



Control Number: 46882



Item Number: 3

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PUBLIC UTILITY COMMISSION
FILING CLERK

February 24, 2017

Dear Aqua Texas Customer:

Aqua Texas (Aqua) hereby notifies you that it is implementing a Regional Pass-Through Gallonage Charge (RPTGC) of \$1.2102 per 1,000 gallons effective March 1, 2017 for water utility service rendered on or after that date (a \$0.4303 per 1,000 gallons decrease). This tariff change is being implemented in accordance with Aqua's approved RPTGC Adjustment provision in its "Water Utility Tariff for Southwest Region".

This tariff revision is to recognize changes in Southwest Region water use pumping fees charged by groundwater conservation districts and costs of purchased water ("pass-through costs"). The pass-through costs charged to customers using Aqua's RPTGC will not exceed the changed Southwest Region pass-through costs. Calculations are set forth on the reverse side of this letter showing the basis for the present RPTGC and the new RPTGC, including the change in Southwest Region water pass-through costs.

Aqua's RPTGC adjustments are considered informal proceedings designed to reduce the frequency of full Aqua rate cases. However, PUC staff will review Aqua's calculations and direct any appropriate RPTGC revisions within a 45-day period. Otherwise, \$1.2102 per 1,000 gallons will remain the Southwest Region water RPTGC until further notice.

This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.21. The cost to you as a result of this change will not exceed the costs charged to your utility.

Please call Aqua at 877.WTR.AQUA (877.987.2782) if you have any questions about this RPTGC change.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Laughman". The signature is fluid and cursive, with a prominent "R" and "L".

Robert L. Laughman

Southwest Regional Pass-Through Gallonage Charge Calculation - Per Existing Tariff (Charged to Table A in 2016)		
1	Adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge	\$ 1,861,336
2	Test Year Volumes Sold (1,000 gallons)	1,134,667
3	Pass Through Rate (Line 2/Line 3)	\$ 1.6404
Aqua Texas - SW Regional Water Utility Tariff		
Regional Pass-Through Gallonage Charge True-up / Adjustment Provision and Report for 2016		
The True-up calculation for a completed calendar year Report shall be as follows:		
a)	Regional Pass-Through Gallonage Charge revenues billed during completed calendar year:	\$ 1,629,502
b)	Regional Pass-Through costs actually incurred during completed calendar year:	\$ 1,492,250
c)	Difference between a) and b) Where, a) - b) = c)	\$ 137,252
Annual Regional Pass-Through Gallonage Charge recalculations shall follow the following formula:		
b)	Same as b) above.	\$ 1,492,250
c)	Same difference as c) above	\$ 137,252
d)	Total adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge Where, b) - c) = d)	\$ 1,354,998
Divide by:		
e)	Actual historic gallons billed to all regional customers in completed calendar year (1,000 gallons):	1,119,678
Equals:		
f)	Regional Pass-Through Gallonage Charge as adjusted: (Tables A and B) Where d) / e) = f)	\$ 1.2102
Existing Regional Pass-Through Gallonage Charge: (Charged to Table A and Table B)		
		\$ 1.6404
Change:		
		\$ (0.4303)

PUC Docket No. 46882 - Aqua's Southwest Region
True-Up Report and Request for a Pass-Through
Change

Aqua Texas - SW Regional Pass-Through Costs

Entities charging Fees	2010 (Test Year)	2013	2014	2015	2016
Barton Springs/Edwards Aquifer CD		41,314	44,527	48,440	52,142
City of Austin - Mooreland		12,053	8,777	11,503	10,761
City of Austin - Rivercrest		580,806	576,649	576,421	565,960
City of Cedar Park		16,954	18,422	19,649	17,863
City of Horseshoe Bay		55,968	58,870	65,122	63,779
City of Round Rock		152,213	134,621	140,973	146,395
Cow Creek GCD		5,640	2,840	2,840	2,840
EAA Mgmt Fee		17,643	13,889	4,606	4,606
EAA Program Fees		13,889	17,642	5,851	5,851
¹ LCRA (Raw Water) - Pecan Utilities Oak Ridge Subdivision		4,121	4,311	5,809	4,011
LCRA (Raw Water) - Rivercrest Water System		111,626	65,007	76,436	59,632
Manville WSC		204,820	209,527	209,129	238,146
Nueces WSC		26,721	28,315	28,998	31,566
Springtown Water		213,258	225,803	266,390	286,882
Trinity / Glen Rose		1,493	1,268	1,799	1,817
Purchased Water (Test Year)	980,296				
Pumping Fees (Test Year)	247,060				
Total Expenses - To True-Up Report	1,227,356	1,458,519	1,410,468	1,463,965	1,492,250
	①	②	③	④	⑤

SW Regional Pass-Through Gallonage Charge Calculation - Per Existing Tariff (2010 Test Year)

1 Test Year Purchase Water	\$ 980,295.78
2 Test Year Pumping Fee	\$ 247,059.77
3 Total Pass Through Costs	\$ 1,227,355.55
4 Test Year Volumes Sold (1,000 gallons)	1,216,706
5 Pass Through Rate (Line 3/Line 4) - Settled	\$ 1.0000

- (1)

Aqua Texas - SW Regional Water Utility Tariff

Regional Pass-Through Gallonage Charge True-up / Adjustment Provision and Report for 2013

The True-up calculation for a completed calendar year - 2013. Report shall be as follows:

a) Regional Pass-Through Gallonage Charge revenues billed during completed calendar year:	\$ 918,152.25
b) Regional passed-through costs actually incurred during completed calendar year:	\$ 1,458,518.95
c) Difference between a) and b)	\$ (540,366.70)

