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Received - 2021-11-29 11:53:55 AM

Control Number - 52722

ItemNumber - 5

TARIFF CONTROL NO. 52722

APPLICATION OF CSWR-TEXAS UTILITY OPERATING COMPANY, LLC FOR A PASS-THROUGH RATE CHANGE	§ § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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**CSWR-TEXAS UTILITY OPERATING COMPANY, LLC'S
RESPONSE TO ORDER NO. 2**

In Order No. 2, the Administrative Law Judge (“ALJ”) directed CSWR-Texas Utility Operating Company, LLC (“CSWR Texas” or “the Company”) to file supplemental information to cure deficiencies identified by Commission Staff and address the issues raised by the ALJ on or before November 29, 2021. This response is timely filed.

I. SUPPLEMENTAL INFORMATION TO CURE DEFICIENCIES

Commission Staff identified that in the original notice provided by CSWR Texas, the Company used thirteen months of data in calculating its historical line loss instead of twelve and that the correct percentage for line loss should be 16.87% instead of 16.83%. Staff recommended, and the ALJ ordered, that CSWR Texas provide a revised notice showing the corrected line loss calculation. Attached to this response as Attachment A is the revised notice provided to customers on November 24, 2021. The line loss calculation included in the revised notice is corrected to address the error identified by Commission Staff.

II. CLARIFICATION IN RESPONSE TO REQUEST FROM ALJ

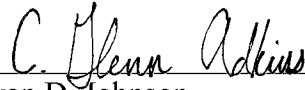
In Order No. 2, the ALJ requested clarification regarding the proposed revised tariff included in CSWR Texas’s application. Specifically, the ALJ asked whether the rates charged by CSWR Texas to recover its revenue requirement in Copano Heights Units 1 and 2 include only a monthly minimum charge, but zero gallonage charge? The answer to this question is yes. The gallonage charge included in CSWR Texas’s tariff is completely attributable to the pass-through

cost of purchased water from the City of Rockport, adjusted for line loss; the gallonage charge does not recover any portion of CSWR's revenue requirement.

The ALJ further asks whether CSWR Texas's proposed tariff is consistent with 16 Texas Administrative Code ("TAC") § 24.25(b)(2)(E), which requires that "all charges approved for recovery of pass-through costs must be stated separately from all charges by the utility to recover the revenue requirement." Although CSWR Texas submits that the current language is consistent with TAC § 24.25(b)(2)(E) because the pass-through charge is "stated separately" in that it does not include any other costs, the Company agrees with the ALJ that the use of "includes" is unclear. Attached to this response as Attachment B is an updated proposed tariff page with amended language to clarify what is the sole driver of the gallonage charge and to amend the line loss reference discussed above. CSWR Texas supports an entry of an order in this proceeding consistent with the proposed tariff language in Attachment B.

Respectfully submitted,

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**ATTORNEYS FOR CSWR-TEXAS
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LLC**

CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of November 2021, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Order Suspending Rules issued in Project No. 50664.



C. Glenn Adkins



Dear CSWR-Texas Customer,

This letter is a follow-up to a previous letter regarding a pass-through rate change related to wholesale water rates charged by the City of Rockport. The pass-through rate calculation in the previous letter contained a water line loss amount of 16.83%. The correct water line loss amount is 16.87%. This small error does not change the amended gallonage charge, which will be \$7.35 per 1,000 gallons.

As explained previously, The City of Rockport has decided to amend the wholesale water rates charged to all wholesale customers, including CSWR-Texas, effective September 15, 2021. CSWR-Texas is required to implement the rate increase, bill customers, and send the money it collects to the City of Rockport. CSWR-Texas does not profit from the rate increase and does not control any aspect of the City of Rockport's decision to raise rates.

CSWR-Texas hereby notifies you that it is amending its tariff to raise the gallonage charge attributable to the City of Rockport, effective November 1, 2021. The new amended gallonage charge will be \$7.35 per 1,000 gallons. Prior to this change, the gallonage charge attributable to the City of Rockport was \$6.60 per 1,000 gallons. The calculation on the next page demonstrates the basis for the \$7.35 per 1,000-gallon charge and includes a customer bill comparison.

The Public Utility Commission of Texas will review this minor tariff change and order any revisions that it determines are warranted. The proposed effective date of the proposed amendment to the Company's pass-through charge is November 1, 2021.

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.

If you have any questions about this minor tariff change, please call 866-301-7725 or email us at support@cswrtexaswateruoc.com.

Sincerely,

CSWR-Texas Customer Care



New City of Rockport Wholesale Water Rate Fee Calculation

G = gallonage charge from City of Rockport* \$6.11 (per 1,000 gallons)
 L = water line loss 16.87%

Adjusted Gallonage Charge = $G / (1-L)$ \$7.35 (per 1,000 gallons)

*The City of Rockport increased the fee charged to CSWR-Texas to \$6.11 per 1,000 gallons, effective September 15, 2021.

Customer Bill Comparison at 5,000 gallons

Previous Calculation of Example Customer Billing:

5/8" or 3/4" meter using 5,000 gallons

Monthly Minimum Charge	\$31.91
CSWR-Texas Gallonage Charge passed-through from the City of Rockport [\$6.60 x 5,000/1,000 gallons]	\$33.00
Total:	\$64.91

New Calculation of Example Customer Billing:

5/8" or 3/4" meter using 5,000 gallons

Monthly Minimum Charge	\$31.91
CSWR-Texas Gallonage Charge passed-through from the City of Rockport [\$7.35 x 5,000/1,000 gallons]	\$36.75
Total:	\$68.66

CSWR – Texas Utility Operating Company, LLC

Copano Heights Unit 1 & 2, Water System

(Formerly Copano Heights)

(Utility Name)

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>	<u>Pass-Through Gallonage Charge</u>
5/8" or 3/4"	\$31.91 (including 0 gallons)	\$7.3549* per 1,000 gallons
3/4"	\$47.87	
1"	\$79.78	
1½"	\$159.55	
2"	\$255.28	
3"	\$478.65	
4"	\$797.75	

*The above gallonage rate ~~includes~~ is a pass-through charge for purchased water from the City of Rockport, adjusted for 16.87% water loss. The pass-through charge ~~an~~ most recently increased of \$0.7549 from \$6.4160 to \$6.607.35 per 1,000 gallons for purchased water from the City of Rockport, adjusted for 9.22% water loss. (Tariff Control No. 5048352722)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash , Check , Money Order , Credit Card , Other (specify)

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fee

TAP FEE \$950.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique Costs) Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large Meter) Actual Cost
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR FOR THE METER INSTALLED.

METER RELOCATION FEE Actual Cost, not to exceed Tap Fee
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.