



**2024 Rate Case
Undine Development, LLC
(Greenshores)**



TEXAS UTILITY REGULATORS

Public Utility Commission – Jurisdiction over rates and service

PUC Office of Public Engagement – Mike Hoke, Director

<https://www.puc.texas.gov/agency/about/ope/>

Texas Commission on Environmental Quality – Water Quality and Standards

Office of Public Utility Counsel – Represents the interests of residential and small commercial consumers in utility proceedings in Texas



Public Utility Commission of Texas

What We Do: Rates and Service

The Public Utility Commission of Texas regulates the state's electric, telecommunication, and water and sewer utilities, implements respective legislation, and offers customer assistance in resolving consumer complaints.

Mission:

We protect customers, foster competition, and promote high quality infrastructure.

512-936-7000 <http://www.puc.texas.gov/>



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

The Texas Commission on Environmental Quality strives to protect our state's public health and natural resources consistent with sustainable economic development. Our goal is clean air, clean water, and the safe management of waste.

We ensure safe drinking water and a clean environment :

- Reporting, monitoring, notification requirements regarding water quality
- Wastewater and storm-water permitting requirements
- Participation in the permitting process

512-239-1000 <https://www.tceq.texas.gov/>



OFFICE OF PUBLIC UTILITY COUNSEL

OPUC provides legal representation and technical expertise to represent, protect, and promote consumer interests, which includes ensuring that consumers pay just and reasonable utility rates.

<https://opuc.texas.gov/>

TCEQ WATER SYSTEM REQUIREMENTS

Water Production	Requirement	Actual
.6 gall/min per connection	199,584 per day	~220,000
Water Ground Storage		
200 gallons per connection	46,200	365,000
Maintain water pressure of at least 35 psi throughout the system		

Greenshores

Drought Contingency Plan

2024

Greenshores Drought Contingency Plan

Enforcement of the DCP was problematic in 2023. A large portion of the community was reluctant to comply with mandatory watering restrictions, resulting in the triggering of Stage 4 conditions. Violations had to be observed and documented by utility staff.

During the summer of 2023, almost 10% of the customers were using from 50,000 to over 150,000 gallons per month.

Therefore, the DCP is being revised, with the primary goal of staying out of Stage 4, by reducing the outdoor usage of those highest consumers.

Proposed revisions are expected to include:

- A MAXIMUM allotted monthly usage
- Use of flow-restricting devices to be used for enforcement
- LCRA has revised it's DCP, including stage “triggers”, and violations.

**Greenshores
July 2023 Water Billing Stats**

<u>BILLED USAGE</u>	<u>STATUS</u>										
152	Regular	36	Regular	26	Regular	17	Regular	10	Regular	6	Regular
150	Regular	35	Regular	26	Regular	17	Regular	10	Regular	6	Regular
115	Regular	34	Regular	24	Regular	17	Regular	10	Regular	5	Regular
107	Regular	34	Regular	24	Regular	17	Regular	10	Regular	5	Regular
97	Regular	33	Regular	23	Regular	16	Regular	10	Regular	5	Regular
90	Regular	33	Regular	23	Regular	16	Regular	10	Regular	5	Regular
89	Regular	33	Regular	23	Regular	16	Regular	10	Regular	5	Regular
84	Regular	33	Regular	23	Regular	15	Regular	10	Regular	4	Regular
81	Regular	32	Regular	23	Regular	15	Regular	9	Regular	4	Regular
80	Regular	32	Regular	23	Regular	15	Regular	9	Regular	4	Regular
77	Regular	32	Regular	22	Regular	15	Regular	9	Regular	4	Regular
76	Regular	32	Regular	22	Regular	14	Regular	9	Regular	4	Regular
76	Regular	31	Regular	22	Regular	14	Regular	9	Regular	4	Regular
73	Regular	31	Regular	22	Regular	14	Regular	9	Regular	4	Regular
56	Regular	31	Regular	22	Regular	14	Regular	9	Regular	3	Regular
54	Regular	31	Regular	21	Regular	14	Regular	9	Regular	3	Regular
54	Regular	31	Regular	21	Regular	13	Regular	9	Regular	3	Regular
53	Regular	31	Regular	20	Regular	13	Regular	9	Regular	3	Regular
52	Regular	31	Regular	20	Regular	13	Regular	9	Regular	3	Regular
50	Regular	31	Regular	20	Regular	13	Regular	9	Regular	2	Regular
50	Regular	31	Regular	20	Regular	13	Regular	8	Regular	2	Regular
49	Regular	30	Regular	20	Regular	13	Regular	8	Regular	2	Regular
47	Regular	30	Regular	19	Regular	13	Regular	8	Regular	1	Final
45	Regular	30	Regular	19	Regular	12	Regular	8	Regular	1	Regular
44	Regular	29	Regular	19	Regular	12	Regular	8	Regular	1	Regular
43	Regular	28	Regular	19	Regular	12	Regular	8	Regular	0	Regular
42	Regular	28	Regular	19	Regular	12	Regular	8	Regular	0	Regular
42	Regular	28	Regular	19	Regular	12	Regular	8	Regular	0	Regular
42	Regular	28	Regular	19	Regular	12	Regular	8	Regular	0	Regular
41	Regular	28	Regular	18	Regular	12	Regular	7	Regular	0	Regular
41	Regular	27	Regular	18	Regular	12	Regular	7	Regular	0	Regular
41	Regular	27	Regular	18	Regular	12	Regular	7	Regular	0	Regular
40	Regular	27	Regular	18	Regular	12	Regular	7	Regular		
40	Regular	27	Regular	18	Regular	11	Regular	7	Regular		
38	Regular	27	Regular	18	Regular	11	Regular	7	Regular	232	# of Customers
38	Regular	27	Regular	18	Regular	11	Regular	7	Regular	5,473,000	Total System Usage
38	Regular	27	Regular	18	Regular	11	Regular	6	Regular	23,591	Avg Cust. Usage
37	Regular	27	Regular	18	Regular	10	Regular	6	Regular	761	Cust. Gallons/Day
36	Regular	26	Regular	17	Regular	10	Regular	6	Regular	176,548	System Usage/Day
36	Regular	26	Regular	17	Regular	10	Regular	6	Regular		



