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Control Number - 54565

Item Number - 2490

Public Utility Commission of Texas

Memorandum

TO: Shelah Cisneros, Commission Counsel

FROM: Darryl Tietjen, Rate Regulation

DATE: March 27, 2024

RE: Docket No. 54565, SOAH Docket No. 473-23-18885.WS—*Application of CSWR-Texas Utility Operating Company, LLC for Authority to Change Rates*
Commission Number Run—Based on Commission discussion at the March 7, 2024 Open Meeting

Please find attached to this memo the number-run schedules for CSWR-Texas as requested in the instructions contained in your March 8, 2024 memo. Also attached are two internal Staff memos describing the steps we performed to carry out the instructions. Additionally, please note that the Excel models containing the calculations are included as part of the filing of this memo.

Please advise if you have any questions regarding this information.

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END December 31, 2022

Commission Schedule I
Water Revenue Requirement

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
WATER REVENUE REQUIREMENT					
Operations and Maintenance	\$ 3,975,923	\$ 635,120	\$ 4,611,043	\$ -	\$ 4,611,043
Depreciation and Amortization Expense	\$ 172,033	\$ 502,082	\$ 674,115	\$ -	\$ 674,115
Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes Other Than Income	\$ 50,286	\$ 31,044	\$ 81,330	\$ -	\$ 81,330
Federal Income Taxes	\$ -	\$ 323,873	\$ 323,873	\$ (93,672)	\$ 230,201
Return on Invested Capital	\$ -	\$ 1,753,037	\$ 1,753,037	\$ (484,563)	\$ 1,268,475
TOTAL	\$ 4,198,242	\$ 3,245,157	\$ 7,443,399	\$ (558,234)	\$ 6,885,164
Other Revenues - Taps, Recon, late fee, Etc.	\$ (78,219)	\$ -	\$ (78,219)	\$ -	\$ (78,219)
Revenue Requirement Used to Set Rates	\$ 4,120,023	\$ 3,245,157	\$ 7,365,180	\$ (558,234)	\$ 6,806,945

SOAH DOCKET NC 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule II
Water O&M Expense

WATER OPERATIONS AND MAINTENANCE EXPENSE		Test Year	Company	Company	Commission	Commission
		Total	Adjustments	Requested	Adjustments	Adjusted
		(a)	To Test Year	Test Year	To Company	Total
Acct. No.	ACCOUNT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
610	PURCHASED WATER	\$ 323,246	\$ (323,246)	\$ -	\$ -	\$ -
615	POWER EXPENSE-PRODUCTION OF	\$ 238,010	\$ 65,136	\$ 303,146	\$ -	\$ 303,146
618	OTHER VOLUME RELATED EXPENS	\$ 104,860	\$ 26,599	\$ 130,459	\$ -	\$ 130,459
601-1	EMPLOYEE LABOR	\$ -	\$ -	\$ -	\$ -	\$ -
620	MATERIALS	\$ 3,682	\$ -	\$ 3,682	\$ -	\$ 3,682
631-636	CONTRACT WORK	\$ 1,888,752	\$ 365,142	\$ 2,253,894	\$ -	\$ 2,253,894
650	TRANSPORTATION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
664	OTHER PLANT MAINTENANCE	\$ 360	\$ -	\$ 360	\$ -	\$ 360
601-2	OFFICE SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -
601-3	MANAGEMENT SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -
604	EMPLOYEE PENSIONS & BENEFITS	\$ -	\$ -	\$ -	\$ -	\$ -
615	PURCHASED POWER-OFFICE ONLY	\$ -	\$ -	\$ -	\$ -	\$ -
670	BAD DEBT EXPENSE	\$ 126	\$ 73,209	\$ 73,335	\$ -	\$ 73,335
676	OFFICE SERVICES & RENTALS	\$ 339	\$ -	\$ 339	\$ -	\$ 339
677	OFFICE SUPPLIES & EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
678	PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -
684	INSURANCE	\$ 190,586	\$ 233,111	\$ 423,697	\$ -	\$ 423,697
667	REGULATORY EXPENSE (OTHER)	\$ 185,605	\$ -	\$ 185,605	\$ -	\$ 185,605
675	MISCELLANEOUS	\$ 1,040,357	\$ 196,169	\$ 1,236,526	\$ -	\$ 1,236,526
	TOTAL	\$ 3,975,923	\$ 635,120	\$ 4,611,043	\$ -	\$ 4,611,043

