

## Public Utility Commission of Texas (PUCT) Precedent Manual

The PUCT's Precedent Manual (Manual) includes a brief summary of Commission decisions in contested cases involving water and wastewater, electric, and telecommunication utilities. The Manual includes orders of the Commission from May 23, 2024, and forward. A glossary of commonly used terms may be found at the end of the Manual.

Please note that enforcement settlements are also included in the Manual for convenient reference but are not binding or precedential under 16 Texas Administrative Code §22.222(d).

| PUCT DECISIONS       |          |                  |                    |   |  |
|----------------------|----------|------------------|--------------------|---|--|
| WATER AND WASTEWATER |          |                  |                    |   |  |
| Docket               | Date of  | Type of Decision | Utility            | Commission Decision   |  |
| No.                  | Decision |                  |                    |   |  |
| 53363                | 5/23/24  | <u>Appeal</u>    | North Fort Bend    | Dismissed appeal of increase in groundwater-reduction-plan and      |  |
|                      |          |                  | Water              | surface-water fees for lack of jurisdiction and failure to state a  |  |
|                      |          |                  |                    | claim for which relief may be granted.                              |  |
| <u>53815</u>         | 6/13/24  | Rate Change      | Corix Utilities    | Approved a 7.31% overall rate of return, a 9.5% return on equity,   |  |
|                      |          |                  | (Texas) Inc.       | and consolidation of all but one water system into two tariffs (one |  |
|                      |          |                  | . ,                | water and one wastewater).  |  |
| <u>53842</u>         | 6/13/24  | WCCN Amendment   | Crystal Springs    | Approved requested addition of 2,364 uncertificated acres in        |  |
|                      |          |                  | Water Company,     | Montgomery County.  |  |
|                      |          |                  | Inc.               |   |  |
| <u>54546</u>         | 5/23/24  | <u>STM</u>       | Texas Water        | Approved sale and transfer of facilities and service areas in       |  |
|                      |          |                  | Utilities, LP and  | Montgomery County to Texas Water Utilities, LP; name change for     |  |
|                      |          |                  | Woodland Oaks      | Woodland Oaks; and Staff's recommended ratemaking rate base.        |  |
|                      |          |                  | Utility, LP        |   |  |
| <u>54565</u>         | 6/13/24  | Rate Change      | CSWR-Texas Utility | Determined that repealed TWC § 13.145 did not apply to the          |  |
|                      |          |                  | Operating          | proceeding; the use of annualized test-year data is not always      |  |
|                      |          |                  | Company, LLC       | appropriate and must be evaluated on a case-by-case basis; and      |  |
|                      |          |                  |                    | for each system acquired using the fair market value process, the   |  |
|                      |          |                  |                    | ratemaking rate base is the one approved by the Commission in       |  |

|              |         |                           |                    | the underlying sale, transfer, or merger proceeding. Approved       |
|--------------|---------|---------------------------|--------------------|---|
|              |         |                           |                    | 7.37% rate of return, a 9.53% return on equity, and consolidation   |
|              |         |                           |                    | of requested systems.   |
| <u>54662</u> | 7/11/24 | <u>SER</u>                | Crystal Clear      | Granted motion to withdraw and dismissed petition without           |
|              |         |                           | Special Utility    | prejudice because motion was filed by party initiating proceeding.  |
|              |         |                           | District           |   |
| <u>54670</u> | 7/12/24 | New WCCN and Dual         | Orange County      | Dismissed application without prejudice for failure to prosecute    |
|              |         | <u>Certification</u>      | Water Control and  | and amend for sufficiency.  |
|              |         |                           | Improvement        |   |
|              |         |                           | District No. 2     |   |
| <u>54802</u> | 5/23/24 | SAC                       | Cities of Schertz  | Dismissed application without prejudice for failure to amend for    |
|              |         |                           | and Selma          | sufficiency.  |
| <u>54826</u> | 6/13/24 | <u>SAC</u>                | City of Seguin and | Approved transfer of 2,890 acres of certificated service area from  |
|              |         |                           | Springs Hill Water | Springs Hill Water Supply Corporation to the City of Seguin (no     |
|              |         |                           | Supply             | customers or facilities in transferred area).                       |
|              |         |                           | Corporation        |   |
| <u>54940</u> | 5/23/24 | Rate change               | Integra Water      | Approved requested increase in flat monthly rates for sewer         |
|              |         |                           | Texas, LLC         | service; 6.55% rate of return; and 8.50% return on equity.          |
| <u>54972</u> | 6/20/24 | <u>STM</u>                | Travis Lakeside    | Approved sale and transfer of facilities and service area in Burnet |
|              |         |                           | Inc.,              | County to the City of Marble Falls; found good cause to waive       |
|              |         |                           | dba Flat Rock      | deficient notice.   |
|              |         |                           | Ranch, L.P., dba   |   |
|              |         |                           | Capstone Water     |   |
|              |         |                           | System (Capstone)  |   |
|              |         |                           | and City of Marble |   |
|              |         |                           | Falls              |   |
| <u>55236</u> | 7/12/24 | Amend WCCN and            | Pendleton Water    | Dismissed application without prejudice for failure to prosecute    |
|              |         | <b>Dual Certification</b> | Supply             | and amend for sufficiency.  |
|              |         |                           | Corporation        |   |
| <u>55608</u> | 6/13/24 | <u>SER</u>                | Aqua Texas, Inc.   | Approved SER and released tract from WCCN; compensation to          |
|              |         |                           |                    | be awarded to WCCN holder to be determined in separate order.       |

