



## **Filing Receipt**

**Filing Date - 2023-08-04 10:01:10 AM**

**Control Number - 55198**

**Item Number - 3**

**DOCKET NO. 55198**

**APPLICATION OF KERR COUNTY § PUBLIC UTILITY COMMISSION  
WATER SYSTEMS LLC FOR A CLASS §  
D RATE ADJUSTMENT § OF TEXAS**

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE  
COMPLETENESS AND FINAL DISPOSITION**

**I. INTRODUCTION**

On July 5, 2023, Kerr County Water Systems, LLC (Kerr County Water) filed an application for a class D rate adjustment under Texas Water Code (TWC) § 13.1872 and 16 Texas Administrative Code (TAC) § 24.49. Kerr County Water holds certificate of convenience and necessity (CCN) number 13166 and indicates there are 93 active water connections. Kerry County Water seeks to increase its current water base rate by 5%.

On July 6, 2023, the administrative law judge (ALJ) filed Order No. 1, directing the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) to file comments on the administrative completeness of the application and notice by August 4, 2023. Along with Staff comments, Order No. 1 also directed Staff to file a recommendation on final disposition by August 4, 2023. Therefore, this pleading is timely filed.

**II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS**

Staff has reviewed the application and as detailed in the attached memorandum from James Onyeneke of the Rate Regulation Division, Staff recommends that it is administratively complete. Kerr County Water submitted an application using the Commission's approved form and filed its application in the quarter that corresponds with the last two digits of its CCN, as required by 16 TAC § 24.49(f)(2).

**III. RECOMMENDATION ON FINAL DISPOSITION**

Under TWC § 13.1872 and 16 TAC § 24.49, the Commission may approve a Class D utility's request for a rate adjustment of no more than five percent without a hearing. As described in the memorandum, Mr. Onyeneke completed a technical review of the application and recommends approval of the increase in Kerr County Water's water rates. Staff has confirmed that the increase was calculated correctly and has attached a revised tariff reflecting the requested rate adjustment to this pleading to be provided to Kerr County Water.

**IV. NOTICE**

Staff recommends that Kerr County Water issue notice of the rate adjustment using the notice attached to this pleading and in compliance with the following deadlines:

Event	Deadline
Deadline for Kerr County to provide notice to customers	September 20, 2023
Effective Date of rate adjustment	October 20, 2023

**V. CONCLUSION**

For the reasons detailed above, Staff recommends that the application be found administratively complete and that Kerr County Water’s rate adjustment be approved. Staff further recommends that Kerr County Water provide notice of the rate increase using only the notice provided by and approved by Staff by September 20, 2023, to be effective on October 20, 2023. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: August 4, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Marisa Lopez Wagley  
Division Director

/s/ Dylan King  
Dylan King  
State Bar No. 24131431  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7299  
(512) 936-7268 (facsimile)  
Dylan.King@puc.texas.gov

**DOCKET NO. 55198**

**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on August 4, 2023, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Dylan King  
Dylan King

# *Public Utility Commission of Texas*

---

## **Memorandum**

**TO:** Dylan King, Attorney  
Legal Division

**FROM:** James Onyeneke, Regulatory Accountant  
Rate Regulation Division

**DATE:** August 4, 2023

**RE:** Docket No. 55198 – *Application of Kerr County Water Systems LLC for a Class D Rate Adjustment*

---

On July 5, 2023, Kerr County Water Systems, LLC (Kerr County Water) filed an application for a Class D rate adjustment. Under Texas Water Code (TWC) § 13.1872 and 16 Texas Administrative Code (TAC) § 24.49, a Class D utility may request an annual increase to its tariffed rates, under certain conditions described below.

***The requested increase may be implemented no more than once per calendar year.<sup>1</sup>***

Kerr County Water holds certificate of convenience of necessity number 13166 for water and no active sewer connections. Kerr County Water’s last requested increase was approved on Docket No. 53550.

***An increase may not be granted more than four times between rate proceedings described under TWC § 13.1871.<sup>2</sup>***

This application represents Kerr County Water’s second Class D rate adjustment request between base rate proceedings.

***The requested annual increase may be no more than five percent.<sup>3</sup>***

Kerr County Water requests approval to increase its current water and sewer base rates by 5%.

The following table includes Kerr County Water’s current and my recommended minimum monthly water charges by meter size and my recommended gallonage charges for Kerr County Water (PWS ID #1700478):

---

<sup>1</sup> TWC § 13.1872(f); 16 TAC § 24.49(g).

<sup>2</sup> TWC § 13.1872(f); 16 TAC § 24.49(g).

<sup>3</sup> TWC § 13.1872(e)(2); 16 TAC § 24.49(c)(1).

<b>Meter Size Includes 0 gallons</b>	<b>Current Minimum Monthly Charge</b>	<b>Staff Recommended Minimum Monthly Charge</b>
5/8"	<b>\$25.01</b>	<b>\$26.26</b>
3/4"	<b>\$37.52</b>	<b>\$39.40</b>
1"	<b>\$62.53</b>	<b>\$65.66</b>
1 1/2"	<b>\$125.06</b>	<b>\$131.31</b>
2"	<b>\$200.09</b>	<b>\$210.09</b>
3"	<b>\$375.17</b>	<b>\$393.93</b>
4"	<b>\$624.28</b>	<b>\$655.49</b>
<b>Gallonge Charge Per 1,000 gallons over the minimum</b>	<b>Current Gallonge Rate (per 1,000 gallons)</b>	<b>Staff Recommended Gallonge Rate (per 1,000 gallons)</b>
	<b>\$3.17</b>	<b>\$3.33</b>

**Notice must be sent at least 30 days before the effective date of the proposed rate adjustment.<sup>4</sup>**

I completed the Notice of Approved Utility Rate Adjustment, which includes the information required by 16 TAC § 24.49(f)(2). My recommended proposed notice lists September 20, 2023 as the date notice will be provided and October 20, 2023 as the effective date of the proposed rate adjustment.

Based upon my review of the application, I recommend that:

1. The application be found administratively complete and sufficient for CCN number 13166;
2. The rate adjustment be approved as presented in my recommendation and with an effective date that coincides with Kerr County Water's billing cycle;
3. Kerr County Water provide my recommended notice to customers as required by TWC § 13.1872(c)(1) after receiving a written order approving its application and at least 30 days before the effective date of my recommended rate adjustment;
4. The attached tariff be approved; and
5. Commission staff provide a copy of the approved tariff to Kerr County Water.

cc:

Anna Givens, Director of Financial Review, Rate Regulation Division

Marisa Wagley, Legal Division Director

<sup>4</sup> TWC § 13.1872(c)(1), (c)(1); 16 TAC § 24.29(f)(1).