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule III
Water Invested Capital

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
WATER INVESTED CAPITAL					
Plant in Service (incl CWIP)	\$ 15,094,142	\$ 2,624,428	\$ 17,718,570	\$ -	\$ 17,718,570
Accumulated Depreciation	\$ (1,129,572)		\$ (1,129,572)	\$ -	\$ (1,129,572)
Net Plant in Service	\$ 13,964,570	\$ 2,624,428	\$ 16,588,998	\$ -	\$ 16,588,998
Working Cash Allowance	\$ -	\$ -	\$ 347,873	\$ -	\$ 347,873
Materials and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Prepayments	\$ 36,381	\$ -	\$ 36,381	\$ -	\$ 36,381
Customer Advances Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition Adjustments	\$ -	\$ 1,249,591	\$ 1,249,591	\$ (692,572)	\$ 557,019
Developer Contribution in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Deposits	\$ -	\$ -	\$ -	\$ -	\$ -
Regulatory Assets	\$ -	\$ -	\$ -	\$ -	\$ -
ADFIT	\$ -	\$ -	\$ -	\$ -	\$ -
Excess ADFIT	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -		
TOTAL INVESTED CAPITAL (RATE BASE)	\$ 14,000,951	\$ 3,874,019	\$ 18,222,843	\$ (692,572)	\$ 17,530,271
RATE OF RETURN			9.62%		7.35%
RETURN ON INVESTED CAPITAL		\$ 1,753,037	\$ 1,753,037	\$ (464,563)	\$ 1,288,475

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule IIIA
Water Plant In Service
(Original Cost to Install or Construct)

WATER PLANT IN SERVICE (Original Cost to Install or Construct)		Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
Acct. No.	ACCOUNT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
303	LAND AND LAND RIGHTS			\$ -	\$ -	\$ -
307	WELLS			\$ -	\$ -	\$ -
	WELL PUMPS:			\$ -	\$ -	\$ -
311	5 HP OR LESS			\$ -	\$ -	\$ -
311	GREATER THAN 5 HP			\$ -	\$ -	\$ -
	BOOSTER PUMPS:			\$ -	\$ -	\$ -
311	5 HP OR LESS			\$ -	\$ -	\$ -
311	GREATER THAN 5 HP			\$ -	\$ -	\$ -
320	CHLORINATORS			\$ -	\$ -	\$ -
	STRUCTURES:			\$ -	\$ -	\$ -
304	WOOD			\$ -	\$ -	\$ -
304	MASONRY			\$ -	\$ -	\$ -
305	STORAGE TANKS			\$ -	\$ -	\$ -
311	PRESSURE TANKS			\$ -	\$ -	\$ -
331	DISTRIBUTION SYSTEM			\$ -	\$ -	\$ -
334	METERS AND SERVICE			\$ -	\$ -	\$ -
340	OFFICE EQUIPMENT			\$ -	\$ -	\$ -
341	VEHICLES			\$ -	\$ -	\$ -
343	SHOP TOOLS			\$ -	\$ -	\$ -
345	HEAVY EQUIPMENT			\$ -	\$ -	\$ -
348	FENCING			\$ -	\$ -	\$ -
TOTAL		15,202,328	2,624,428	17,826,756	0	17,826,756

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule IIIB
Water Depreciation Expense

