

CHAPTER 24. SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS.

Subchapter B. RATES AND TARIFFS.

§24.49. Application for a Rate Adjustment by a Class D Utility Under Texas Water Code §13.1872.

- (a) **Purpose.** This section establishes procedures for a Class D utility to apply for an adjustment to its water or wastewater rates as allowed by Texas Water Code (TWC) §13.1872(c)(1).
- (b) **Definitions.** In this section, the term application means an application for a rate adjustment filed under this section and TWC §13.1872(c)(1).
- (c) **Requirements for filing of the application.** Subject to the limitations set out in subsection (f) of this section, a Class D utility may file an application with the commission.
 - (1) The utility may request to increase its tariffed monthly fixed customer or meter charges and monthly gallonage charges by no more than five percent.
 - (2) The application must be on the commission's form and must include:
 - (A) a proposal for the provision of notice that is consistent with subsection (e) of this section; and
 - (B) a copy of the relevant pages of the utility's currently approved tariff showing its current monthly fixed customer or meter charges and monthly gallonage charges.
- (d) **Processing of the application.** The following criteria apply to the processing of an application.
 - (1) **Determining whether the application is administratively complete.**
 - (A) If commission staff requires additional information in order to process the application, commission staff must file a notification to the utility within 10 days of the filing of the application requesting any necessary information.
 - (B) An application may not be deemed administratively complete as required by §24.8 of this title (relating to Administrative Completeness) until after the utility has responded to commission staff's request under subparagraph (A) of this paragraph.
 - (2) Within 30 days of the filing of the application, commission staff must file a recommendation stating whether the application should be deemed administratively complete as required by §24.8 of this title. If commission staff recommends that the application be deemed administratively complete, commission staff must also file a recommendation on final disposition, including, if necessary, a proposed tariff sheet reflecting the requested rate change.
- (e) **Notice of Approved Rates.** After the utility receives a written order by the commission approving or modifying the utility's application, including the proposed notice of approved rates, and at least 30 days before the effective date of the proposed change established in the commission's order, the utility must send by mail, or by e-mail if the ratepayer has agreed to receive communications electronically, the approved or modified notice to each ratepayer describing the proposed rate adjustment. The notice must include:
 - (1) a statement that the utility requested an annual rate adjustment and specifying the percent amount requested;
 - (2) the existing rate;
 - (3) the approved rate; and
 - (4) a statement that the rate adjustment was requested under TWC §13.1872 and that a hearing will not be held for the request.
- (f) **Time between filings.** The following criteria apply to the timing of the filing of an application.
 - (1) A Class D utility may adjust its rates under this section not more than once each calendar year and not more than four times between rate proceedings filed under TWC §13.1872(c)(2).
 - (2) The filing of applications as allowed by this section is limited to a specific quarter of the calendar year, and is based on the last two digits of a utility's certificate of convenience and necessity (CCN) number as outlined below, unless good cause is shown for filing in a different quarter. For a utility holding multiple CCNs, the utility may file an application in any quarter for which any of its CCN numbers is eligible.

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- (A) Quarter 1 (January-March): CCNs ending in 00 through 27;
- (B) Quarter 2 (April-June): CCNs ending in 28 through 54;
- (C) Quarter 3 (July-September): CCNs ending in 55 through 81; and
- (D) Quarter 4 (October-December): CCNs ending in 82 through 99.