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TARIFF CONTROL NO. 57016

APPLICATION OF QUADVEST, LP § PUBLIC UTILITY COMMISSION
FOR A PASS-THROUGH RATE §
CHANGE § OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Quadvest, LP for approval of a pass-through rate changes related to an increase in the fees billed by the Bluebonnet Groundwater Conservation District (BGCD), Fort Bend Subsidence District (FBSD), and a decrease in the fees billed by the San Jacinto River Authority (SJRA) and Lone Star Groundwater Conservation District (LSGCD). The Commission approves the requested pass-through rate change with effective dates of September 1, 2024, for SJRA/LSGCD and FBSD, and October 1, 2024, for BGCD, to the extent provided in this Notice of Approval. In addition, the Commission approves the request to add Vacek Pointe to the Fort Bend Subsidence District to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Quadvest is a Texas limited partnership registered with the Texas secretary of state under filing number 800539284.
2. Quadvest operates, maintains, and controls facilities for providing retail water service for compensation in its certificated area in multiple counties under certificate of convenience and necessity (CCN) number 11612.
3. Quadvest provides water service to the following subdivisions through public water systems (PWS) registered with the Texas Commission on Environmental Quality (TCEQ):

Subdivision	PWS ID Number	County	Subsidence District
Benders Landing	1700678	Montgomery	SJRA/LSGCD
Benders Landing Estates	1700678	Montgomery	SJRA/LSGCD
Campwood	1700624	Montgomery	SJRA/LSGCD

Canterbury Ranch	1700624	Montgomery	SJRA/LSGCD
Clear Creek Forest	1700576	Montgomery	SJRA/LSGCD
Creeside Village	1700742	Montgomery	SJRA/LSGCD
Decker Oaks Estates	1700605	Montgomery	SJRA/LSGCD
Estates of Clear Creek	1700576	Montgomery	SJRA/LSGCD
Indigo Lake Estates	1700576	Montgomery	SJRA/LSGCD
Jacobs Reserve	1700609	Montgomery	SJRA/LSGCD
Lake Windcrest	1700624	Montgomery	SJRA/LSGCD
Lone Star Ranch	1700655	Montgomery	SJRA/LSGCD
McCall Sound	1700763	Montgomery	SJRA/LSGCD
Montgomery Trace	1700577	Montgomery	SJRA/LSGCD
Mostyn Manor	1700669	Montgomery	SJRA/LSGCD
Mostyn Springs	1700669	Montgomery	SJRA/LSGCD
Northcrest Ranch	1700623	Montgomery	SJRA/LSGCD
Red Oak Ranch	1700609	Montgomery	SJRA/LSGCD
Sawmill Estates	1700576	Montgomery	SJRA/LSGCD
Sendera Ranch	1700577	Montgomery	SJRA/LSGCD
Sierra Woods	1700624	Montgomery	SJRA/LSGCD
Sonoma Ridge	1700763	Montgomery	SJRA/LSGCD
Summerset Estates	1700655	Montgomery	SJRA/LSGCD
Village of Decker Oaks	1700605	Montgomery	SJRA/LSGCD
Windcrest Farms	1700577	Montgomery	SJRA/LSGCD
Freeman Ranch	2370123	Waller	BGCD
Lake House	2370111	Waller	BGCD
Texas Grand Ranch	2360088	Walker	BGCD
Trails at Cochran Ranch	2370142	Waller	BGCD
Vacek Country Meadow	790580	Fort Bend	FBSD
Vacek Pointe	790580	Fort Bend	FBSD

Application

4. On August 28, 2024, Quadvest filed the application at issue in this proceeding.

5. In its application, Quadvest requested approval of an adjustment to the pass-through rate in its approved tariff for certain subdivisions subject to pass-through rates from BGCD, FBSD, and SRJA.
6. Quadvest also requested to add the Vacek Pointe subdivision to the FBSD.
7. Quadvest's requested increase from \$.00 to \$.02 per one thousand gallons for the FBSD subdivisions of Vacek Country Meadow and Vacek Pointe includes compensation for line loss of 0.0% and is due to increases scheduled for September 1, 2024 in the fees charged to Quadvest by its supplier FBSD.
8. Quadvest's requested increase from \$.06 per one thousand gallons to \$.07 per one thousand gallons for the BGCD subdivisions of Freeman Ranch, Texas Grand Ranch, and Trails at Cochran Ranch includes compensation for line loss of 4.5% and is due to increases scheduled for October 1, 2024 in the fees charged to Quadvest by its supplier BGCD.
9. Quadvest's requested increase from \$.06 per one thousand gallons to \$.07 per one thousand gallons for the Lake House subdivision, which has a separate tariff, includes compensation for line loss of 2.6% and is due to increases scheduled for October 1, 2024 in the fees charged to Quadvest by its supplier BGCD.
10. Quadvest requests the following pass-through rate changes for the BGCD subdivisions:

Subdivision	Subsidence District Name	Current Pass Through Fee per 1,000 Gallons	Proposed Pass Through Fee per 1,000 gallons	Proposed Effective Date
Freeman Ranch PWS # 2370123	BGCD	\$0.06	\$0.07	10/1/24
Lake House, has separate tariff PWS # 2370111	BGCD	\$0.06	\$0.07	10/1/24
Texas Grand Ranch PWS # 2360088	BGCD	\$0.06	\$0.07	10/1/24
Trails at Cochran Ranch PWS # 2370142	BGCD	\$0.06	\$0.07	10/1/24

11. Quadvest requests the following pass-through rate changes for the FBSD subdivisions:

Subdivision	Subsidence District Name	Current Pass Through Fee per 1,000 Gallons	Proposed Pass Through Fee per 1,000 gallons	Proposed Effective Date
Vacek Country Meadow PWS # 0790580	FBSD	\$0.00	\$0.02	9/1/24
Vacek Pointe PWS # 0790580	FBSD	N/A	\$0.02	9/1/24

12. Quadvest's requested decrease in its pass-through rate from \$3.14 to \$2.77 for the SJRA subdivisions is due to decreases scheduled for September 1, 2024 in the fees charged to Quadvest by its supplier SJRA.

13. The proposed pass-through rate change will adjust Quadvest's pass-through rates for customers of the following SJRA subdivisions, effective September 1, 2024:

Subdivision	Subsidence District Name	Current Pass Through Fee per 1,000 Gallons	Proposed Pass Through Fee per 1,000 gallons	Proposed Effective Date
Benders Landing PWS # 1700678	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Benders Landing Estates PWS # 1700678	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Campwood PWS # 1700624	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Canterbury Ranch PWS # 1700624	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Clear Creek Forest PWS # 1700576	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Creeside Village PWS # 1700742	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Decker Oaks Estates PWS # 1700605	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Estates of Clear Creek PWS # 1700576	SJRA/LSGCD	\$3.14	\$2.77	9/1/24

Indigo Lake Estates PWS # 1700576	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Jacobs Reserve PWS # 1700609	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Lake Windcrest PWS # 1700624	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Lone Star Ranch PWS # 1700655	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
McCall Sound PWS # 1700763	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Montgomery Trace PWS # 1700577	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Mostyn Manor PWS # 1700669	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Mostyn Springs PWS # 1700669	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Northcrest Ranch PWS # 1700623	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Red Oak Ranch PWS # 1700609	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Sawmill Estate PWS # 1700576	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Sendera Ranch PWS # 1700577	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Sierra Woods PWS # 1700624	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Sonoma Ridge PWS # 1700763	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Summerset Estates PWS # 1700655	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Village of Decker Oaks PWS # 1700605	SJRA/LSGCD	\$3.14	\$2.77	9/1/24
Windcrest Farms PWS # 1700577	SJRA/LSGCD	\$3.14	\$2.77	9/1/24

14. The application contains the affected CCN number, the affected subdivisions, the affected public water system names and corresponding 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 used to determine the new pass-through rates, and a copy of the pages of the

utility's tariff that contain the rates that will change if the utility's pass-through rate changes are approved.

15. In Order No. 2 filed on October 1, 2024, the administrative law judge (ALJ) found the application administratively complete.

Notice

16. On or about August 23, 2024, Quadvest provided notice of the requested pass-through rate change to affected customers.
17. 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 Quadvest 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."
18. In Order No. 2 filed on October 1, 2024, the ALJ found the notice sufficient.

Evidentiary Record

19. In Order No. 4 filed on January 15, 2025, the ALJ admitted the following evidence into the record of this proceeding:
 - a. Quadvest's application and all attachments filed on August 28, 2024;
 - b. Commission Staff's recommendation on administrative completeness and notice and proposed procedural schedule filed on September 30, 2024; and
 - c. Commission Staff's final recommendation and all attachments filed on November 14, 2024.

Tariff

20. Quadvest's current pass-through fees for BGCD were approved by the Commission on July 25, 2024 in Tariff Control No. 56432.¹

¹ *Application of Quadvest LP for a Pass-Through Rate Change*, Tariff Control No. 56432, Notice of Approval (July 25, 2024).

21. Quadvest's current pass-through fee for BCGD in the Lake House subdivision was approved by the Commission on July 25, 2024 in Tariff Control No. 56432.
22. Quadvest currently has no pass-through fees for FBSD.
23. Quadvest's current pass-through fee for SJRA was approved by the Commission on May 1, 2023 in Tariff Control No. 54009.²
24. On November 14, 2024, Commission Staff filed its final recommendation, which included a proposed tariff that reflects the proposed pass-through rate changes.