WATER PLANT IN SERVICE		Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
Acct. No.	ACCOUNT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
303	LAND AND LAND RIGHTS			\$ -	\$ -	\$ -
307	WELLS			\$ -	\$ -	\$ -
	WELL PUMPS:			\$ -	\$ -	\$ -
311	5 HP OR LESS			\$ -	\$ -	\$ -
311	GREATER THAN 5 HP			\$ -	\$ -	\$ -
	BOOSTER PUMPS:			\$ -	\$ -	\$ -
311	5 HP OR LESS			\$ -	\$ -	\$ -
311	GREATER THAN 5 HP			\$ -	\$ -	\$ -
320	CHLORINATORS			\$ -	\$ -	\$ -
	STRUCTURES:			\$ -	\$ -	\$ -
304	WOOD			\$ -	\$ -	\$ -
304	MASONRY			\$ -	\$ -	\$ -
305	STORAGE TANKS			\$ -	\$ -	\$ -
311	PRESSURE TANKS			\$ -	\$ -	\$ -
331	DISTRIBUTION SYSTEM			\$ -	\$ -	\$ -
334	METERS AND SERVICE			\$ -	\$ -	\$ -
340	OFFICE EQUIPMENT			\$ -	\$ -	\$ -
341	VEHICLES			\$ -	\$ -	\$ -
343	SHOP TOOLS			\$ -	\$ -	\$ -
345	HEAVY EQUIPMENT			\$ -	\$ -	\$ -
348	FENCING			\$ -	\$ -	\$ -
	CONTRIBUTIONS IN AID OF CONSTRUCTION			\$ -	\$ -	\$ -
	TOTAL	\$ 172,033	\$ 502,082	\$ 674,115	\$ -	\$ 674,115

SOAH DOCKET NO 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule IV
Water Taxes Other Than FIT

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
WATER TAXES OTHER THAN FIT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Non-Revenue Related					
Ad Valorem Taxes	\$ 50,286	\$ 31,044	\$ 81,330	\$ -	\$ 81,330
Total Property	\$ 50,286	\$ 31,044	\$ 81,330	\$ -	\$ 81,330
Payroll Taxes					
FICA	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICARE	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICARE-Affordable Care Act			\$ -	\$ -	\$ -
FUTA	\$ -	\$ -	\$ -	\$ -	\$ -
SUTA	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -
LESS Capitalized	\$ -	\$ -	\$ -	\$ -	\$ -
Total Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes					
Other taxes and Licenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL TAXES OTHER THAN INCOME	\$ 50,286	\$ 31,044	\$ 81,330	\$ -	\$ 81,330

Commission Attachment A
Water

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule V
Water Federal Income Taxes

	Test Year Total	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
WATER FEDERAL INCOME TAXES	(a)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Return	Total	\$ 1,753,038	\$ (464,563)	\$ 1,288,475
Less				
Interest Included in Return		\$ 534,658	\$ (112,178)	\$ 422,480
Plus				
Other Adjustments				
TAXABLE COMPONENT OF RETURN		\$ 1,218,380	\$ (352,385)	\$ 865,995
TAX RATE		21%	\$ -	21%
TAX FACTOR (1/(1-TR))*(TR)		0.265822785	\$ -	0.265822785
FEDERAL INCOME TAX BEFORE ADJUSTMENTS		\$ 323,873	\$ (93,672)	\$ 230,201
LESS				
Adjustments		\$ -	\$ -	\$ -
TOTAL FEDERAL INCOME TAXES		\$ 323,873	\$ (93,672)	\$ 230,201

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END December 31, 2022

Commission Schedule I
Sewer Revenue Requirement

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
SEWER REVENUE REQUIREMENT					
Operations and Maintenance	\$ 912,406	\$ 380,080	\$ 1,292,486	\$ -	\$ 1,292,486
Depreciation and Amortization Expense	\$ 47,898	\$ 191,321	\$ 239,219	\$ -	\$ 239,219
Taxes Other Than Income	\$ 9,026	\$ 8,843	\$ 17,869	\$ -	\$ 17,869
Federal Income Taxes	\$ -	\$ 113,293	\$ 113,293	\$ (36,161)	\$ 77,132
Return on Invested Capital	\$ -	\$ 613,227	\$ 613,227	\$ (181,506)	\$ 431,722
TOTAL	\$ 969,330	\$ 1,306,765	\$ 2,276,095	\$ (217,667)	\$ 2,058,428
Other Revenues - Taps, Recon, late fee, Etc.	\$ -	\$ (12,800)	\$ (12,800)	\$ -	\$ (12,800)
Revenue Requirement Used to Set Rates	\$ 969,330	\$ 1,293,965	\$ 2,263,295	\$ (217,667)	\$ 2,045,628

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COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule II
Sewer O&M Expense

