



Control Number: 56864



Item Number: 11

# **OPEN MEETING COVER SHEET COMMISSIONER MEMORANDUM**

**MEETING DATE:** January 16, 2025

**DATE DELIVERED:** January 15, 2025

**AGENDA ITEM NO.:** 22

**CAPTION:** Docket No. 56864 – Application of Gideon Water  
LLC for Tariff Revisions


**DESCRIPTION:** Chairman Thomas Gleeson Memorandum

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Commissioner Kathleen Jackson  
Commissioner Courtney K. Hjaltman

**FROM:** Chairman Thomas J. Gleeson 

**DATE:** January 15, 2025

**RE:** January 16, 2025 Open Meeting – Item No. 22  
Docket No. 56864 – *Application of Gideon Water LLC for Tariff Revisions*

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Before the Commission is a proposed order recommending approval of Gideon Water LLC's request, under 16 Texas Administrative Code (TAC) § 24.25(b)(3), for a tariff revision. Gideon requests to revise its water tariff to reflect that 0 gallons of water are included in its monthly minimum charge. I would instead deny the requested tariff modification and modify the order as shown in the redlined document attached to this memorandum.

The revision sought here would, on its face, change the number of gallons that are included in the monthly minimum charge. As a retail public utility and a Class D utility, Gideon may not make such a change to its rates except by filing an application for a rate adjustment under Texas Water Code (TWC) § 13.1872. I note that Gideon, as a retail public utility that is operating under the tariff that was first approved in Docket No. 53485, is also required, under 16 TAC § 24.25(b)(1)(c), to file an application for a rate change within 18 months of the date Gideon began providing service.<sup>1</sup>

In addition to making changes to the order consistent with the above, the Commission should delegate to the Office of Policy and Docket Management staff the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.

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<sup>1</sup> 16 TAC § 24.25(b)(1)(c) provides in part, "A person under the original rate jurisdiction of the commission who has obtained an approved tariff for the first time must file a rate change application within 18 months from the date service begins to revise its rates to be based on a historic test year. . . . A Class D utility must file a rate change application under TWC §13.1872(c)(2) to satisfy the requirements of this subparagraph[;]" Docket No. 53485, *Application of Gideon Water LLC for a Certificate of Convenience and Necessity in Montgomery County*, Notice of Approval at Finding of Fact No. 46, Conclusion of Law No. 15, and Ordering Paragraph 8 (July 31, 2023).

**DOCKET NO. 56864**

**APPLICATION OF GIDEON WATER     §     PUBLIC UTILITY COMMISSION  
LLC FOR TARIFF REVISIONS     §  
   §     OF TEXAS**

**~~PROPOSED ORDER~~**

This Order addresses the application of Gideon Water LLC for a tariff revision under 16 Texas Administrative Code (TAC) § 24.25(b)(3). Gideon Water seeks approval to change its tariff to reflect that zero gallons are included in its monthly minimum charge. The Commission ~~approves the tariff revision, to the extent provided in this Order~~ denies the request because, as a retail public utility, Gideon Water may not make the proposed change to the number of gallons that are included in the monthly minimum charge except by filing an application for a rate adjustment under Texas Water Code (TWC) § 13.1872.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. Gideon Water is a Texas limited liability company registered with the Texas secretary of state under filing number 804431999.
2. Gideon Water operates, maintains, and controls facilities for providing potable water service for compensation in Montgomery County under certificate of convenience and necessity number 13304.

**Application**

3. On July 24, 2024, Gideon Water filed the application at issue in this proceeding.
4. In the application, Gideon Water requests approval of a revision to its tariff to reflect that zero gallons are included in its monthly minimum charge.
5. The proposed tariff revision is intended to remove what Gideon Water and Commission Staff have represented is an inadvertent error in the tariff approved in Docket No. 53485.<sup>1</sup>

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<sup>1</sup> *Application of Gideon Water LLC for a Certificate of Convenience and Necessity in Montgomery County*, Docket No. 53485, Notice of Approval at ~~Water Utility~~ at Water Tariff Page No. 2 (July 31, 2023).

