

Control Number: 46882



Item Number: 4

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RECEIVED

AQUA DEVELOPMENT, INC. §  
 KERRVILLE SOUTH WATER §  
 COMPANY, INC., AND HARPER WATER §  
 COMPANY, INC. DBA AQUA TEXAS' §  
 SOUTHWEST REGION REGIONAL §  
 TRUE-UP REPORT AND REQUEST FOR §  
 A PASS-THROUGH RATE CHANGE. §

PUBLIC UTILITY COMMISSION

2017 MAR 15 PM 2:23  
 PUBLIC UTILITY COMMISSION  
 OF TEXAS  
 BILLING CLERK

**COMMISSION STAFF'S SUFFICIENCY RECOMMENDATION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this recommendation. In support thereof, Staff shows the following:

**I. BACKGROUND**

On February 22, 2017, Aqua Development, Inc., Kerrville South Water Company, Inc., and Harper Water Company, Inc. dba Aqua Texas (Aqua Southwest) filed its Southwest Region Regional true-up report and requested approval of a decrease in its pass-through gallonage fee. The requested effective date for the pass-through rate change is March 1, 2017. On February 24, 2017, Order No. 1 set a deadline of March 15, 2017 for Staff to file a recommendation on the application, sufficiency of notice and propose a procedural schedule. This pleading is therefore timely filed.

**II. RECOMMENDATION ON SUFFICIENCY AND NOTICE**

Staff has reviewed Aqua Southwest's application filed on February 22, 2017, and supplemental information and proof of notice filed on March 7, 2017 and recommends they be found sufficient and that Aqua Southwest be authorized to collect the pass-through rates as noticed, as supported by the attached memorandum of Ricky Herrera of the Water Utility Division. Staff also recommends that the Applicant be ordered to provide documentation of their line loss. Although the calculation of line loss does not appear in Aqua Southwest's tariff provision Appendix C (calculations of true-up adjustments), 16 Tex. Admin. Code § 24.21(b)(2)(A)(vii) tasks the Commission with approving the "correct recovery of the actual charges from pass-through entities, including line loss."

**III. PROPOSED PROCEDURAL SCHEDULE**

Staff recommends that Aqua Southwest be ordered to supplement their application with documentation regarding their line loss by April 7, 2017 and Staff be given until April 17, 2017 to file a final recommendation.

**IV. CONCLUSION**

Staff respectfully requests the entry of an order consistent with the above recommendation.

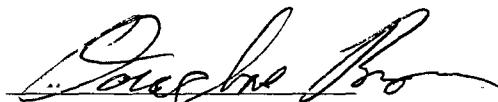
Dated: March 15, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

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**TARIFF CONTROL NO. 46882  
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record March 15, 2017, in accordance with 16 Texas Admin. Code § 22.74.

  
Alexander Petak