

APPENDIX- C (Continued)
Aqua Texas, Inc. - Southwest Region Water Utility Tariff
Regional Pass-Through Gallonage Charge True- up/Adjustment Provision and Report

Calculations using this formula begins with the filing of the 2022 True-Up Report

- 8) The true-up calculation for a completed calendar year Report shall be as follows:
- a) Regional Pass-Through Gallonage Charge revenues billed during completed calendar year.....\$XXXX
 - b) Regional passed-through costs actually incurred during completed calendar year.....\$XXXX
 - c) Difference between a) and b).....\$XXXX

where, **a) - b) = c)**

- d) Prior year's over/under collections.....\$XXXX
- e) This year's total over/under collections.....\$XXXX

where, **c) + d) = e)**

Annual Regional Pass-Through Gallonage Charge recalculations shall follow the following formula:

- b) Same as b) above.\$XXXX
- e) Same difference as e) above\$XXXX
- f) Total adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge.....\$XXXX

where, **b) - e) = f)**

Divided by:

- g) Actual historic gallons billed to all regional customers in completed calendar year.....XXXX

Equals:

- h) Regional Pass-Through Gallonage Charge as adjusted.....\$XXXX

where **f) ÷ g) = h)**

Notice of any adjustments to the pass-through will be sent to the PUC or regulatory authority and to the affected customers. Notice to the customers may be in the form of a billing insert and must track the language required in 16 TAC § 24.25(b)(2)(F)(ii).

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- 9) With the Report Aqua Texas files on February 28 setting forth its calculation and supporting documentation for its adjusted Regional Pass-Through Gallonage Charge in accordance with 5) and 6) above, Aqua Texas shall include a tariff page that incorporates the adjusted Regional Pass-Through Gallonage Charge reflected in the Report. Aqua Texas shall implement the adjusted filed rate as follows.
- a) Aqua Texas will bill the adjusted Regional Pass-Through Gallonage Charge for service rendered on or after March 1 each year and thereafter until the rate is modified.
 - b) The first bill received each year incorporating the adjusted Regional Pass-Through Gallonage Charge will be prorated to apply the adjusted charge to service during those days in the billing cycle on or after March 1.
 - c) The PUC or a successor agency with authority to regulate investor-owned utility rates (regulatory authority) shall review the Report and provide the results of its review to Aqua Texas in writing within 45 days after Aqua Texas submits the Report. If no written response is provided to Aqua Texas during that time, the adjusted Regional Pass-Through Gallonage Charge filed with the Report shall stand until modified.
 - d) The PUC may dispute the calculation or supporting documentation as presented in the Report. If so, Aqua Texas and the PUC shall work in good faith to attempt resolution of the dispute.
 - e) The process of implementing the Regional Pass-Through Gallonage Charge True-up/Adjustment and the regulatory authority's review of same is an informal proceeding and not a contested case hearing. However, if a dispute between Aqua Texas and the regulatory authority cannot be resolved through negotiation, only the PUC or Aqua Texas may request a hearing on Regional Pass-Through Gallonage Charge true-ups/adjustments. It shall not be considered a rate case under the Texas Water Code or PUC (or other regulatory authority) rules, and Texas Water Code § 13.187 shall not apply.
 - f) In the event of a dispute or hearing concerning the Regional Pass-Through Gallonage Charge reflected in the tariff page filed with the Report, the filed rate shall be considered effective on an interim basis and previous charges will be adjusted in the next annual true-up, except that adjustments to the pass-through exceeding 50 percent may require immediate refunds or credits as directed by the regulatory authority. If the filed rate is modified pursuant to dispute or hearing resolution, a replacement tariff page shall be filed with the regulatory authority reflecting the modified rate.
 - g) Aqua Texas has agreed to only collect eighty-five percent of the total pass-through amounts for the years 2013, 2014, and 2015 and to resume collecting one hundred percent in 2016 as part of its agreement with the Southwest Region customers to waive the pass-through charge to customers in newly acquired systems referenced in Table B of the tariff until 2016. Aqua Texas will indicate the adjustment in its Reports for 2013 through 2015.

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- h) Notwithstanding the procedures outlined herein, if the Report indicates an increase to Aqua Texas' Regional Pass-through Gallonage Charge is appropriate for the calendar year assessed, Aqua Texas may elect not to implement the increase. Aqua Texas will submit a written notification of such an election with the Report, indicating the amount of foregone pass through revenues. Foregone pass through revenues due to such election shall not be collected.
- i) This pass through provision is not intended to negate any authority granted to the regulatory authority.

Aqua Texas regional pass-through approved entity list

Entities on the list as of March 1, 2023 (the effective date of the most recently approved pass-through application, Tariff Control No. 54680).

The regulating commission approved the pass through of costs per contract or permit, existing as of 12/31/2014, for base rates and gallonage charges made by the following entities.

Southwest Region - Water:

City of Austin (Rivercrest Water System)
LCRA (Raw Water) (Rivercrest Water System)
City of Austin (Mooreland Subdivision)
LCRA (Raw Water) (Pecan Utilities Oak Ridge Subdivision)
City of Horseshoe Bay (successor to Lake L.B.J. Municipal Utility District) (Pecan Utilities Oak Ridge Subdivision)
City of Cedar Park
Manville WSC
Nueces WSC
City of Round Rock
Barton Springs/Edwards Aquifer CD
Cow Creek GCD
Edwards Aquifer Authority
Edwards Aquifer Authority Water Rights (Dean Word) formerly Springtown Water
Trinity/Glen Rose
Southwestern Travis County GCD