



Control Number: 51358



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TARIFF CONTROL NO. 51358

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APPLICATION OF SWWC UTILITIES, § PUBLIC UTILITY COMMISSION
INC. DBA HORNSBY BEND UTILITY §
COMPANY FOR A PASS THROUGH §
RATE CHANGE OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of SWWC Utilities dba Hornsby Bend Utility Company for approval of a pass-through rate change for purchased water fees assessed by EPCOR 130 Project, Inc. The Commission approves the pass-through rate increase from \$0.19 per 1,000 gallons to \$0.23 per 1,000 gallons for Hornsby Bend's customers in Travis County, effective on the first meter reading after October 1, 2020.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. SWWC is a Delaware corporation registered with the Texas secretary of state under filing number 800832416, and has an assumed name certificate on file with the Texas secretary of state for the name Hornsby Bend Utility Company, Inc.
2. SWWC holds water certificate of convenience and necessity (CCN) number 11978, under the name Hornsby Bend Utility Company, Inc., that obligates SWWC to provide retail water service in its certificated service area in Travis County.

Application

3. On September 23, 2020, Hornsby Bend filed an application to implement a pass-through rate change provision in its approved tariff for customers in Travis County.
4. Effective July 1, 2020, EPCOR increased the purchased water fee it bills Hornsby Bend from \$4.75 to \$4.89 per 1,000 gallons. The application provided calculations showing that, based on the purchased water fee increase charged by EPCOR and the approved tariff formula, the pass-through gallonage fee charged to Hornsby Bend's customers in Travis

County should, accordingly, increase from \$0.19 per 1,000 gallons to \$0.23 per 1,000 gallons.

5. The application contained the affected CCN number, the affected subdivisions, the public water system name and corresponding number issued by the Texas Commission on Environmental Quality, a copy of the notice to the customers, documentation supporting the stated amounts of any new or modified pass-through costs, historical documentation of line loss for one year, all calculations and assumptions for any true-up of pass-through costs, the calculations and assumptions used to determine the new rates, a true-up report, and a copy of the pages of the utility's tariff that contain the rates that will change if the utility's application is approved.
6. In Order No. 4 filed on December 14, 2020, the administrative law judge (ALJ) found the application administratively complete.

Notice

7. Hornsby Bend included with its application a copy of the proposed notice that was sent to customers on or about September 23, 2020.
8. On January 12, 2021, Hornsby Bend filed a revised notice that was mailed to all affected customers on or about January 12, 2021.
9. The revised notice contained the effective date of the change, the present calculation of customer billings, the new calculation of customer billings, the change in charges to Hornsby Bend for purchased water, and the following language: "This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code § 24.25. The cost to you as a result of this change will not exceed the costs charged to your utility."
10. In a notice filed on March 3, 2021, the ALJ found the notice sufficient.

Jurisdiction – Texas Water Code (TWC) §§ 13.002(19) and 13.041

11. Hornsby Bend is a retail public utility that purchases water.
12. Hornsby Bend is under the original jurisdiction of the Commission.

Eligibility for Pass-Through Rate Change – 16 Texas Administrative Code (TAC) § 24.25

13. The proposed charge is not included in the cost of service used to calculate the rates in the currently-approved tariff.
14. The proposed charge will pass through only the actual increase in costs charged to Hornsby Bend by EPCOR and does not duplicate costs otherwise charged to customers under the current tariff.

Tariff

15. The current tariff for Hornsby Bend was approved by the Commission on March 29, 2021 in Tariff Control No. 50055.¹
16. The current tariff includes a pass-through rate change provision stating that changes in costs imposed by non-affiliated providers of purchased water will be passed through as an adjustment to the gallonage rate under a specified formula.
17. On December 7, 2020, Commission Staff filed a proposed tariff as an attachment to its supplemental recommendation on the application and notice.
18. On March 29, 2021, Hornsby Bend was granted a minor tariff change,² resulting in changes to its tariff.
19. On April 27, 2021, Commission Staff filed a second proposed tariff as an attachment to the proposed notice of approval reflecting the changes made to Hornsby Bend's tariff in Docket No. 50055. The second proposed tariff reflects the proposed rate increase and contains a pass-through rate change provision similar to the current tariff.
20. The current tariff requires the filing of an annual true-up report where, as in the case of a take-or-pay contract, a change in a fee charged by Hornsby Bend's supplier affects some, but not all, of the water provided by Hornsby Bend to its customers.

Informal Disposition

21. More than 15 days have passed since the completion of notice provided in this docket.

¹ *Application of SWWC Utilities, Inc. for a Minor Tariff Change to Implement Federal Tax Change Credit Rider*, Docket. No. 50055, Notice of Approval (Mar. 29, 2021).

² *Id.*

22. No person filed a protest or motion to intervene.
23. Hornsby Bend and Commission Staff are the only parties to this proceeding.
24. No party requested a hearing and no hearing is needed.
25. Commission Staff recommended approval of the application.
26. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over the application under TWC § 13.041.
2. Hornsby Bend is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).
3. The Commission may approve this minor change to Hornsby Bend's water tariff and may approve the true-up report under 16 TAC § 24.25(b)(2)(A)(vii).
4. The application meets the requirements set forth in 16 TAC § 24.25.
5. Notice of the application was provided in compliance with 16 TAC § 24.25(b)(2)(F)(ii).
6. The Commission processed the application as required by the TWC, the Administrative Procedure Act,³ and Commission rules.
7. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves a pass-through rate increase from \$0.19 per 1,000 gallons to \$0.23 per 1,000 gallons for Hornsby Bend's customers in Travis County, effective on the first meter reading after October 1, 2020.

³ Tex. Gov't Code §§ 2001.001–.903.

2. The Commission approves the proposed tariff filed by Commission Staff on April 27, 2021.
3. Within ten days after the date of this Notice of Approval, Commission Staff must provide a clean copy of the tariff approved in this Notice of Approval to central records to be marked *Approved* and filed in the Commission's tariff book.
4. If Hornsby Bend collects an amount as a result of this pass-through rate increase that is higher than the purchased water costs incurred, Hornsby Bend must refund any amounts collected in excess of the purchased water costs.
5. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 5 day of May 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, reading "Katie Moore Marx". The signature is written in a cursive, flowing style.

**KATIE MOORE MARX
ADMINISTRATIVE LAW JUDGE**