



Control Number: 51833



Item Number: 15

Addendum StartPage: 0

TARIFF CONTROL NO. 51833

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APPLICATION OF AQUA TEXAS, INC. §  
FOR 2020 TRUE-UP REPORT AND §  
PASS-THROUGH GALLONAGE §  
CHARGE FOR ITS SOUTHWEST §  
REGION §

PUBLIC UTILITY COMMISSION  
OF TEXAS

AMENDED NOTICE OF APPROVAL

This Amended Notice of Approval addresses the application of Aqua Texas, Inc. providing its 2020 true-up report filed in compliance with its Southwest Regional tariff and requesting approval for a regional pass-through gallonage rate reduction for its Southwest Region. The Commission approves the true-up report and requested pass-through rates to the extent provided in this Amended Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Aqua Texas is a Texas corporation registered with the Texas secretary of state under filing number 0800304878.
2. Aqua Texas is providing service under certificate of convenience and necessity (CCN) numbers 11157 and 13254.

Application

3. On February 23, 2021, Aqua Texas filed an application regarding a 2020 true-up report filed in compliance with its Southwest Regional tariff and requested approval of a regional pass-through gallonage rate reduction for its southwest region.
4. In its application, Aqua Texas requested a decrease in the overall fees it pays to the sixteen entities listed on page four of its application. Specifically, Aqua Texas requested a regional pass-through gallonage rate reduction for customers subject to its Southwest Region regional pass-through gallonage rate from \$1.6188 to \$0.8389 per thousand gallons effective March 1, 2021.

5. On March 29, 2021, the administrative law judge (ALJ) filed a notice finding Aqua Texas's application administratively complete.

**Notice**

13. On February 26, 2021, Aqua Texas provided notice of the pass-through rate change to affected customers.
14. The 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 Aqua Texas 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."
15. On March 29, 2021, the ALJ found the notice sufficient.

**Evidentiary Record**

16. On April 30, 2021, Commission Staff filed an agreed motion to admit evidence.
17. In Order No. 4 filed on May 6, 2021, the ALJ admitted the following into evidence: (a) Aqua Texas's application filed on February 23, 2021; (b) Commission Staff's recommendation on administrative completeness and notice and final recommendation, filed on March 24, 2021; (c) Commission Staff's corrected tariff, filed on April 5, 2021; and (d) Commission Staff's agreed motion to admit evidence, filed on April 30, 2021.
18. On May 28, 2021, Commission Staff filed an agreed supplemental motion to admit evidence.
19. In Order No. 6 filed on June \_\_, 2021, the ALJ admitted the tariff for Aqua Texas, Inc. (Southwest Region), CCN number 13254, as attached to the agreed supplemental motion to admit evidence into the record of this proceeding.

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

20. Aqua Texas is a utility that purchases water.
21. Aqua Texas is under the original jurisdiction of the Commission.

**Eligibility for Pass-Through Rate Change – 16 TAC § 24.25**

22. The proposed charge will pass through only the actual costs charged to Aqua Texas by its suppliers and does not duplicate costs otherwise charged to customers under the current tariff.
23. Aqua Texas provided a true-up report reflecting the amounts billed to Aqua Texas, Inc.'s customers in 2020 compared with amounts paid to suppliers, as required under the current tariff. The true-up report was filed within one month of the end of the true-up period.

**Tariff**

24. The current tariffs for CCN numbers 11157 and 13254 were approved by the Commission on September 9, 2020 in Docket No. 50573.<sup>1</sup> Aqua Texas applied the approved formula in determining the new regional pass-through gallonage charge for Aqua Texas.
25. Aqua Texas provided a true-up report reflecting the amounts billed in the previous year compared with amounts paid to water districts having jurisdiction over Aqua Texas.
26. The current tariffs prescribe the formula by which the regional pass-through gallonage charge is to be calculated. The formula takes into account the projected sum for the upcoming twelve months for purchased water and district costs, the actual payments by the utility for the prior twelve months for purchased water and district costs, the actual collections by the utility in the prior twelve months from the previously approved regional pass-through gallonage charge, the year-end meter equivalents, and the average annual usage per meter equivalent, in 1,000 gallon units, from the most recent rate case.
27. On March 24, 2021, Commission Staff filed initial proposed tariffs for CCN numbers 11157 and 13254 as attachments to its recommendation on administrative completeness and notice and final recommendation. Commission Staff refiled the proposed tariff for CCN No. 13254 as an attachment to its May 28, 2021 agreed supplemental motion to admit evidence.
28. On April 5, 2021, Commission Staff filed a corrected proposed tariff for CCN number 11157.

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<sup>1</sup> *Application of Aqua Utilities, Inc , Aqua Development, Inc , Kerrville South Water Company, Inc. and Harper Water Company, Inc. dba Aqua Texas For A Pass Through Rate Change.* Docket No. 50573, Notice of Approval (Sept. 9, 2020).

29. The proposed tariff reflects the proposed regional pass-through gallonage charge increase and contain regional pass-through gallonage charge change provisions similar to the current tariff.

**Informal Disposition**

30. More than 15 days have passed since the completion of notice provided in this docket.
31. No person filed a protest or motion to intervene.
32. Aqua Texas and Commission Staff are the only parties to this proceeding.
33. No party requested a hearing and no hearing is needed.
34. Commission Staff recommended approval of the application.
35. 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. Aqua Texas is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31), and a utility as defined in TWC § 13.002(23) and 16 TAC § 24.3(39).
3. The Commission may approve this minor change to Aqua Texas' water tariff 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).
6. The Commission processed the application as required by the TWC, the Administrative Procedure Act,<sup>2</sup> and Commission rules.
7. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

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<sup>2</sup> Tex. Gov't Code §§ 2001.001–.903.


### III. Ordering Paragraphs

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

1. The Commission approves, effective March 1, 2021, Aqua Texas's 2020 true-up report and revised Southwest Region regional pass-through gallonage charge rate.
2. The Commission approves the proposed tariff for CCN number 11157 filed by Commission Staff on April 5, 2021.
3. The Commission approves the proposed tariff for CCN number 13254 filed by the parties on May 28, 2021.
4. 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.
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 1st day of June 2021.**

**PUBLIC UTILITY COMMISSION OF TEXAS**



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**GREGORY R. SIEMANKOWSKI  
ADMINISTRATIVE LAW JUDGE**