



Control Number: 48579



Item Number: 10

Addendum StartPage: 0

TARIFF NO. 48579

RECEIVED

APPLICATION OF SWWC UTILITIES, §
INC. D/B/A HORNSBY BEND UTILITY §
COMPANY, INC. FOR APPROVAL OF §
A PASS-THROUGH RATE CHANGE §

PUBLIC UTILITY COMMISSION

2018 NOV 27 PM 3:58
PUBLIC UTILITY COMMISSION
OF TEXAS CLERK

COMMISSION STAFF'S AMENDED TARIFF

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Amended Tariff in response to the Administrative Law Judge's (ALJ) Notice Requesting Addition of True-Up Provision to Tariff and shows the following:

I. BACKGROUND

On August 8, 2018, SWWC Utilities, Inc. d/b/a Hornsby Bend Utility Company, Inc. (Hornsby Bend) filed for approval of a pass-through rate change to implement its approved purchased water pass-through clause pursuant to 16 Texas Administrative Code (TAC) §24.25 (renumbered from §24.21). The purchased water pass-through clause will only pass through costs associated with water purchases from Epcor 130 Project, Inc. The Applicant requested to decrease the purchased water pass-through charge to customers from \$0.39 to \$0.37 per 1,000 gallons effective September 1, 2018. Staff recommends a rate lower than requested of \$0.35 per 1,000 gallons.

On November 19, 2018, the ALJ filed a Notice Requesting Addition of True-Up Provision to Tariff, in which the ALJ requested that Commission Staff add a true-up provision, including calculation methodology, to the current proposed tariff.

II. TARIFF

As detailed in the attached memorandum and tariff from Kathryn Eiland in the Commission's Water Utility Regulation Division, Staff has amended the tariff to include a true-up provision.

Date: November 27, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

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TARIFF NO. 48579

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on November 27, 2018, in accordance with 16 TAC § 22.74.



Patrick D. Todd

PUC Interoffice Memorandum

To: Patrick Todd, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Water Utility Regulation Division

From: Kathryn Eiland, Financial Analyst
Water Utility Regulation Division

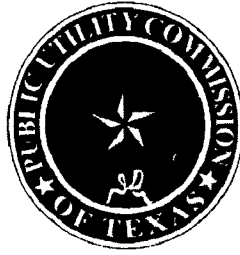
Date: November 27, 2018

Subject: **Tariff Control No. 48579**, *Application of SWWC Utilities, Inc. d/b/a Hornsby Bend Utility Company, Inc. for Approval of a Pass-Through Rate Change*

On August 8, 2018, SWWC Utilities, Inc. dba Hornsby Bend Utility Company (Applicant), Certificate of Convenience and Necessity No. 11978, filed a notice with the Public Utility Commission of Texas (Commission) to implement an adjustment of its purchased water pass-through clause pursuant to 16 Texas Administrative Code (TAC) § 24.25 (formerly 16 TAC § 24.21).

On November 19, 2018, the Office of Policy and Docket Management requested that Staff add a true-up provision, including the calculation methodology, to the current proposed tariff. Staff recommends that the following true-up provision be added to the Applicant's tariff:

With each annual adjustment to the Purchased Water and/or District Fee Pass-Through, the utility must file a true-up report that shows the pass-through calculation for the next 12 months in the notice. The report shall contain up to five years of data, as available, and show the annual and accumulated differences between the adjusted gallonage charge (AG) and/or the adjustment to the minimum bill (AMB) amounts collected from customers and the amounts actually paid to the entities whose charges are included in the pass-through provision and any other information requested by Commission Staff during the review.



WATER UTILITY TARIFF
Tariff Control Number 48579

SWWC Utilities, Inc., dba
Hornsby Bend Utility Company, Inc.
(Utility Name)

12535 Reed Rd.
(Business Address)

Sugarland, TX 77478-2837
(City, State, Zip Code)

(866) 654-7992
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

11978

This tariff is effective in the following counties:

Travis

This tariff is effective in the following subdivisions or systems:

Austin's Colony:PWS ID # 2270255 serving Austin's Colony, Forest Bluff, Tecolote Farms, Birch Addition, Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows, Plain View Estates, Betty Francis Addition, Rod Stewart Addition, Francis Subdivision, Decker Creek Estates, Hornsby Bend, The Tommy Reaux Subdivision, Trinity Hill

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The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

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APPENDIX D -- AGREEMENT FOR TEMPORARY WATER SERVICE

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Phase I rates effective January 1, 2014

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonge Charge</u>
5/8"	\$45.00	\$6.87 per 1,000 gallons
3/4"	\$67.50	
1"	\$112.50	
1½"	\$225.00	
2"	\$360.00	
3"	\$675.00	
4"	\$1,125.00	
6"	\$2,250.00	
8"	\$3,600.00	
10"	\$5,175.00	
12"	\$11,250.00	

Phase II rates effective January 1, 2017

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonge Charge</u>
5/8"	\$47.03	\$7.18 per 1,000 gallons
3/4"	\$70.55	
1"	\$117.58	
1½"	\$235.15	
2"	\$376.24	
3"	\$705.45	
4"	\$1,175.75	
6"	\$2,351.50	
8"	\$3,762.40	
10"	\$5,408.45	
12"	\$11,757.50	

Pass Through Fee Applied to Gallonge Charge \$0.35 per 1,000 gallons
 (Tariff Control No. 48579)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, MasterCard X, Visa X, Electronic Fund Transfer X

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

REGULATORY ASSESSMENT 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ).

