



Control Number: 48579



Item Number: 11

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## *Public Utility Commission of Texas*

To: George Freitag, P.E.  
SouthWest Water Company  
1620 Grand Avenue Parkway, Suite 140  
Pflugerville, Texas 78660

Commission Staff – Water Utility Regulation  
Commission Staff – Legal Division

Re: 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*

### **NOTICE OF APPROVAL**

This Notice addresses SWWC Utilities, Inc.'s August 8, 2018 application for a rate change to pass-through costs associated with water purchased from Epcor 130 Project, Inc. The application included a report reconciling pass-through revenues and expenses dating back to July 2015. SWWC requests approval to decrease the current pass-through charge of \$0.39 to \$0.37 per 1,000 gallons. SWWC Utilities implemented the \$0.37 rate on September 1, 2018. The rate change affects customers in all subdivisions served by the Austin's Colony public water system (I.D. No. 2270255). In response to a notice of application deficiencies, SWWC Utilities provided additional information on September 27, 2018.

SWWC completed notice to customers in accordance with 16 Texas Administrative Code (TAC) § 24.25(b)(2)(F). The administrative law judge deems the application and notice sufficient.

Commission Staff recommended that the Commission approve a pass-through gallonage rate of \$0.35 per 1,000 gallons for customers in the 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, Decker Creek Estates, Hornsby Bend, Tommy Reaux, and Trinity Hill subdivisions. Commission Staff calculated the \$0.35 per



1,000 gallons rate using only the over collection reported for the prior year's effective date, August 1, 2017.

Commission Staff recommended that SWWC Utilities refund, as a credit to customers' bills, any amounts collected after September 1, 2018 that exceed the approved rate within 30 days of the date of this Notice.

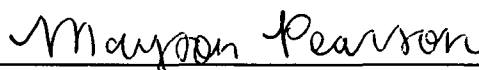
SWWC filed a response to Commission Staff's recommendation on October 26, 2016. SWWC Utilities agreed with the \$0.35 pass-through rate, but noted that under the \$0.35 rate, SWWC Utilities overcharged customers \$289.14 for September 2018. The overcharge amounted to \$0.02 per connection. Rather than refund each connection \$0.02, SWCC Utilities sought approval to include the one-month's overcharges in the true-up for the next filing.

On November 19, 2018, the ALJ requested the addition of a true-up provision to the tariff, including calculation methodology. On November 27, 2018, Commission Staff provided an amended tariff that included a true-up provision. SWCC Utilities must include the one-month overcharges in the true up for the next filing.

The Commission approves a pass-through rate of \$0.35 per 1,000 gallons for SWWC Utilities. The tariff pages with the new pass-through rates and true-up provision are attached to this Notice.

Signed at Austin, Texas the 12<sup>th</sup> day of December 2018.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
\_\_\_\_\_  
**MAYSON PEARSON**  
**ADMINISTRATIVE LAW JUDGE**



**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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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(I).

**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).