



Control Number: 48579



Item Number: 7

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**Hornsby Bend
Utility Company**

A SouthWest Water Company

October 24, 2018

2018 OCT 26 AM 9:34 Customer Service
866.654.SWWC (7992)

PUBLIC UTILITY COMMISSION
FILING CLERK

Public Utility Commission of Texas
Document Control
1701 N. Congress Avenue
P. O. Box 13326
Austin, TX 78711--3326

RE: Applicants Response to the PUC Staff's Recommendations in Tariff Control No. 48579, Application of SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc. for Approval of a Pass-Through Rate Change

To the Commission:

SWWC Utilities, Inc. dba Hornsby Bend Utility Company (Hornsby Bend) is responding to the October 19, 2018 Commission Staff's Recommendation Memo in the above referenced matter. The Staff reviewed the application and additional information submitted and made four recommendations to the Commission.

Hornsby Bend accepts Staff's recommendation No. 2 that the pass-through rate of \$0.35 per 1000 gallons effective September 1, 2018 be approved. Hornsby Bend accepts the tariff as proposed in No. 4. Hornsby Bend specifically requests the Commission adopt an alternative to the Staff's recommendation No. 3 as outlined below.

Staff recommendation No.3 in the October 19, 2018 Memo is as follows:

3. Order the Applicant to refund, as a credit to customers' bills, any amounts collected after the effective date that exceed the approved rate within 30 days of the final order in this docket;

In the original filing of this application, Hornsby Bend proposed and implemented a pass-through charge of \$0.37 per 1000 gallons with an effective date of September 1, 2018. Exactly one billing period has been billed at that rate. The difference between the staff proposed rate of \$0.35 per 1000 and the original rate is \$0.02 per 1000 gallons. Based on our billing records that show 14,457,000 gallons were billed last month, the overcharges amount to \$289.14 (14,457 x \$0.02).

Calculating and refunding that amount appropriately to approximately 3000 accounts will be a difficult task. Many accounts would be receiving a \$0.02 refund. Hornsby Bend asks that instead, it be allowed to include the overcharge amount in the true up calculations that will be required at the end of the twelve month period for which this pass through will be in effect. Hornsby Bend can install the staff proposed rate in time for the next round of monthly bills so that there will be no additional overcharges.

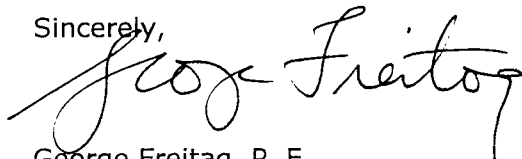
In summary, Hornsby Bend accepts the staff recommendations 1, 2, and 4, and respectfully requests that it not be ordered to refund one month's overcharges of approximately \$289 as recommended in No. 3. Instead the company should be allowed to include the one month's overcharges in the true up for the next filing.

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Please let me know if you need any additional information.

Sincerely,

A handwritten signature in black ink that reads "George Freitag". The signature is written in a cursive, flowing style.

George Freitag, P. E.
Texas Rate/Regulatory Manager
SouthWest Water Company
SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.
1620 Grand Avenue Parkway, Suite 140
Pflugerville, TX 78660
512 219 2288
gfreitag@swwc.com