SEWER OPERATIONS AND MAINTENANCE EXPENSE		Test Year	Company	Company	Commission	Commission
		Total	Adjustments	Requested	Adjustments	Adjusted
Acct. No.	ACCOUNT	(a)	To Test Year	Test Year	To Company	Total
		(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
610	PURCHASED SEWER TREATMENT	\$ 59,944	\$ -	\$ 59,944	\$ -	\$ 59,944
	SLUDGE REMOVAL EXPENSE	\$ 1,300	\$ -	\$ 1,300	\$ -	\$ 1,300
615	POWER EXPENSE-PRODUCTION ONLY	\$ 60,320	\$ 26,453	\$ 86,773	\$ -	\$ 86,773
618	OTHER VOLUME RELATED EXPENSES	\$ 30,138	\$ 7,724	\$ 37,862	\$ -	\$ 37,862
601-1	EMPLOYEE LABOR	\$ -	\$ -	\$ -	\$ -	\$ -
620	MATERIALS	\$ 998	\$ -	\$ 998	\$ -	\$ 998
631-636	CONTRACT WORK	\$ 293,282	\$ 229,033	\$ 522,315	\$ -	\$ 522,315
650	TRANSPORTATION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
664	OTHER PLANT MAINTENANCE	\$ -	\$ -	\$ -	\$ -	\$ -
601-2	OFFICE SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -
601-3	MANAGEMENT SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -
604	EMPLOYEE PENSIONS & BENEFITS	\$ -	\$ -	\$ -	\$ -	\$ -
615	PURCHASED POWER-OFFICE ONLY	\$ -	\$ -	\$ -	\$ -	\$ -
670	BAD DEBT EXPENSE	\$ -	\$ 22,542	\$ 22,542	\$ -	\$ 22,542
676	OFFICE SERVICES & RENTALS	\$ -	\$ -	\$ -	\$ -	\$ -
677	OFFICE SUPPLIES & EXPENSES	\$ 1,021	\$ -	\$ 1,021	\$ -	\$ 1,021
678	PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -
684	INSURANCE	\$ 74,867	\$ 2,821	\$ 77,688	\$ -	\$ 77,688
667	REGULATORY EXPENSE (OTHER)	\$ 29,575	\$ -	\$ 29,575	\$ -	\$ 29,575
675	MISCELLANEOUS	\$ 360,961	\$ 91,507	\$ 452,468	\$ -	\$ 452,468
	TOTAL	\$ 912,406	\$ 380,080	\$ 1,292,486	\$ -	\$ 1,292,486

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule III
Sewer Invested Capital

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
SEWER INVESTED CAPITAL					
Plant in Service	\$ 5,809,190	\$ -	\$ 5,809,190	\$ -	\$ 5,809,190
Accumulated Depreciation	\$ (88,134)	\$ -	\$ (88,134)	\$ -	\$ (88,134)
Net Plant in Service	\$ 5,721,056	\$ -	\$ 5,721,056	\$ -	\$ 5,721,056
Working Cash Allowance	\$ -	\$ -	\$ 99,358	\$ -	\$ 99,358
Materials and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Prepayments	\$ 8,349	\$ -	\$ 8,349	\$ -	\$ 8,349
Customer Advances Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition Adjustments	\$ -	\$ 545,739	\$ 545,739	\$ (500,739)	\$ 45,000
Developer Contribution in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Deposits	\$ -	\$ -	\$ -	\$ -	\$ -
Regulatory Assets	\$ -	\$ -	\$ -	\$ -	\$ -
ADFIT	\$ -	\$ -	\$ -	\$ -	\$ -
Excess ADFIT	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -		
TOTAL INVESTED CAPITAL (RATE BASE)	\$ 5,729,405	\$ 545,739	\$ 6,374,502	\$ (500,739)	\$ 5,873,763
RATE OF RETURN			9.62%		7.35%
RETURN ON INVESTED CAPITAL		\$ 613,227	\$ 613,227	\$ (181,506)	\$ 431,722

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule IIIA
Sewer Plant In Service
(Original Cost to Install or Construct)