Eligibility for Pass-Through Rate Changes

25. The proposed charges will pass through only the actual costs charged to Quadvest by BCGD, FBSD, and SJRA and does not duplicate costs otherwise charged to customers under the current tariff.

Informal Disposition

26. More than 15 days have passed since the completion of notice provided in this docket.
27. No person filed a protest or motion to intervene.
28. Quadvest and Commission Staff are the only parties to this proceeding.
29. No party requested a hearing, and no hearing is needed.
30. Commission Staff recommended approval of the application.
31. 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. Quadvest is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31), and a utility as defined by TWC § 13.002(23) and 16 TAC § 24.3(38).

² *Application of Quadvest LP for a Pass-Through Rate Change*, Tariff Control No. 54009, Notice of Approval (May 1, 2023).

3. The Commission may approve this minor change to Quadvest'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).
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 September 1, 2024, the request to add the Vacek Pointe subdivision to the FBSD.
2. The Commission approves, effective September 1, 2024, the following pass-through rates for customers in the following subdivisions:

Subdivision	Subsidence District Name	Pass Through Fee per 1,000 Gallons
Benders Landing PWS # 1700678	SJRA/LSGCD	\$2.77
Benders Landing Estates PWS # 1700678	SJRA/LSGCD	\$2.77
Campwood PWS # 1700624	SJRA/LSGCD	\$2.77
Canterbury Ranch PWS # 1700624	SJRA/LSGCD	\$2.77
Clear Creek Forest PWS # 1700576	SJRA/LSGCD	\$2.77
Creeside Village PWS # 1700742	SJRA/LSGCD	\$2.77

³ Tex. Gov't Code §§ 2001.001-.903.

Decker Oaks Estates PWS # 1700605	SJRA/LSGCD	\$2.77
Estates of Clear Creek PWS # 1700576	SJRA/LSGCD	\$2.77
Indigo Lake Estates PWS # 1700576	SJRA/LSGCD	\$2.77
Jacobs Reserve PWS # 1700609	SJRA/LSGCD	\$2.77
Lake Windcrest PWS # 1700624	SJRA/LSGCD	\$2.77
Lone Star Ranch PWS # 1700655	SJRA/LSGCD	\$2.77
McCall Sound PWS # 1700763	SJRA/LSGCD	\$2.77
Montgomery Trace PWS # 1700577	SJRA/LSGCD	\$2.77
Mostyn Manor PWS # 1700669	SJRA/LSGCD	\$2.77
Mostyn Springs PWS # 1700669	SJRA/LSGCD	\$2.77
Northcrest Ranch PWS # 1700623	SJRA/LSGCD	\$2.77
Red Oak Ranch PWS # 1700609	SJRA/LSGCD	\$2.77
Sawmill Estate PWS # 1700576	SJRA/LSGCD	\$2.77
Sendera Ranch PWS # 1700577	SJRA/LSGCD	\$2.77
Sierra Woods PWS # 1700624	SJRA/LSGCD	\$2.77
Sonoma Ridge PWS # 1700763	SJRA/LSGCD	\$2.77
Summerset Estates PWS # 1700655	SJRA/LSGCD	\$2.77
Village of Decker Oaks PWS # 1700605	SJRA/LSGCD	\$2.77
Windcrest Farms PWS # 1700577	SJRA/LSGCD	\$2.77
Vacek Country Meadow PWS # 790580	FBSD	\$0.02
Vacek Pointe PWS # 790580	FBSD	\$0.02

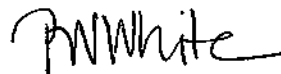
3. The Commission approves, effective October 1, 2024, the following pass-through rates for customers in the following subdivisions:

Subdivision	District Name	Pass Through Fee per 1,000 Gallons
Freeman Ranch PWS # 2370123	BGCD	\$0.07
Lake House, has separate tariff PWS # 2370111	BGCD	\$0.07
Texas Grand Ranch PWS # 2360088	BGCD	\$0.07
Trails at Cochran Ranch PWS # 2370142	BGCD	\$0.07

4. The Commission approves the tariff attached to Commission Staff's final recommendation filed on November 14, 2024.
5. Within ten days of the date of this Notice of Approval, Commission Staff must provide the Commission a clean copy of the approved tariff to be stamped *Approved* and retained by Central Records.
6. If Quadvest collects an amount as a result of these pass-through rate increases that is higher than the purchased water costs incurred, Quadvest must refund any amounts collected in excess of the purchased water costs.
7. The Commission denies all other motions and any other requests for general or specific relief that are not expressly granted.

Signed at Austin, Texas on the 21st day of January 2025.

PUBLIC UTILITY COMMISSION OF TEXAS



REBECCA NASH WHITE
ADMINISTRATIVE LAW JUDGE