Gideon Water's tariff incorrectly specifies that the monthly minimum charge includes 10,000 gallons of usage by a customer.

6. In Order No. 2 filed on August 27, 2024, the administrative law judge (ALJ) found the application administratively complete.

**Notice**

7. In Order No. 3 filed on September 30, 2024, the ALJ found that notice of the application was not required.

**Evidentiary Record**

8. In Order No. 4 filed on October 28, 2024, the ALJ admitted the following evidence into the record of this proceeding:
  - a. The application of Gideon Water LLC for tariff revisions filed on July 24, 2024;
  - b. Commission Staff's recommendation on sufficiency of the application, notice, and proposed procedural schedule filed on August 26, 2024;
  - c. Gideon Water's response to Order No. 2 filed on September 4, 2024;
  - d. Commission Staff's recommendation on Gideon Water LLC's response to Order No. 2 and final recommendation filed on September 19, 2024; and
  - e. The proposed final tariff attached to the joint motion to admit evidence filed on October 7, 2024.

**Tariff**

9. Gideon Water's current water tariff was approved by the Commission on July 31, 2023 in Docket No. 53485.<sup>2</sup>
10. The water tariff that was approved in Docket No. 53485 provides in part that the monthly minimum charge "includes 10,000 gallons all meters."
11. In this proceeding, Gideon proposes to change its tariff to provide in part that the monthly minimum charge "includes 0 gallons all meters."

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<sup>2</sup> *Id.*, Notice of Approval.

10.12. The parties agree that Gideon Water's minimum monthly charge and gallonage rates should be as follows:

Meter Size	Current Minimum Monthly Charge (includes 0 gallons)
5/8"	\$50.00
3/4"	\$50.00
1"	\$125.00
1 1/2"	\$200.00
2"	\$400.00
3"	\$750.00
4"	\$1,500.00

Usage	Gallonage Rate (per 1,000 gallons)
0 to 10,000 gallons	\$3.50
10,001+ gallons	\$5.00

11.13. On October 7, 2024, the parties filed a proposed tariff as an attachment to the joint motion to admit evidence and proposed notice of approval. The proposed tariff reflects that zero gallons are included in the monthly minimum charge.

**Informal Disposition**

12. — No notice of this proceeding was required.
13. — No person filed a protest or motion to intervene.
14. — Gideon Water and Commission Staff are the only parties to this proceeding.
15. — No party requested a hearing, and no hearing is needed.
16. — Commission Staff recommended approval of the application.
17. — 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. Gideon Water is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).
3. Gideon Water may not make the requested changes to its rates except by filing an application for a rate adjustment under TWC § 13.1872.
4. Gideon Water's application to change its rates should be denied because Gideon Water is not seeking a rate adjustment under TWC § 13.1872.
- ~~2. Notice of the tariff revision was not required under 16 TAC § 24.25(b)(3)(A).~~
- ~~3. The application meets the requirements of 16 TAC § 24.25.~~
- 4.5. The Commission processed the application as required by the TWC, the Administrative Procedure Act,<sup>3</sup> and Commission rules.
- 5.6. 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 denies the requested tariff revision, effective the date of this Order.~~
- ~~2. The Commission approves the tariff attached to this Order.~~
- 3.1. Within ten days after the date of this Order, Commission Staff must provide the Commission with a clean copy of Gideon Water's tariff approved by this Order to be stamped *Approved* and retained by Central Records.
- 4.2. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

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<sup>3</sup> Tex. Gov't Code §§ 2001.001–.903.

Signed at Austin, Texas the \_\_\_\_\_ day of \_\_\_\_\_ 20254.

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**THOMAS J. GLEESON, CHAIRMAN**

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**LORI COBOS, COMMISSIONER**

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**JIMMY CLOTFELTY, COMMISSIONER**

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**KATHLEEN JACKSON, COMMISSIONER**

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**COURTNEY K. HJALTMAN, COMMISSIONER**