Feb. 21, 2024

At its Feb. 21 meeting, the LCRA Board of Directors approved a new requirement limiting outdoor watering of ornamental landscaped areas to no more than once a week until the drought eases. See the [news release](#).

The requirement is an amendment to LCRA's [Drought Contingency Plan for Firm Water Customers](#) and applies to all LCRA firm, domestic, temporary, landscape irrigation and recreational customers. You and other firm water customers now are required to adopt a maximum once-per-week watering schedule as part of your drought response measures. The new schedule must be triggered anytime the combined storage of lakes Buchanan and Travis is below 900,000 acre-feet. (Combined storage now is just under 847,000 acre-feet).

First documented violation

Violation witnessed by staff or as determined by meter readings, indicating type of violation date and time



Warning Notice
Customer is notified of actions to be taken if violations continue



Second documented violation

Surcharge
between \$500 to \$2000.
0-10,000 gallons \$500
10,000-20,000 gallons \$1000
20,000-30,000 gallons \$1500
30,000 gallons or more \$2000



Third documented violation

Flow Restrictor Device
Installed and removed at a cost of \$100, EACH



Fourth documented violation

Disconnection of Service
Cutoff and reconnect fee are established in current approved tariff

RATES

How and Why Rates Change in an IOU

Rates must cover the full cost of service (as opposed to municipal systems) :

- Additional investment in the utility system (capital improvements)
- Reasonable Increases in Operations & Maintenance costs
- Earning a reasonable rate of return ensures continued investment in the utility and regulatory compliance by private utility owners

The Rate Process

- Utility submits an application with the PUC
- Customers are provided notice
- Expenses must be “used and useful”, “prudent, reasonable and necessary”
- The PUC conducts an audit of the company expenses and cap ex to ensure reasonability
- Customers may provide input / comments
- The Office of Public Utility Counsel (“OPUC”) may intervene on behalf of all customers

RATE DESIGN

“The challenge for IOUs is to design rates that cover their regular expenses and that allow for the opportunity to earn a reasonable rate of return on their investment without undercharging or overcharging customers.”

<https://www.puc.texas.gov/faucetfacts/investor-owned-utilities.aspx>

Greenshores Current Tariff (2012 Rate Filing Settlement)

The settlement agreement which resulted in the current Greenshores tariff, based on the 2011 test year, called for 58% of the calculated revenue requirement to be held in abeyance for possible recovery in a future rate case.

This 2012 agreement to reduce the revenue requirement resulted in \$1,129,404 being kept out of rates of the current tariff.

- Water – \$646,980**
- Sewer – \$482,424**

Major Greenshores Improvements

- **Replacement of the water in-take and bar screen**
- **Installation of the force main and corresponding elimination of the need for pump & haul of sewage**
- **Rehabilitation of water wells to supplement lake water**
- **New filtration equipment in the water treatment plant**
- **Replacement of the ground storage tank**
- **Upgrades to the sewer treatment facility and collection system**

IT HAS BEEN 12 YEARS SINCE THE LAST RATE REVIEW IN GREENSHORES

Undine has invested approximately \$ 3.9 MM in capital in water and/or wastewater system improvements since the last PUC rate review in 2012.

- Water – \$1,300,000**
- Sewer – \$2,600,000**

GREENSHORES RATE BASE

March 31, 2023

Water \$1,685,920

Sewer \$3,662,155

TOTAL \$5,348,075

Requested overall rate of return: 9.38%

RATE FILING FACTS

Total Greenshores Customer Count - 396

Water 231

Sewer 165

Total Cap Ex by Undine – \$3,973,648

Water – \$1.3 MM (water intake, water plant, GST, generators)

Sewer – \$2.6 MM (force main, WWTP, drip field, lift station)

Revenue requirement is reduced by the \$460,000 CIAC

O.H. Allocation of ~\$100,000 is < 3% of Undine's total customers

Revenue Requirement has increased by:

Water + \$ 25,200

Sewer + \$359,700

REQUESTED 2024 RATES

(no change to base rates)

	CURRENT	NEW
WATER Base Rate (5/8")	\$40.00	\$40.00
Base Rate (1")	\$100.00	\$100.00
Usage Rates		
0 – 10,000 gallons	\$5.00	\$5.00
10 – 25,000	8.00	8.00
25 – 50,000	12.00	13.91
50 +	14.00	16.22

Requested 2024 Sewer Rates

	CURRENT	NEW
SEWER Base Rate (5/8")	\$ 70.00	\$ 143.45
(3/4")	\$ 60.00	\$ 105.00
(1")	\$ 100.00	\$ 175.00
Usage Rate	\$ 12.00	\$ 24.59



undine

WATER IS OUR ELEMENT

The information contained in this presentation or otherwise presented by Undine's representatives relating Undine's proposed 2024 rate case is intended solely for informational purposes based on current expectations. The information is subject to change and therefore should not be construed as legally binding statements of fact.