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III. PROPOSED NOTICE OF APPROVAL

The Parties have agreed on the attached Joint Proposed Notice of Approval, which would grant approval of Midway's Pass-Through Rate Change Application. The Parties request that the ALJ adopt the proposed findings of fact, conclusions of law, and ordering paragraphs in the Joint Proposed Notice of Approval.

IV. CONCLUSION

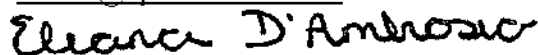
The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence, and that the attached Joint Proposed Notice of Approval be adopted.

Respectfully submitted,

SPENCER FANE, LLP

816 Congress Avenue
Suite 1200
Austin, TX 78701
Telephone: (512) 840-4550
Facsimile: (512) 840-4551

William A. Faulk, III
State Bar No. 24075674
cfaulk@spencerfane.com



Eleanor D'Ambrosio
State Bar No. 24097559
edambrosio@spencerfane.com
Taylor P. Denison
State Bar No. 24116344
tdenison@spencerfane.com

**ATTORNEYS FOR MIDWAY WATER
UTILITIES, INC.**

**PUBLIC UTILITY COMMISSION OF
TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

Margaux Fox
Managing Attorney

/s/ Markel Perkins

Markel Perkins
State Bar No. 24126428
1701 N. Congress Ave.
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7099
(512) 936-7268 (facsimile)
Markel.Perkins@puc.texas.gov

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on October 23, 2023, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

Eleanor D'Ambrosio

Eleanor D'Ambrosio

TARIFF CONTROL NO. 54943

APPLICATION OF MIDWAY WATER § PUBLIC UTILITY COMMISSION
 UTILITIES, INC. FOR A PASS- §
 THROUGH RATE CHANGE § OF TEXAS

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Midway Water Utilities, Inc. (Midway) for approval of a pass-through rate change due to an increase in fees charged by the City of Houston under its Groundwater Reduction Plan (GRP) for customers served by Midway's Mading Lane, North Belt Forest, West Montgomery, and Western Homes public water systems. The Commission approves the requested pass-through rate change, effective May 1, 2023.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Midway is a Texas limited partnership registered with the Texas secretary of state under filing number 111387200.
2. Midway provides water services under water certificate of convenience and necessity number 12087 in Harris County, Texas.
3. Midway provides water service to customers in the Mading Lane, North Belt Forest, West Montgomery, and Western Homes subdivisions through public water systems registered with the Texas Commission on Environmental Quality (TCEQ) under identification numbers 1010517, 1011999, 1010670, and 1010028, respectively.

Application

4. On April 28, 2023, Midway filed an application for approval of a pass-through rate change due to an increase in fees charged by the City of Houston under its GRP.
5. Midway seeks approval to change its water pass-through gallonage charge from \$1.02 to \$1.38 per 1,000 gallons, effective May 1, 2023.

6. The requested pass-through rate change is applicable to customers in the subdivisions served by Midway's Mading Lane, North Belt Forest, West Montgomery, and Western Homes public water systems.
7. The requested pass-through rate change includes compensation for line loss of 15%.
8. The application contained the affected CCN number, the affected subdivisions, the affected public water system names and corresponding identification numbers issued by the TCEQ, a copy of the notice to 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 Midway's tariff that contain the rates that will change if the application is approved.
9. In Order No. 4 filed on August 31, 2023, the administrative law judge (ALJ) found the application administratively complete.

Notfice

10. Midway mailed notice of the pass-through rate change to affected customers prior to the effective date of May 1, 2023. A copy of the notice was included with the Midway's application, filed on April 28, 2023.
11. 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 Midway for GRP fees, 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."
12. On May 30, 2023, Commission Staff filed a memorandum recommending that notice be revised and re-issued to clarify the proper name of the applicant.
13. On July 31, 2023, Midway filed a supplement to the application, confirming that a revised notice, as outlined in Commission Staff's May 30, 2023, memorandum, was mailed to all affected customers.
14. In Order No. 4 filed on August 31, 2023, the ALJ found the revised notice sufficient.

Jurisdiction

15. Midway is a retail public utility that serves customers located in areas included in the City of Houston's GRP.
16. Midway 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 Midway by the City of Houston and does not duplicate costs otherwise charged to customers under the current tariff.

Tariff

18. The current tariff for CCN number 12807 was approved by the Commission on June 30, 2021, in Docket No. 50895.¹
19. On September 28, 2023, Commission Staff filed a proposed tariff as an attachment to its final recommendation. The proposed tariff reflects an increase to Midway's pass-through gallonage charge and contains Midway's pass-through gallonage charge change provisions similar to the current tariff.

Evidentiary Record

20. On October 23, 2023, the parties jointly filed a motion to admit evidence.
21. In an Order No. ___ filed on _____, 2023, the ALJ admitted the following evidence into the record: (a) the application of Midway for a pass-through rate change, including all attachments, filed on April 28, 2023; (b) Midway's supplement to the application, filed on July 31, 2023; (c) Commission Staff's recommendation on administrative completeness, notice, and proposed procedural schedule, filed on August 30, 2023; and (d) Commission Staff's final recommendation, including all attachments, filed on September 28, 2023.

Informal Disposition

22. More than 15 days have passed since the completion of notice provided in this docket.

¹ *Application of Champs Water Company and Midway Water Utilities, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris and Montgomery Counties*, Docket No. 50895, Notice of Approval (Jun. 30, 2021).

23. No person filed a protest or motion to intervene.
24. Commission Staff and Midway 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. Midway is a retail public utility as defined in Texas Water Code (TWC) § 13.002(23) and 16 TAC § 24.3(38).
2. The Commission has jurisdiction over the application under TWC § 13.041.
3. The Commission may approve this minor change to Midway'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 the pass-through rate change for customers in the subdivisions served by the Mading Lane, North Belt Forest, West Montgomery, and Western Homes public water systems.
2. The Commission approves a pass-through rate of \$1.38 per 1,000 gallons for the City of Houston GRP fee, effective May 1, 2023.

² Tex. Gov't Code §§ 2001.001–903.

3. The Commission approves the tariff attached to Commission Staff's final recommendation filed on September 28, 2023.
4. Within ten days after the date of this Notice of Approval, Commission Staff must provide a clean copy of the tariff to Central Records to be marked *Approved* and filed in the Commission's tariff book.
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 _____ day of October, 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

ADMINISTRATIVE LAW JUDGE