| <u>55623</u> | 7/12/24  | New WCCN (single        | City of McLendon-   | Dismissed application without prejudice for other good cause         |  |
|--------------|----------|-------------------------|---------------------|--|--|
|              |          | <u>certification)</u>   | Chisholm            | shown, namely that deficient notice could not be cured.              |  |
| <u>55730</u> | 5/23/24  | <u>SER</u>              | Aqua Texas, Inc.    | Approved SER and released tract from WCCN; compensation to           |  |
|              |          |                         |                     | be awarded to WCCN holder to be determined in separate order.        |  |
| <u>55819</u> | 7/12/24  | Tariff Change           | Gideon Water LLC    | Dismissed application without prejudice for failing to state a claim |  |
|              |          |                         |                     | for which relief can be granted.                                     |  |
| <u>55866</u> | 5/23/24  | <u>SER</u>              | Creedmoor-Maha      | Approved SER and released tract from WCCN; compensation to           |  |
|              |          |                         | Water Supply        | be awarded to WCCN holder to be determined in separate order.        |  |
|              |          |                         | Corp.               |  |  |
| <u>56328</u> | 7/13/24  | <u>Appeal</u>           | Crossroads Utility  | Dismissed appeal with prejudice for lack of jurisdiction.            |  |
|              |          |                         | Services and South  |  |  |
|              |          |                         | Buda Water          |  |  |
|              |          |                         | Control and         |  |  |
|              |          |                         | Improvement         |  |  |
|              |          |                         | District No. 1      |  |  |
|              | ELECTRIC |                         |                     |  |  |
| Docket       | Date of  | <b>Type of Decision</b> | Utility             | Commission Decision  |  |
| No.          | Decision |                         |                     |  |  |
| <u>54812</u> | 7/12/24  | Update of Surcharge     | El Paso Electric    | Approved update to COVID-19 surcharge and ordered refund for         |  |
|              |          |                         | Company             | overbilled amounts in a one-month charge on a class basis.           |  |
| <u>55277</u> | 6/14/24  | RCE Rider               | Southwestern        | Dismissed without prejudice because recovery of omitted rate         |  |
|              |          |                         | Electric Power      | case expenses is not appropriate in a compliance filing and must     |  |
|              |          |                         | Company             | be addressed in next base-rate case.                                 |  |
| <u>55296</u> | 5/30/24  | <b>ECCN Amendment</b>   | AEP Texas, Inc. and | Approved new transmission line in Brooks, Duval, Jim Hogg,           |  |
|              |          |                         | Electric            | Webb, and Zapata counties.   |  |
|              |          |                         | Transmission        |  |  |
|              |          |                         | Texas, LLC          |  |  |
| 55965        | 5/23/24  | Removal of POLR         | Texpo Power, LP     | Revoked designation as provider of last resort for 2023-2024         |  |
|              | 0,20,2   |                         | - I /               |  |  |

