



## **Filing Receipt**

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**Control Number - 57157**

**Item Number - 13**

**TARIFF CONTROL NO. 57157**

<b>APPLICATION OF CONCHO RURAL</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER CORPORATION FOR 2023-</b>	<b>§</b>	
<b>2024 TRUE-UP REPORT AND PASS-</b>	<b>§</b>	<b>OF TEXAS</b>
<b>THROUGH GALLONAGE CHARGE</b>	<b>§</b>	
<b>FOR GROUP 1 CUSTOMERS</b>	<b>§</b>	

**NOTICE OF APPROVAL**

This Notice of Approval addresses the application of Concho Rural Water Corporation for approval of its 2023 through 2024 true-up report and request for a pass-through rate change for fees imposed on Concho Rural by the Upper Colorado River Authority. The pass-through rate change affects Group 1 customers within Concho Rural's service area under certificate of convenience and necessity (CCN) number 11361. The Commission approves Concho Rural's Group 1 true-up report and requested pass-through rate of \$1.87 per 1,000 gallons for Concho Rural's Group 1 customers within Concho Rural's service area under CCN number 11361 to the extent provided in this Notice of Approval, effective November 1, 2024.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. Concho Rural is a Texas corporation registered with the Texas secretary of state under filing number 65831000.
2. Concho Rural operates, maintains, and controls facilities for providing retail water service in its certificated area in Tom Green County under CCN number 11361.
3. Concho Rural owns and operates several public water systems that are registered with the Texas Commission on Environmental Quality (TCEQ). This application affects all subdivisions on the water system registered with the TCEQ under the name Concho Rural Water Pecan Creek and identification number 2260057 and some of the subdivisions on the water system registered with the TCEQ under the name Concho Rural Water the Oaks and identification number 2260093.

4. Specifically, the Group 1 subdivisions are River Ranch, Oak Mountain Estates, Ridge Lane, Stonewall Valley, Hidden View, Pecan Creek, Stonewall Reserve, Line Road, Highway 584, Door Key Road, Door Key Ranches, Caprock Ranches, Stone Key Estates, and Walling Pecan.

**Application**

5. On October 1, 2024, Concho Rural filed the application at issue in the proceeding.
6. On October 17, 2024, Concho Rural supplemented the application.
7. In its application, as supplemented, Concho Rural seeks approval of a true-up report to address any over or under collection of revenues produced by the pass-through gallonage rates for the Upper Colorado River Authority fees subjected to the rate change approved in Docket No. 49892.<sup>1</sup> Additionally, Concho Rural requests approval of a proposed pass-through rate change related to Upper Colorado River Authority fees for September 2023 through August 2024. The proposed pass-through rate affects Group 1 customers within the service area of Concho Rural's CCN number 11361.
8. The proposed pass-through rate changes the combined pass-through rate approved in Tariff Control No. 56316<sup>2</sup> from \$1.80 to \$1.87 per 1,000 gallons.
9. The application, as supplemented, contained the affected subdivisions, a copy of the notice to the customers, documentation supporting the stated amounts of any new or modified pass-through costs, line loss of 3.5%, all calculations and assumptions for the true-up of pass-through costs, the calculations and assumptions for to determine the new rates, a true-up report, and a copy of the pages of the utility's tariff that contain the rates that will change if Concho Rural's application is approved.
10. In Order No. 2 filed on October 22, 2024, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

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<sup>1</sup> *Application of Concho Rural Water Corporation for Authority to Change Rates*, Docket No. 49892, Order (Nov. 18, 2021).

<sup>2</sup> *Application of Concho Rural Water Corporation for 2022-2023 True-Up Reports and Pass-Through Gallonage Charge for Group 1 Customers*, Tariff Control No. 56316, Notice of Approval (May 8, 2024).

