



UNDINE 2020 RATE CASE

Investor Owned Utilities (“IOUs”)

IOUs, such as Undine, are formed under the premise that both capital and normal operating expenses incurred to maintain regulatory compliance are recoverable through rate increases. Any increase or change in rates must be applied for and approved by the State Public Utility Commissions and must be deemed “used and useful” and “reasonable and necessary.” These conditions result in rates that are considered to be in the public interest.

Undine filed an application with the Public Utility Commission of Texas (“PUC”) on December 20, 2019, requesting an increase in water and sewer rates. Undine also requested to combine applicable water systems into a single, consolidated rate schedule. The same consolidation was requested for rates and charges for the Undine sewer systems. This consolidation helps rate payers by allocating costs of service across a much larger customer base. Over time, all utility systems need capital improvements and can benefit from consolidation. Utilities are allowed to recover the legal costs of rate cases. This rate case resulted in a cost to each water and sewer customer of \$1.12 per month, to be charged for 36 months.

On July 6, 2020, an Agreement was reached between Undine, the PUC Staff, the Office of Public Utility Counsel (“OPUC”) and twelve Intervenors. It is noted that OPUC represented all Undine customers, with a commitment to providing legal representation on behalf of our residential and small commercial customers.

The Agreement was reached through extensive negotiation and compromise between all parties. The Rate Agreement calls for:

- Consolidated rates for water customers* - 56% of the requested increase
- Consolidated rates for sewer customers* - 91% of the requested increase
- The base and consumption rates for water and the sewer flat rates (no usage charges) will be phased in over a three-year period, effective August 1, 2020, August 1, 2021, and August 1, 2022

SUMMARY OF WATER RATES

<i>Rate Year 1</i>	<i>Effective Date: August 1, 2020</i>
Meter Size Monthly Base Rate	Gallage Charge
5/8" \$37.81 (Includes 0 gallons)	\$2.02 per 1000 gallons from 0 to 6,000 gallons
3/4" \$56.72	\$2.94 per 1,000 gallons from 6,001 to 15,000 gallons
1" \$94.53	\$5.25 per 1,000 gallons from 15,001 to 25,000 gallons
1 1/2" \$189.05	\$7.79 per 1,000 gallons over 25,000 gallons



<i>Rate Year 2</i>		<i>Effective Date: August 1, 2021</i>
Meter Size	Monthly Base Rate	Gallage Charge
5/8"	\$44.37 (Includes 0 gallons)	\$2.21 per 1000 gallons from 0 to 6,000 gallons
3/4"	\$66.56	\$3.13 per 1,000 gallons from 6,001 to 15,000 gallons
1"	\$110.93	\$5.44 per 1,000 gallons from 15,001 to 25,000 gallons
1 1/2"	\$221.85	\$7.98 per 1,000 gallons over 25,000 gallons

<i>Rate Year 3</i>		<i>Effective Date: August 1, 2022</i>
Meter Size	Monthly Base Rate	Gallage Charge
5/8"	\$50.93 (Includes 0 gallons)	\$2.41 per 1000 gallons from 0 to 6,000 gallons
3/4"	\$76.40	\$3.33 per 1,000 gallons from 6,001 to 15,000 gallons
1"	\$127.33	\$5.64 per 1,000 gallons from 15,001 to 25,000 gallons
1 1/2"	\$254.65	\$8.18 per 1,000 gallons over 25,000 gallons

SUMMARY OF SEWER RATES

<i>Rate Year 1</i>		<i>Effective Date: August 1, 2020</i>
Meter Size	Monthly Charge	
All Meters	\$75.00 Flat Rate	

<i>Rate Year 2</i>		<i>Effective Date: August 1, 2021</i>
Meter Size	Monthly Charge	
All Meters	\$92.50 Flat Rate	

<i>Rate Year 3</i>		<i>Effective Date: August 1, 2022</i>
Meter Size	Monthly Charge	
All Meters	\$110.00 Flat Rate	

***Affected Water Systems:**

Orbit, Community, Consumers, Suburban, Gulf Coast, and Chuck Bell

***Affected Sewer Systems:**

Gulf Coast, Mayfair, Sugartree, Country Vista WWTP, Grand Ranch, Laguna Harbor WWTP (Bolivar), Angle Acres WWTP, Beechwood WWTP

Please refer to the complete tariff for all other applicable fees, charges, pass-throughs, Rules and Policies.