

Control Number: 48579



Item Number: 8

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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 §

2018 NOV 15 AM 11:17  
PUBLIC UTILITY COMMISSION  
PUBLIC UTILITY COMMISSION  
FILING CLERK  
OF TEXAS

**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Supplemental Recommendation in response to SWWC Utilities, Inc.'s Response 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 October 26, 2018, Hornsby Bend filed a Response to Staff's Recommendation, in which it agreed with Staff's recommendation of a rate of \$0.35 per 1,000 gallons. Hornsby Bend requested that rather than having Hornsby Bend issue refunds, many of which will be in the order of a few cents each, that they instead be allowed to include the overcharge amount in the true-up calculations at the end of the twelve month period for which this pass-through will be in effect.

**II. RECOMMENDATION**

As detailed in the attached memorandum from Kathryn Eiland in the Commission's Water Utility Regulation Division, the overcharges amount to \$289.14. Further, Staff believes

the request of Hornsby Bend is reasonable and recommends that the \$289.14 in overcharges from the month of September 2018 be reconciled in the Applicant's 2019 true-up report.

Date: November 15, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney



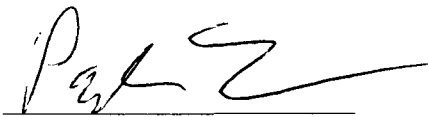
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**TARIFF NO. 48579**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on November 15, 2018, in accordance with 16 TAC § 22.74.



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Patrick D. Todd

## PUC Interoffice Memorandum

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**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 15, 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 §24.21). 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 recommended a rate lower than requested of \$0.35 per 1,000 gallons. Additionally, Staff recommended that the Applicant refund any amounts collected after the September 1, 2018 effective date that exceeded the approved rate within 30 days of the final order.

On October 26, 2018, the Applicant file a response to Staff's recommendation. The Applicant's records show that 14,457,000 gallons were billed during the month of September and the overcharges amount to \$289.14 (14,457 x \$0.02). Furthermore, the Applicant reported that calculating and refunding that amount appropriately would be a difficult task to approximately 3,000 accounts, of which many accounts would receive a \$0.02 refund. The Applicant requested to include the overcharge amount in the true-up calculations at the end of the twelve month period for which this pass-through will be in effect.