



Control Number: 51833



Item Number: 8

Addendum StartPage: 0

TARIFF CONTROL NO. 51833

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

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PUBLIC UTILITY COMMISSION
OF TEXAS

MOTION TO ADMIT EVIDENCE AND PROPOSED ORDER

On February 23, 2021, Aqua Texas, Inc. (Aqua Texas) filed an application regarding its 2020 true-up report and regional pass-through gallonage charge (RPTGC) adjustment in compliance with its Southwest Regional tariff (Application). On April 22, 2021, the administrative law judge (ALJ) filed a Notice Revising Procedural Schedule, requiring the Staff (Staff) of the Public Utility Commission of Texas (Commission) and Aqua Texas to file their joint proposed findings of fact and conclusions of law. Commission Staff and Aqua Texas (the Parties) show as follows.

I. BACKGROUND

The Aqua Texas Application provided its 2020 true-up report in compliance with its Southwest Regional tariff and requested approval to reduce its RPTGC to \$0.8389 per 1,000 gallons effective March 1, 2021. On March 24, 2021, Commission Staff filed its Notice Finding Application Administratively Complete and Notice Sufficient under 16 Texas Administrative Code (TAC) § 24.25(b)(2). On March 29, 2021, the ALJ filed a Notice Finding Application Administratively Complete and Notice Sufficient. On April 5, 2021, Commission Staff filed a corrected tariff.

On April 22, 2021, the administrative law judge (ALJ) filed a Notice Revising Procedural Schedule, requiring the Parties to file their joint proposed findings of fact and conclusions of law on or before April 30, 2021. Therefore, this pleading is timely filed.

II. MOTION TO ADMIT EVIDENCE

The Parties request that the following evidence be admitted into the record for the purpose of supporting the notice of approval in this proceeding:

1. Application of Aqua Texas, Inc. for 2020 True-Up Report and Pass-Through Gallonage Charge for Its Southwest Region, filed February 24, 2021 (Interchange Item No. 1);

8

2. Commission Staff's Recommendation on the Administrative Completeness and Notice and Final Recommendation, filed on March 24, 2021 (Interchange Item No. 3); and
3. Commission Staff's Corrected Tariff, filed on April 5, 2021 (Interchange Item No. 5).

III. PROPOSED ORDER

The Parties have agreed to the findings of fact, conclusions of law, and ordering paragraphs included in the attached Proposed Order. The Parties respectfully request that the attached proposed Order be approved.

IV. CONCLUSION

As evidenced by the items listed above, Commission Staff and Aqua Texas respectfully request the entry of an order admitting the items listed above into the administrative record of this proceeding as evidence.

Dated: April 30, 2021

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

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TARIFF CONTROL NO. 51833

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on April 30, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Kevin R. Bartz _____
Kevin R. Bartz

TARIFF CONTROL NO. 51833

APPEAL OF AQUA TEXAS, INC. FOR 2020 TRUE-UP REPORT AND PASS- THROUGH GALLONAGE CHARGE FOR ITS SOUTHWEST REGION	§ § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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PROPOSED ORDER

This Order addresses the application of Aqua Texas, Inc. (Aqua) providing its 2020 true-up report filed in compliance with its Southwest Regional tariff and requesting approval for a regional pass-through gallonage rate (RPTGC) reduction for its Southwest Region under 16 Texas Administrative Code (TAC) § 24.25(b)(2).

I. Findings of Fact

The Commission makes the following findings of fact:

Applicant and CCNs

1. Aqua Texas is a retail public utility.
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 RPTGC 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 RPTGC reduction for customers subject to its Southwest Region RPTGC 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 of the Application

6. On February 26, 2021, Aqua Texas sent notice of the proposed rate change to each customer or other affected party via the letter provided in its application.
7. On March 29, 2021, the ALJ found Aqua Texas's notice of the application sufficient.

