and necessary operating expenses and will preserve Oak Bend's financial integrity.
12. As required by TWC § 13.185(h), the rates approved by this Order do not include legislative advocacy expenses, the costs of processing a refund or credit, or any expenditure that is unreasonable, unnecessary, or not in the public interest.
13. The rates approved by this Order comply with 16 TAC § 24.43(b)(1) regarding conservation.
14. The Commission was not required to refer this proceeding to the State Office of Administrative Hearings under 16 TAC § 24.35(c)(2).
15. The requirements for informal disposition under 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 the rates in the proposed tariff filed by Commission Staff on June 16, 2023, effective the date of this Order.

2. The Commission directs that the Commission records be updated to be modified to identify Oak Bend Homeowner's Water Supply Corporation as the name of the utility that holds CCN number 11633.
3. Oak Bend must not file for an increase in base rates with an effective date that is sooner than 12 months after the date that this Order is signed.
4. Within ten days of the date of this Order, Commission Staff must provide the Commission with a clean copy of the tariff approved by this Order to be stamped *Approved* and retained by Central Records.
5. Within fourteen days of the date this Order is filed, Commission Staff must provide the Commission with a clean copy of the certificate for CCN number 11633 that complies with this Order, to be retained by Central Records.
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 28<sup>th</sup> day of September 2023.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
KATHLEEN JACKSON, INTERIM CHAIR

  
WILL MCADAMS, COMMISSIONER

  
LORI COBOS, COMMISSIONER

  
JIMMY GLOTFELTY, COMMISSIONER