SEWER PLANT IN SERVICE (Original Cost to Install or Construct)		Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
Acct. No.	ACCOUNT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
303	LAND AND LAND RIGHTS			\$ -	\$ -	\$ -
307	WELLS			\$ -	\$ -	\$ -
	WELL PUMPS:			\$ -	\$ -	\$ -
311	5 HP OR LESS			\$ -	\$ -	\$ -
311	GREATER THAN 5 HP			\$ -	\$ -	\$ -
	BOOSTER PUMPS:			\$ -	\$ -	\$ -
311	5 HP OR LESS			\$ -	\$ -	\$ -
311	GREATER THAN 5 HP			\$ -	\$ -	\$ -
320	CHLORINATORS			\$ -	\$ -	\$ -
	STRUCTURES:			\$ -	\$ -	\$ -
304	WOOD			\$ -	\$ -	\$ -
304	MASONRY			\$ -	\$ -	\$ -
305	STORAGE TANKS			\$ -	\$ -	\$ -
311	PRESSURE TANKS			\$ -	\$ -	\$ -
331	DISTRIBUTION SYSTEM			\$ -	\$ -	\$ -
334	METERS AND SERVICE			\$ -	\$ -	\$ -
340	OFFICE EQUIPMENT			\$ -	\$ -	\$ -
341	VEHICLES			\$ -	\$ -	\$ -
343	SHOP TOOLS			\$ -	\$ -	\$ -
345	HEAVY EQUIPMENT			\$ -	\$ -	\$ -
348	FENCING			\$ -	\$ -	\$ -
	TOTAL	\$ 5,809,190	\$ 694,911	\$ 6,504,101	\$ -	\$ 6,504,101

Commission Attachment A
Sewer

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule IIIB
Sewer Depreciation Expense

SEWER PLANT IN SERVICE		Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
Acct. No.	ACCOUNT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
303	LAND AND LAND RIGHTS			\$ -	\$ -	\$ -
307	WELLS			\$ -	\$ -	\$ -
	WELL PUMPS:			\$ -	\$ -	\$ -
311	5 HP OR LESS			\$ -	\$ -	\$ -
311	GREATER THAN 5 HP			\$ -	\$ -	\$ -
	BOOSTER PUMPS:			\$ -	\$ -	\$ -
311	5 HP OR LESS			\$ -	\$ -	\$ -
311	GREATER THAN 5 HP			\$ -	\$ -	\$ -
320	CHLORINATORS			\$ -	\$ -	\$ -
	STRUCTURES:			\$ -	\$ -	\$ -
304	WOOD			\$ -	\$ -	\$ -
304	MASONRY			\$ -	\$ -	\$ -
305	STORAGE TANKS			\$ -	\$ -	\$ -
311	PRESSURE TANKS			\$ -	\$ -	\$ -
331	DISTRIBUTION SYSTEM			\$ -	\$ -	\$ -
334	METERS AND SERVICE			\$ -	\$ -	\$ -
340	OFFICE EQUIPMENT			\$ -	\$ -	\$ -
341	VEHICLES			\$ -	\$ -	\$ -
343	SHOP TOOLS			\$ -	\$ -	\$ -
345	HEAVY EQUIPMENT			\$ -	\$ -	\$ -
348	FENCING			\$ -	\$ -	\$ -
	CONTRIBUTIONS IN AID OF CONSTRUCTION			\$ -	\$ -	\$ -
	TOTAL	\$ 47,898	\$ 191,321	\$ 239,219	\$ -	\$ 239,219

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

Commission Schedule IV
Sewer Taxes Other Than FIT

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
SEWER TAXES OTHER THAN FIT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Non-Revenue Related					
Ad Valorem Taxes	\$ 9,026	\$ 8,843	\$ 17,869	\$ -	\$ 17,869
Total Property	\$ 9,026	\$ 8,843	\$ 17,869		\$ 17,869
Payroll Taxes					
FICA	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICARE	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICARE-Affordable Care Act			\$ -	\$ -	\$ -
FUTA	\$ -	\$ -	\$ -	\$ -	\$ -
SUTA	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -
LESS Capitalized	\$ -	\$ -	\$ -	\$ -	\$ -
Total Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes					
Other taxes and Licenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL TAXES OTHER THAN INCOME	\$ 9,026	\$ 8,843	\$ 17,869	\$ -	\$ 17,869

Commission Attachment A
Sewer

Commission Schedule V
Sewer Federal Income Taxes

SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565
COMPANY NAME CSWR-Texas
TEST YEAR END 31-Dec-22