Evidentiary Record

8. On April 30, 2021, Staff filed an agreed motion to admit evidence.
9. In Order No. ____ filed on _____, 2021, the ALJ admitted the following into evidence: (a) Aqua Texas's application for a 2020 true-up report and pass-through gallonage charge for its southwest region, filed on February 23, 2021 (Interchange Item No. 1); (b) Staff's recommendation on administrative completeness and notice and final recommendation, filed on March 24, 2021 (Interchange Item No. 3); (c) Staff's corrected tariff, filed on April 5, 2021 (Interchange Item No. 5); and (d) Staff's agreed motion to admit evidence, filed on April 30, 2021 (Interchange Item No. ____).

Jurisdiction—Texas Water Code (TWC) §6 13.002(19) and 13.041

10. Aqua Texas, Inc. is a retail public utility that purchases water.
11. Aqua Texas, Inc. is under the original jurisdiction of the Commission.

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

12. The proposed charge will pass through only the actual costs charged to Aqua Texas, Inc. by its suppliers and does not duplicate costs otherwise charged to customers under the current tariff.
13. 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

14. The current tariff was approved by the Commission on September 9, 2020 in Docket No. 50573.¹ Aqua Texas applied the approved formula in determining the new regional pass-through gallonage charge for Aqua Texas, Inc.
15. 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, Inc.

¹ *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).

16. The current tariff prescribes 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.
17. On March 24, 2021, Commission Staff filed an initial proposed tariff as an attachment to its approval.
18. On April 5, 2021, Commission Staff filed a corrected proposed tariff. The proposed tariff reflects the proposed regional pass-through gallonage charge increase and contains a regional pass-through gallonage charge change provision similar to the current tariff.

Informal Disposition

19. More than 15 days have passed since the completion of notice provided in this docket.
20. No person filed a protest or motion to intervene.
21. Applicants and Commission Staff are the only parties to this proceeding.
22. No party requested a hearing and no hearing is needed.
23. Commission Staff recommended approval of the application.
24. This decision is not adverse to any party.

II. Conclusion of Law

The Commission makes the following conclusions of law:

1. Aqua Texas is a retail public utility as that term is defined in TWC § 13.002(19) and 16 TAC § 24.3(31).
2. The Commission has authority over Aqua Texas's application for a 2020 true-up and requested approval of a pass-through gallonage charge adjustment under TWC § 13.041.
3. The Commission may approve this minor change to Aqua Texas, Inc.'s tariff and may approve a true-up report under 16 TAC § 24.25.
4. Aqua Texas met its burden of proof under TWC § 13.184(c) and 16 TAC § 24.12 to show that the proposed RPTGC rate is just and reasonable.

5. The application meets the requirements set forth in 16 TAC § 24.25.
6. Notice of the application was provided in compliance with 16 TAC § 24.25(b)(2)(F) and Aqua Texas, Inc.'s approved RPTGC tariff provisions.
7. The Commission processed the application in accordance with the requirements of the TWC, the Administrative Procedure Act,² and Commission Rules.
8. The requirements for informal disposition in accordance with 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 Aqua Texas's 2020 true-up report, revised Southwest Region regional pass-through gallonage charge rate, and revised tariff to the extent provided in this Order.
2. The commission approves the rates, terms, and conditions included in the tariff filed by Staff on April 5, 2021, effective March 1, 2021, that includes Aqua Texas, Inc.'s requested adjustment to its Southwest Region regional pass-through gallonage charge.
3. The Commission authorizes Aqua Texas to charge \$0.8389 per 1,000 gallons as requested in its regional pass-through gallonage charge application.
4. Within 10 days of the date of this Order, Staff must file a clean copy of Aqua Texas's tariff with Central Records to be marked *Approved* and kept in the Commission's tariff book.
5. The Commission denies all other motions and any other requests for general or specific relief, that have not been expressly granted.

² Tex. Gov't Code §§ 200.001-903.

Signed at Austin, Texas the _____ day of _____ 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

ADMINISTRATIVE LAW JUDGE