| 55995                        | 7/12/24            | SRC Rider   | CenterPoint                                  | Approved SRC rider and accumulated deferred federal income tax  |  |  |
|------------------------------|--------------------|---|--|---|--|--|
|                              |                    |   | Energy Houston                               | credit charge refund tariff with Staff's recommended  |  |  |
|                              |                    |   | Electric, LLC                                | modifications.  |  |  |
| 56425                        | 6/13/24            | DCRF  | El Paso Electric                             | Approved DCRF tariff schedule (filed on 5/10/24), effective on  |  |  |
|                              |                    |   | Company                                      | bills issued on and after the start of the first billing cycle following  |  |  |
|                              |                    |   |  | the order.  |  |  |
| <u>56428</u>                 | 6/13/24            | <u>DCRF</u>   | Texas-New Mexico                             | Approved DCRF tariff schedules effective on and after 45 days'  |  |  |
|                              |                    |   | Power Company                                | notice to REPs.   |  |  |
|                              |                    |   | (TNMP)                                       |   |  |  |
|                              | TELECOMMUNICATIONS |   |  |   |  |  |
| Docket                       | Date of            | Type of Decision  | Utility                                      | Commission Decision   |  |  |
| No.                          | Decision           |   |  |   |  |  |
| COMPLAINTS                   |                    |   |  |   |  |  |
| Docket                       | Date of            | Type of Complaint   | Respondent                                   | Commission Decision   |  |  |
| No.                          | Decision           |   |  |   |  |  |
| 53370                        | 6/13/24            | Electric billing  | Texas-New Mexico                             | Denied complaint.   |  |  |
|                              |                    | <u>complaint</u>  |  |   |  |  |
| <u>54288</u>                 | 5/23/2024          | Electric billing  | Monarch Pass                                 | Dismissed complaint with prejudice for mootness.  |  |  |
|                              |                    | <u>complaint</u>  | Apartments                                   |   |  |  |
| <u>55595</u>                 | 6/13/24            | Establishment of  | Dublic Hillity                               |   |  |  |
|                              | 0, -0, - :         | ESTABLISHMENT OF  | Public Utility                               | Dismissed complaint with prejudice for failure to state a claim for   |  |  |
|                              | 3/ = 3/ = 1        | electric service  | Commission                                   | which relief can be granted.  |  |  |
| <u>56147</u>                 | 7/12/24            |   | ,  |   |  |  |
| <u>56147</u>                 | , ,                | electric service  | Commission                                   | which relief can be granted.  |  |  |
| <u>56147</u>                 | , ,                | electric service Civil right violations,  | Commission                                   | which relief can be granted.  Dismissed complaint with prejudice for failure to amend for   |  |  |
| <u>56147</u><br><u>56169</u> | , ,                | electric service  Civil right violations, deceptive trade   | Commission                                   | which relief can be granted.  Dismissed complaint with prejudice for failure to amend for sufficiency and failure to state a claim for which relief can be  |  |  |
|                              | 7/12/24            | electric service  Civil right violations,  deceptive trade  practices                             | Commission 4Change Energy                    | which relief can be granted.  Dismissed complaint with prejudice for failure to amend for sufficiency and failure to state a claim for which relief can be granted.   |  |  |
|                              | 7/12/24            | electric service  Civil right violations, deceptive trade practices  Water/Sewer billing          | Commission 4Change Energy                    | which relief can be granted.  Dismissed complaint with prejudice for failure to amend for sufficiency and failure to state a claim for which relief can be granted.  Dismissed complaint without prejudice for failure to prosecute and failure to amend for sufficiency.  Dismissed complaint without prejudice for failure to amend for |  |  |
| <u>56169</u>                 | 7/12/24            | electric service  Civil right violations, deceptive trade practices Water/Sewer billing complaint | Commission  4Change Energy  Lockwood Heights | which relief can be granted.  Dismissed complaint with prejudice for failure to amend for sufficiency and failure to state a claim for which relief can be granted.  Dismissed complaint without prejudice for failure to prosecute and failure to amend for sufficiency.   |  |  |