Where, a) - b) = c)

Annual Regional Pass-Through Gallonage Charge recalculations shall follow the following formula:

b) Same as b) above.	\$ 1,458,518.95
c) Same difference as c) above	\$ (540,366.70)
d) Total adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge	\$ 1,998,885.65
Adjusted regional pass-through costs (85%) newly acquired systems - per Appendix C 9) g)	\$ 1,699,052.80

Where, b) - c) = d)

Divide by:

e) Actual historic gallons billed to all regional customers in completed calendar year (1,000 gallons):	1,149,568
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Equals:

f) Regional Pass-Through Gallonage Charge as adjusted:	\$ 1.4780
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Where d) / e) = f)

Existing Regional Pass-Through Gallonage Charge:

Change:	\$ 1.0000
	\$ 0.4780

- (2)

- (2)

Southwest Regional Pass-Through Gallonage Charge Calculation - Per Existing Tariff

1 Adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge	\$ 1,699,053
2 Test Year Volumes Sold (1,000 gallons)	1,149,568
3 Pass Through Rate (Line 2/Line 3)	\$ 1.4780

Aqua Texas - SW Regional Water Utility Tariff

Regional Pass-Through Gallonage Charge True-up / Adjustment Provision and Report for 2014

The True-up calculation for a completed calendar year - 2014. Report shall be as follows:

- Regional Pass-Through Gallonage Charge revenues billed during completed calendar year:
- Regional Pass-Through costs actually incurred during completed calendar year:
- Difference between a) and b)

Where, a) - b) = c)

Annual Regional Pass-Through Gallonage Charge recalculations shall follow the following formula:

- Same as b) above.
- Same difference as c) above
- Total adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge

Where, b) - c) = d)

Adjusted regional pass-through costs (85%) newly acquired systems - per Appendix C 9) g)

Divide by:

- Actual historic gallons billed to all regional customers in completed calendar year (1,000 gallons):

Equals:

- Regional Pass-Through Gallonage Charge as adjusted:

Where d) / e) = f)

Existing Regional Pass-Through Gallonage Charge:

Change:

\$ 1,199,203	
\$ 1,410,468	
\$ (211,265)	
\$ 1,410,468	
\$ (211,265)	
\$ 1,621,732	
\$ 1,378,472	
1,138,232	
\$ 1,2111	
\$ 1.4780	
\$ (0.2669)	

Southwest Regional Pass-Through Gallonage Charge Calculation - Per Existing Tariff (Charged to Table A in 2015)		
1	Adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge	\$ 1,378,472
2	Test Year Volumes Sold (1,000 gallons)	1,138,232
3	Pass Through Rate (Line 2/Line 3)	\$ 1.2111

Aqua Texas - SW Regional Water Utility Tariff

Regional Pass-Through Gallonage Charge True-up / Adjustment Provision and Report for 2015

The True-up calculation for a completed calendar year - 2015. Report shall be as follows:

- a) Regional Pass-Through Gallonage Charge revenues billed during completed calendar year: \$ 1,066,595
 - b) Regional Pass-Through costs actually incurred during completed calendar year: \$ 1,463,965
 - c) Difference between a) and b) \$ (397,371)
- Where, a) - b) = c)

Annual Regional Pass-Through Gallonage Charge recalculations shall follow the following formula:

- b) Same as b) above.
 - c) Same difference as c) above
 - d) Total adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge \$ 1,463,965
- Where, b) - c) = d)

Divide by:

- e) Actual historic gallons billed to all regional customers in completed calendar year (1,000 gallons): 1,134,667

Equals:

- f) Regional Pass-Through Gallonage Charge as adjusted: (Tables A and B) \$ 1.6404
- Where d) / e) = f)

Existing Regional Pass-Through Gallonage Charge: (Charged to Table A)	
	\$ 1.2111
Change:	\$ 0.4294

Existing Regional Pass-Through Gallonage Charge: (Charged to Table B effective 1/1/2016)	
	\$ 1.0000
Change:	\$ 0.6404

Southwest Regional Pass-Through Gallonage Charge Calculation - Per Existing Tariff (Charged to Table A in 2016)		
1	Adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge	\$ 1,861,336
2	Test Year Volumes Sold (1,000 gallons)	1,134,667
3	Pass Through Rate (Line 2/Line 3)	\$ 1.6404

Aqua Texas - SW Regional Water Utility Tariff

Regional Pass-Through Gallonage Charge True-up / Adjustment Provision and Report for 2016

The True-up calculation for a completed calendar year Report shall be as follows:

- Regional Pass-Through Gallonage Charge revenues billed during completed calendar year:
- Regional Pass-Through costs actually incurred during completed calendar year:
- Difference between a) and b)

Where, a) - b) = c)

Annual Regional Pass-Through Gallonage Charge recalculations shall follow the following formula:

- Same as b) above.
- Same difference as c) above
- Total adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge

Where, b) - c) = d)

Divide by:

- Actual historic gallons billed to all regional customers in completed calendar year (1,000 gallons):

Equals:

- Regional Pass-Through Gallonage Charge as adjusted: (Tables A and B)

Where d) / e) = f)

Existing Regional Pass-Through Gallonage Charge: (Charged to Table A and Table B)

Change:

\$ 1,629,502
\$ 1,492,250
\$ 137,252

\$ 1,492,250
\$ 137,252
\$ 1,354,998

1,119,678

\$ 1.2102

\$ 1.6404
\$ (0.4303)