



Filing Receipt

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7. The requested pass-through rate change includes compensation for line loss of 15%, calculated in accordance with the pass-through equation in Midway's approved tariff.
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.

Notice

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 groundwater reduction plan 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 July 31, 2023, Midway filed a supplement to the application, confirming that a revised notice was mailed to all affected customers.
13. In Order No. 4 filed on August 31, 2023, the ALJ found the revised notice sufficient.

Evidentiary Record

14. In Order No. 5 filed on October 25, 2023, the ALJ admitted the following evidence into the record of this proceeding:
 - a. Midway's application 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.

Eligibility for Pass-Through Rate Change

18. 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

19. The current tariff for CCN number 12807 was approved by the Commission on June 30, 2021, in Docket No. 50895.¹
20. Midway's tariff prescribes a formula by which changes in pass-through rates are to be calculated.
21. On September 28, 2023, Commission Staff filed a proposed tariff as an attachment to its final recommendation. The proposed tariff reflects approval of the City of Houston groundwater reduction plan pass-through rate increase beginning May 1, 2023.

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. Midway 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 *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 (June 30, 2021).

1. The Commission has authority over the application under Texas Water Code (TWC) § 13.041.
2. Midway is a retail public utility as defined in TWC § 13.002(23) and 16 TAC § 24.3(38).
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 Midway's requested pass-through rate change from \$1.02 per 1,000 gallons to \$1.38 per 1,000 gallons for customers in the subdivisions served by Midway's Mading Lane, North Belt Forest, West Montgomery, and Western Homes public water systems, to the extent provided in this Notice of Approval.
2. The Commission approves the tariff attached to the joint motion to admit evidence, filed on September 28, 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 Midway's tariff to be stamped *Approved* and retained by Central Records.
4. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

² Tex. Gov't Code §§ 2001.001–.903.

Signed at Austin, Texas the 31st day of October 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink that reads "Katie Moore Marx". The signature is written in a cursive style with a large initial 'K'.

KATIE MOORE MARX
ADMINISTRATIVE LAW JUDGE