**Notice**

11. On October 15, 2024, Concho Rural mailed notice to all affected customers, detailing the proposed pass-through rate change, effective November 1, 2024.
12. 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 Concho Rural 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 § 24.25. The cost to you as a result of this change will not exceed the costs charged to Concho Rural.”
13. In Order No. 2 filed on October 22, 2024, the ALJ found the notice of the proposed pass-through rate change sufficient.
14. On December 3, 2024, Concho Rural filed proof of updated notice detailing the proposed pass-through rate change, mailed to customers with the November billing.

**Evidentiary Record**

15. In Order No. 4 filed on January 9, 2025, the ALJ admitted the following evidence into the record:
  - a. the application of Concho Rural for 2023–2024 true-up report and pass-through gallonage charge filed on October 1, 2024;
  - b. the letter to administrative law judge regarding updated true-up report filed on October 17, 2024;
  - c. Commission Staff’s recommendation on sufficiency of the application and notice and proposed procedural schedule filed on October 21, 2024;
  - d. the letter to the administrative law judge regarding notice with calculations filed on December 3, 2024;
  - e. Commission Staff’s final recommendation filed on December 4, 2024; and
  - f. the tariff attached to the joint motion to admit evidence and proposed notice of approval filed on January 6, 2025.

**Eligibility for Pass-Through Rate Change**

16. The proposed pass-through rate will pass through only the actual costs charged to Concho Rural by its suppliers and does not duplicate costs otherwise charged to customers under the current tariff.
17. Concho Rural provided a true-up report reflecting any over- or under-collection of revenues produced by the pass-through gallonage rates for the Upper Colorado River Authority fees paid for by Group 1 customers subjected to the rate change approved in Docket No. 49892.

**Tariff**

18. The current tariff for CCN number 11361 was approved by the Commission on December 6, 2022, in Tariff Control No. 54176.<sup>3</sup> The current tariff contains the currently approved formula for calculating the pass-through gallonage rate for Concho Rural's Group 1 customers and requires Concho Rural to file a Group 1 true-up report annually.
19. Concho Rural's current tariff prescribes the formula by which the pass-through gallonage rate is to be calculated and applied to Group 1 customers.
20. Concho Rural provided a true-up report reflecting the amounts billed in the previous year compared with amounts paid to water districts having jurisdiction over Concho Rural.
21. On January 6, 2025, the parties filed a joint motion to admit evidence that included a proposed tariff with the effective date of November 1, 2024.

**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. Concho Rural 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.

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<sup>3</sup> *Application of Concho Rural Water Corporation for 2021-2022 True-Up Report and Pass-Through Gallonage Charge for Group 1 Customers*, Docket No. 54176, Notice of Approval (Dec. 6, 2022).

## 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. Concho Rural is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31), and a utility as defined in TWC § 13.002(23) and 16 TAC § 24.3(38).
3. The Commission may approve this minor change to Concho Rural's water tariff through a pass-through rate change 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,<sup>4</sup> 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 Concho Rural's Group 1 true-up report for 2023-2024, to the extent provided in this Notice of Approval.
2. The Commission approves, effective November 1, 2024, a pass-through rate of \$1.87 per 1,000 gallons for Concho Rural's Group 1 customers.
3. The Commission approves the tariff attached to the joint motion to admit evidence, filed on January 8, 2025.
4. Within ten days of the date of this Notice of Approval is filed, Commission Staff must provide the Commission with a clean copy of Concho Rural's tariff to be stamped *Approved* and retained by Central Records.

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<sup>4</sup> Tex. Gov't Code §§ 2001.001–.903.

5. If Concho Rural collects an amount as a result of this pass-through rate decrease that is higher than the purchased water costs incurred, Concho Rural must refund any amounts collected in excess of the purchased water costs.
6. 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**

A handwritten signature in black ink, reading "Katie Moore Marx". The signature is written in a cursive, flowing style.

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**KATIE MOORE MARX**  
**ADMINISTRATIVE LAW JUDGE**