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees

TAP FEE..... \$700.00
TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" METER PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

TAP FEE (Unique costs) Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

LARGE METER TAP FEE Actual Cost
TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" METERS.

RECONNECTION FEE
THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:
a) Non-payment of bill (Maximum \$25.00) \$25.00
b) Customer's request..... \$50.00
or other reasons listed under Section 2.0 of this tariff

TRANSFER FEE \$45.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE..... 10%
A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$25.00

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT 1/6TH EST. ANNUAL BILL

METER TEST FEE (actual cost of testing the meter up to)..... \$25.00
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY.

METER RELOCATION FEE Actual Relocation Cost
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER.

METER CONVERSION FEE Actual Cost to Convert Meter
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMERS SERVICE DEMAND.

SEASONAL RECONNECTION FEE:
BASE RATE FOR METER SIZE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (Continued)

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 2.12 SPECIFIC UTILITY SERVICE RULES AND SECTION 3.02 UTILITY SPECIFIC EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

INCREASES IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE RATE CHARGE UNDER THE TERMS AND CONDITIONS OF 16 TAC 24.21(b)(2)(F) AFTER NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE PUC.

SUPPLEMENTAL EMERGENCY SERVICE FEE

APPLICABLE TO NONRESIDENTIAL WATER SERVICE CUSTOMERS WHO REQUIRE SUPPLEMENTAL SERVICE OVER AND ABOVE THEIR EXISTING WATER SERVICE FROM TIME TO TIME. USAGE IS TO BE DETERMINED BY CUSTOMER. THE MINIMUM DIAMETER FOR SUPPLEMENTAL SERVICE METER SHALL BE 2 INCHES.

MONTHLY SUPPLEMENTAL SERVICE RATE: \$13.43
PER INCH DIAMETER OF SERVICE CONNECTION METER

METER TAMPERING, DAMAGE OR DIVERSION FEE: \$100.00
ONE TIME PENALTY PER OCCURRENCE FOR TAMPERING WITH OR DAMAGING A WATER METER OR ANY APPURTENANCE THERETO INCLUDING LOCKS AND METER BOXES OR SERVICE DIVERSION OF ONE HUNDRED DOLLARS (\$100.00).

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (Continued)

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc + \frac{(pr)(cgc)(r)}{(1.0-r)}$$

Where:

- TGC = temporary gallonage charge
- cgc = current gallonage charge
- r = water use reduction expressed as a decimal fraction (the pumping restriction)
- pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff prr shall equal 0.5.

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 30 TAC 24.21(l).

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE - ALL WATER SUBJECT TO FEE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$$AG = G + B/(1-L),$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent:
- G = approved gallonage charge (per 1,000 gallons);
- B = change in purchased water/district gallonage charge (per 1,000 gallons);
- L = system average line loss for preceding 12 months not to exceed 0.15

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (Continued)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE – PORTION OF WATER SUBJECT TO FEE:

Upon notice from a water supplier of either an increase or a decrease in the cost of purchased water, the utility shall provide notice to customers and the Commission of its intent to implement rates imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$$\text{Adjustment to the gallonage rate: } AG = (CP/GB) \times 1,000$$

$$\text{Adjustment to the minimum bill: } AMB = GMB \times AG$$

Where:

CP: CP1 – CP0 = Change in cost of purchased water

CP1: Cost of purchased water during the most recent 12 month period at the new rates;

CP0: Cost of purchased water during the most recent 12 month period at the previous rates;

GMB: Number of gallons in the minimum bill, divided by 1,000; and

GB: Number of gallons billed to customers in excess of the amount included in the monthly minimum bill for the 12 Month period used above.

With each annual adjustment to the Purchased Water and/or District Fee Pass-Through, the utility must file a true-up report that shows the pass-through calculation for the next 12 months in the notice. The report shall contain up to five years of data, as available, and show the annual and accumulated differences between the adjusted gallonage charge (AG) and/or the adjustment to the minimum bill (AMB) amounts collected from customers and the amounts actually paid to the entities whose charges are included in the pass-through provision and any other information requested by Commission Staff during the review.

FRANCHISE FEE PASS THROUGH CLAUSE:

Charges a municipality makes for use of streets and alleys pursuant to Tax Code §182.025 or other applicable state law shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$$AG = G + B$$

Where:

AG = adjusted gallonage charge, rounded to the nearest one cent:

G = approved gallonage charge (per 1,000 gallons) and

B = projected franchise fees payable (per 1,000 gallons).