

Control Number: 46883



Item Number: 4

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RECEIVED

AQUA TEXAS, INC., AQUA UTILITIES, §
 INC. AND AQUA DEVELOPMENT, INC. §
 DBA AQUA TEXAS' NORTH REGION §
 REGIONAL TRUE-UP REPORT AND §
 REQUEST FOR A PASS-THROUGH §
 RATE CHANGE §
 §

PUBLIC UTILITY COMMISSION

PUBLIC UTILITY COMMISSION
OF TEXAS
FILING 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 Texas, Inc., Aqua Utilities, Inc. and Aqua Development, Inc., dba Aqua Texas (Aqua North) filed its North 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 North'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 North 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 North'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 North 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 recommendations.

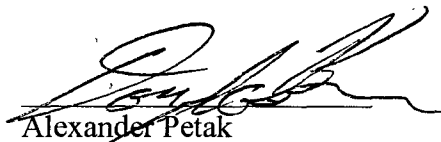
Dated: March 15, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

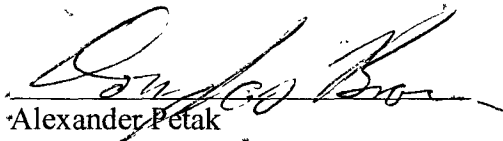
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**TARIFF CONTROL NO. 46883
CERTIFICATE OF SERVICE**

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

PUC Interoffice Memorandum

To: Alexander Petak
Legal Division

Thru: Tammy Benter, Director
Debi Loockerman, Financial Manager
Water Utilities Division

From: Ricky Herrera, Staff Engineer
Water Utilities Division

Date: March 13, 2017

Subject: *Tariff Control No. 46883, Aqua Texas, Inc., Aqua Utilities, Inc. and Aqua Development, Inc. dba Aqua Texas' North Region Regional True-Up Report and Request for a Pass-Through Rate Change*

On February 22, 2017, Aqua Texas, Inc., Aqua Utilities, Inc. and Aqua Development, Inc. dba Aqua Texas (Aqua Texas), Certificate of Convenience and Necessity (CCN) Nos. 11157, 12902 and 13201, filed its annual true-up report for its north region pass-through gallonage charge (RPTGC). Aqua Texas proposes to decrease the RPTGC to \$0.2640 from \$ 0.4753 per 1,000 gallons, a decrease of \$0.2113.

The pass-through rate change became effective on March 1, 2017.

A Staff review of the documentation filed by the Aqua Texas found that it is sufficient. Staff reviewed and confirmed Aqua Texas' true-up calculations for their north region RPTCG as part of our analysis and recommendation. Adequate notice was provided in accordance with Aqua Texas' tariff and the correct language was included pursuant to 16 TAC § 24.21(b)(2)(E)(ii)(VI).

Staff finds Aqua Texas is sufficient in their filing and recommends that the Commission order Aqua Texas to provide a copy of the monthly breakdown (per charging entity) of the water pumped and sold for the 2016 test year by filing documents under the tariff control number. Staff recommends the pass-through rate become effective on March 1, 2017, and that the application approval be delayed until the applicant provides the Commission with the required line-loss information.

PUC Interoffice Memorandum

To: Alexander Petak
Legal Division

Thru: Tammy Benter, Director
Debi Loockerman, Financial Manager
Water Utilities Division

From: Ricky Herrera, Staff Engineer
Water Utilities Division

Date: March 13, 2017

Subject: **Tariff Control No. 46882**, *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.*

On February 22, 2017, Aqua Texas, Inc., Aqua Development, Inc. Kerrville South Water Company, Inc., and Harper Water Company, Inc. dba Aqua Texas (Aqua Texas), Certificate of Convenience and Necessity (CCN) Nos. 11157, 12902, 11421 and 11484, filed its annual true-up report for its southwest region pass-through gallonage charge (RPTGC). Aqua Texas proposes to decrease the RPTGC to \$1.2102 from \$ 1.6404 per 1,000 gallons, a decrease of \$0.4302.

The pass-through rate change became effective on March 1, 2017.

A Staff review of the documentation filed by the Aqua Texas found that it is sufficient. Staff reviewed and confirmed Aqua Texas' true-up calculations for their southwest region RPTGC as part of our analysis and recommendation. Adequate notice was provided in accordance with Aqua Texas' tariff and the correct language was included pursuant to 16 TAC § 24.21(b)(2)(E)(ii)(VI).

Staff finds Aqua Texas is sufficient in their filing and recommends that the Commission order Aqua Texas to provide a copy of the monthly breakdown (per charging entity) of the water pumped and sold for the 2016 test year by filing documents under the tariff control number. Staff recommends the pass-through rate become effective on March 1, 2017 and that the application approval be delayed until the applicant provides the Commission with the required line-loss information.