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TARIFF CONTROL NO. 55047

**APPLICATION OF UNDINE TEXAS,
LLC FOR A PASS-THROUGH RATE
CHANGE**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**JOINT MOTION TO ADMIT EVIDENCE
AND PROPOSED NOTICE OF APPROVAL**

COMES NOW Undine Texas, LLC (Undine), together with the Staff (Staff) of the Public Utility Commission of Texas (Commission) (collectively, Parties), and files this Joint Motion to Admit Evidence and Proposed Notice of Approval. In support thereof, the Parties show the following:

I. BACKGROUND

On May 25, 2023, Undine filed an application under 16 Texas Administrative Code (TAC) § 24.25(b)(2) and Ordering Paragraph No. 6 of the Notice of Approval filed in Tariff Control No. 53209 for approval of a pass-through rate change (Application).¹ On June 28, 2023, the Administrative Law Judge (ALJ) issued Order No. 2 finding the Application administratively complete.² On July 24, 2023, Staff filed its Final Recommendation (Recommendation) recommending approval of the Application with significant modifications to Undine's requested line loss recoveries in the River Club Water Company subdivision.³

In Order No. 3, the ALJ required the Parties to file a joint motion to admit evidence, proposed findings of fact, conclusions of law, and ordering paragraphs by August 23, 2023.⁴ Therefore, this pleading is timely filed.

¹ *Application of Undine Texas, LLC for a Pass Through Rate Change*, Tariff Control No. 53209, Notice of Approval at 6 (Oct. 19, 2022).

² Order No. 2—Finding Application Complete, Notice Sufficient, and Establishing Procedural Schedule (Jun. 28, 2023).

³ Commission Staff's Final Recommendation, Memorandum of Kathryn Eiland (Memorandum) at 2. (Jul. 24, 2023).

⁴ Order No. 3-- Granting Extension Request (Aug. 11, 2023).

II. JOINT MOTION TO ADMIT EVIDENCE

The Parties respectfully request that the following documents be admitted into evidence in this proceeding for the purpose of supporting a Commission notice of approval or final order consistent with the Parties' agreement.

1. Undine's Application for a Pass Through Rate Change, and all attachments thereto, filed on May 25, 2023;
2. Commission Staff's Recommendation on Sufficiency, Notice, and Procedural Schedule, filed on June 26, 2023;
3. Commission Staff's Final Recommendation, and all attachments thereto, filed on July 24, 2023; and
4. Undine Texas, LLC Letter Regarding Effective Date, filed on August 22, 2023.

III. PROPOSED NOTICE OF APPROVAL

The Parties request that the attached Joint Proposed Notice of Approval be adopted.

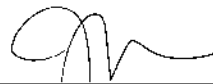
IV. CONCLUSION

The Parties have agreed that Undine is authorized to file this pleading on their behalf. Therefore, the Parties request that the Commission grant the Joint Motion to Admit Evidence and adopt the Proposed Notice of Approval.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

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ATTORNEYS FOR UNDINE TEXAS, LLC

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 August 23, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.



JAMIE L. MAULDIN

TARIFF CONTROL NO. 55047

**APPLICATION OF UNDINE TEXAS,
LLC FOR A PASS-THROUGH RATE
CHANGE**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Undine Texas, LLC for a pass-through rate change for customers in the Porter Terrace, Spring Forest, Hazy Hollow East Estates, and River Club Water Company subdivisions. The Commission approves Undine's application for a pass-through rate change to the extent provided in this Notice of Approval.

I. FINDINGS OF FACT

The Commission makes the following findings of fact.

Applicant

1. Undine is a Delaware limited liability corporation registered with the Texas Secretary of State under filing No. 802339329.
2. Undine provides retail water service under certificate of convenience and necessity (CCN) number 13260 in Harris and Montgomery counties, among others.

Application

3. On May 25, 2023, Undine filed the application at issue in this proceeding.
4. In its application, Undine seeks an adjustment to the pass-through clause in its approved tariff for certain subdivisions. Specifically, Undine seeks to increase the pass-through fees in its Porter Terrace, Spring Forest, Hazy Hollow East Estates, and River Club Water Company subdivisions. The requested changes are the result of changes in actual line losses, or the result of a combination of a change in line loss and an increase in the Groundwater Reduction Plan (GRP) fee charged by the San Jacinto River Authority (SJRA).
5. The proposed pass-through rate changes will adjust Undine's pass-through rates for customers, effective June 1, 2023, as follows:

Subdivision	Current Rate	Requested Rate	Approved Rate	Line Loss Percentage
Porter Terrace	\$3.48	\$4.15	\$4.15	.2801 (actual)
Spring Forest	\$3.83	\$4.09	\$4.09	.2695 (actual)
Hazy Hollow East Estates	\$3.80	\$4.48	\$4.48	.3324 (actual)
River Club Water Company	\$4.19	\$8.17	\$4.49	.3333 (average)

6. The application contained the affected CCN number, the affected subdivisions, the affected public water system names and corresponding numbers issued by the Texas Commission on Environmental Quality, 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 contain the rates that will change if the utility's application is approved.
7. On June 26, 2023, Staff filed recommendations regarding Undine's application and notice.
8. In Order No. 2 filed on June 28, 2023, the administrative law judge (ALJ) found the Application administratively complete.
9. On July 24, 2023, Staff filed a Final Recommendation recommending approval of the Application with significant modifications to Undine's requested line loss recoveries in the River Club Water Company subdivision.

Notice

10. On or about May 26, 2023, Undine provided notice of the pass-through rate change to affected customers.
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 Undine 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 (TAC) § 24.25. The cost to you as a result of this change will not exceed the costs charged to your utility."
12. In Order No. 2 filed on June 28, 2023, the ALJ found the notice sufficient.

Jurisdiction

13. Undine is a utility that purchases water.
14. Undine is under the original jurisdiction of the Commission.

Eligibility for Pass-Through Rate Change

15. The proposed charge will pass through only the actual costs charged to Undine by its suppliers and does not duplicate costs otherwise charged to customers under the current tariff.

Tariff

16. Undine's current pass-through fees for Porter Terrace and Spring Forest subdivisions were approved by the Commission on May 11, 2021, in Tariff Control No. 51788.¹
17. Undine's current pass-through fees for Hazy Hollow East Estates and River Club Water Company subdivisions were approved by the Commission on October 19, 2022, in Tariff Control No. 53209.²
18. On July 24, 2023, Commission Staff filed a proposed tariff for this case as an attachment to its Final Recommendation on the application.

Evidence

19. In Order No. ____ filed on _____, 2023, the ALJ admitted the following evidence into the record of this proceeding:
 - a. Undine's Application for a Pass Through Rate Change, and all attachments thereto, filed on May 25, 2023;
 - b. Commission Staff's Recommendation on Sufficiency, Notice, and Procedural Schedule, filed on June 26, 2023;
 - c. Commission Staff's Final Recommendation, and all attachments thereto, filed on July 24, 2023; and
 - d. Undine Texas, LLC Letter Regarding Effective Date, filed on August 22, 2023.

Informal Disposition

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

¹ *Application of Undine Texas, LLC for a Pass Through Rate Change*, Tariff Control No. 51788, Notice of Approval, (May 11, 2021).

² *Application of Undine Texas, LLC for a Pass Through Rate Change*, Tariff Control No. 53209, Notice of Approval, (Oct. 19, 2022).

21. No person filed a protest or motion to intervene.
22. Undine and Commission Staff are the only parties to this proceeding.
23. No party requested a hearing and no hearing is needed.
24. Commission Staff recommended approval of the application as modified in Commission Staff's Final Recommendation.
25. 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. Undine is a retail public utility as defined in TWC § 13.002(19) and 16 Texas Administrative Code (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 Undine'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,³ 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, effective June 1, 2023, the following pass-through rates for customers in the Porter Terrace, Spring Forest, Hazy Hollow East Estates, and River Club Water Company subdivisions:

³ Tex. Gov't Code §§ 2001.001-.903.

Subdivision	Current Rate	Requested Rate	Approved Rate	Line Loss Percentage
Porter Terrace	\$3.48	\$4.15	\$4.15	.2801 (actual)
Spring Forest	\$3.83	\$4.09	\$4.09	.2695 (actual)
Hazy Hollow East Estates	\$3.80	\$4.48	\$4.48	.3324 (actual)
River Club Water Company	\$4.19	\$8.17	\$4.49	.3333 (average)

2. The Commission approves the proposed tariff, as modified by the Final Recommendation, filed by Commission Staff on July 24, 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 Undine's tariff to be stamped *Approved* and retained by Central Records.
4. If Undine collects an amount as a result of this pass-through rate increase that is higher than the purchased water costs incurred, Undine must refund any amounts collected in excess of the purchased water costs.
5. Undine is required to file an application for a pass-through rate change within one year of the date of this Notice of Approval so that the pass-through rates can be adjusted to incorporate any reductions in line loss Undine is able to achieve during that time.
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 _____ day of _____, 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

SUSAN E. GOODSON
ADMINISTRATIVE LAW JUDGE