	Test Year Total	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Adjusted Total
	(a)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
SEWER FEDERAL INCOME TAXES				
Return	Total	\$ 613,227	\$ (181,506)	\$ 431,722
Less				
Interest Included in Return		\$ 187,028	\$ (45,470)	\$ 141,558
Plus				
Other Adjustments				
TAXABLE COMPONENT OF RETURN		\$ 426,199	\$ (136,035)	\$ 290,164
TAX RATE		21%		21%
TAX FACTOR $(1/(1-TR)) \cdot (TR)$		0.265822785		0.265822785
FEDERAL INCOME TAX BEFORE ADJUSTMENTS		\$ 113,293	\$ (36,161)	\$ 77,132
LESS				
Adjustments		\$ -		\$ -
TOTAL FEDERAL INCOME TAXES		\$ 113,293	\$ (36,161)	\$ 77,132

Commission Attachment A.2
Rate Case Expense Surcharge Calculation

PUC DOCKET No.: 54565
COMPANY NAME: CSWR-Texas

Commission Rate-Case Expense Surcharge	
Total Commission-Recommended Rate -Case Expenses	\$ 419,459
Meter Equivelents	10923
Surcharge Period	24
Commission Monthly Rate-Case Expense Surcharge	\$ 1.60

Public Utility Commission of Texas

Memorandum

To: Darryl Tietjen, Division Director, Rate Regulation Division

From: Kathryn Eiland, Regulatory Accountant, Rate Regulation Division

Subject: Docket No. 54565 – Application of CSWR-Texas Utility Operating Company, LLC for Authority to Change Rates

Commission Number Run

Date: March 28, 2024

This memorandum explains some components of Staff's attached number-running schedules showing the accounting revenue requirement. Attachment A provides the water and sewer number-running schedules that comply with the March 8, 2024 memorandum from Shelah Cisneros, Commission Counsel, in the Office of Policy and Docket Management that requires Staff to perform a number run consistent with the Commission's decisions at its March 7, 2024 Open Meeting.

The number-running schedules for the accounting revenue requirement comply with the instructions contained in the March 8, 2024 Commission Counsel memorandum. The number-running schedules reflect the Commission's decision to (1) disallow acquisition adjustments associated with systems acquired through fair market value from rate base; (2) reject the proposal for decision's (PFD) recommended 0.5% upward adjustment for business risk to CSWR-Texas's return on equity; and (3) reject the PFD's recommended cost of debt of 6.06% and instead approve a 5.03% cost of debt.

The number-running schedules include the calculation of the Commission's modification to the rate-case expense surcharge. The calculation allows CSWR to recover \$419,459 in rate-case expenses through a surcharge. Applying a 24-month assessment period produces the monthly rate-case expense surcharge of \$1.60 per meter equivalent.

Public Utility Commission of Texas

Memorandum

TO: Darryl Tietjen
Rate Regulation Division

FROM: Ethan Blanchard
Rate Regulation Division

DATE: March 28, 2024

RE: Docket No. 54565 – *Application of CSWR-Texas Utility Operating Company for Authority to Change Rates*

Please find attached to this memo the rate design Schedules A and B, consistent with the number-running instructions.

For the consolidated water rates, in the worksheet ‘Schedule A’, the revenue requirement of \$6,806,945—provided by Staff witness Kathryn Eiland—was separated into fixed and variable expenses, per the application of CSWR-Texas Utility Operating Company (CSWR-Texas). The fixed expenses were divided by the total test year meter equivalents and then multiplied by meter equivalent ratios, consistent with the proposal for decision, to arrive at the minimum monthly charges summarized in Table 1 below. The variable expenses were divided by the test-year gallonage to arrive at a volumetric rate of \$5.16 per thousand gallons.

For the consolidated sewer rates, in the worksheet ‘Schedule B’, the revenue requirement of \$2,045,628—provided by Staff witness Kathryn Eiland—was divided by the total customer count for a fixed monthly charge of \$61.92.

Table 1: Fixed Monthly Charges for Water Service

Meter Size	Fixed Monthly Charge
5/8-inch	\$ 49.39
3/4-inch	\$ 49.39
1-inch	\$ 108.89
1.5-inch	\$ 217.78
2-inch	\$ 348.46
unmetered	\$ 80.35

The following files are not convertible:

number running per Commission.xlsx	7--CSWR Commission Schedules - WATER--
number running per Commission.xlsx	8--CSWR Commission Schedules -SEWER--
Surcharge Calculation.xlsx	9--54565 Commission Rate Case Expense
B.xlsx	10--54565 Commission NR Schedules A and

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.