| Docket       | Date of  | Utility Type    | Respondent       | *This section includes voluntary agreements that                      |
|--------------|----------|-----------------|------------------|---|
| No.          | Decision |                 |                  | resolved specific issues among the parties but are not                |
|              |          |                 |                  | binding on the Commission or precedential for any                     |
|              |          |                 |                  | other purpose.  |
| <u>55929</u> | 6/13/24  | Water and Sewer | Ranger Utility   | Administrative penalty of \$70,000 for violations related to annual   |
|              |          |                 | Company          | reporting and customer relations.                                     |
| <u>56181</u> | 5/23/24  | <u>Electric</u> | Bearkat Wind     | Administrative penalty of \$12,500 for violations related to          |
|              |          |                 | Energy 1, LLC    | weather preparedness declaration requirements for winter 2022         |
|              |          |                 |                  | and summer 2023.  |
| <u>56182</u> | 5/23/24  | <u>Electric</u> | Fluvanna Wind    | Administrative penalty of \$12,500 for violations related to          |
|              |          |                 | Energy, LLC      | weather preparedness declaration requirements for winter 2022         |
|              |          |                 |                  | and summer 2023.  |
| <u>56198</u> | 6/13/24  | <u>Electric</u> | Rockstar Capital | Administrative penalty of \$200,000 for violations related to         |
|              |          |                 | Management, LLC  | customer protection standards; customer choice; billing and           |
|              |          |                 |                  | metering services; and certification and selection of REPs.           |
| <u>56242</u> | 6/13/24  | <u>Electric</u> | Specialized      | Administrative penalty of \$120,000 for violations related to         |
|              |          |                 | Property         | customer protection standards; customer choice; billing and           |
|              |          |                 | Management, Inc. | metering services; and certification and selection of REPs.           |
| <u>56248</u> | 5/23/24  | <u>Electric</u> | Value Based      | Administrative penalty of \$93,007 for violations related to issuing  |
|              |          |                 | Brands, LLC      | contract expiration notices.  |
| <u>56439</u> | 6/13/24  | <u>Electric</u> | Southwestern     | Administrative penalty of \$34,000 for violations relating to service |
|              |          |                 | Electric         | quality and system reliability standards.                             |
|              |          |                 | Power Company    |   |
|              |          |                 | (SWEPCO)         |   |

## **GLOSSARY**

**Complaint** – A formal complaint presented to the Commission under 16 Texas Administrative Code § 22.242.

**DCRF** (distribution cost recovery factor) – Electric utilities are authorized to apply to the Commission for inclusion of a distribution cost recovery factor in their tariffs, which allows the utility to adjust rates to account for changes in distribution invested capital between base rate proceedings on a system-wide basis. DCRF proceedings are governed by PURA § 36.210 and 16 Texas Administrative Code § 25.243.

**ECCN** (electric certificate of convenience and necessity) – Authorization from the Commission allowing an electric utility to provide electric utility service to the public in an identified geographic area. New transmission lines must be approved by the Commission through an ECCN application process. ECCNs are governed by PURA Chapter 37 and 16 Texas Administrative Code Chapter 25, Subchapter E.

RCE (rate case expense) – Supplemental charges incurred as part of a ratemaking proceeding that are not included in a utility's standard rates. The recovery of rate case expenses is governed by PURA §§ 36.061 and 33.023 and 16 Texas Administrative Code § 25.245.

**SAC** (service area contract) – A contract between retail public utilities holding existing CCNs designating an area(s) and customers to be served by those retail public utilities. SACs are governed by the Texas Water Code § 13.248 and 16 Texas Administrative Code § 24.253.

**SER** (streamlined expedited release) – The process by which, under certain circumstances, a tract of land may be released from an existing WCCN. SERs are governed by the Texas Water Code § 13.2541 and 16 Texas Administrative Code § 24.245(h).

**SRC** (system restoration charge) – Costs incurred by an electric utility in connection with the restoration of service and infrastructure after an outage caused by a weather-related event or natural disaster. The recovery of system restoration costs is governed by PURA § 36.402.

**STM** (sale, transfer, merger) - The process by which a utility's facilities, customers, or service area(s) may be sold, transferred, or merged with another entity. STMs are governed by the Texas Water Code § 13.301 and 16 Texas Administrative Code §§ 24.239 and 24.240.

Tariff – A document that contains a utility's rates, terms, and conditions for providing electric, water, or sewer (wastewater) services.

**WCCN** (water certificate of convenience and necessity) – Authorization from the Commission allowing a retail public utility the exclusive right to provide retail water or sewer utility service to an identified geographic area. WCCNs are governed by the Texas Water Code, Chapter 13, Subchapter G and 16 Texas Administrative Code Chapter 24, Subchapter H.