

PUBLIC UTILITY COMMISSION OF TEXAS



CLASS A, B, C AND D WATER AND SEWER ANNUAL REPORT GENERAL INSTRUCTIONS

Effective Calendar Year 2020 and Later

CLASS A, B, C, AND D WATER AND SEWER ANNUAL REPORT

GENERAL INSTRUCTIONS

Texas Water Code (TWC) § 13.136(b) states the following:

The utility commission by rule shall require each utility to annually file a service, financial, and normalized earnings report in a form and at times specified by utility commission rule. The report must include information sufficient to enable the utility commission to properly monitor utilities in this state. The utility commission shall make available to the public information in the report the utility does not file as confidential.

In order to implement TWC § 13.136(b), the Commission adopted 16 Texas Administrative Code (TAC) § 24.129. Under that rule, the Commission is required to approve forms to be used for the required annual report. Thus, the Commission has approved several forms and these general instructions pursuant to the above requirements. The Commission uses the annual report to monitor water and sewer utility earnings, compile annual financial information, and monitor financial conditions of investor owned utilities.

1. The utility must submit the annual report to the Commission on the approved form in accordance with these instructions. The utility must file one report for its entire statewide operations statewide, separated into water and sewer information where appropriate; the utility must not file a separate report for each CCN held by the utility.
2. The report must be filed with the Commission no later than June 1 of the following year.
3. The utility must use the appropriate form for the reporting utility's classification. The classes of utilities as defined in 16 Texas Administrative Code §24.3(5) through (8) are set forth below:
 - (5) Class A Utility -- A public utility that provides retail water or sewer utility service to 10,000 or more taps or active connections. If a public utility provides both water and sewer utility service, the number of active water connections determines how the utility is classified.
 - (6) Class B Utility -- A public utility that provides retail water or sewer utility service to 2,300 or more taps or active connections but fewer than 10,000 taps or active connections. If a public utility provides both water and sewer utility service, the number of active water connections determines how the utility is classified.
 - (7) Class C Utility -- A public utility that provides retail water or sewer utility service to 500 or more taps or active connections but fewer than 2,300 taps or active connections. If a public utility provides both water and sewer utility service, the number of active water connections determines how the utility is classified.
 - (8) Class D Utility -- A public utility that provides retail water or sewer utility service to fewer than 500 taps or active connections. If a public utility provides

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both water and sewer utility service, the number of active water connections determines how the utility is classified.

4. If the reporting utility has both water and sewer certificates of convenience and necessity, it must file one annual report that contains separate information for the water and sewer utility service.
5. The reported information must reflect the previous 12-month period ending December 31.
6. Unless otherwise indicated, the utility must use the reporting entity's financial statements, accounts, and other records to provide the information required in the report. The utility must fully explain any deviation from its financial statements, accounts, and other records.
7. The utility must attach to the annual report a copy of the income statement and balance sheet for the reporting period.
8. The utility should use the Uniform System of Accounts prescribed by the Commission in accordance with 16 TAC §24.127 as a reference for accounting terms and phrases included in this form. Detailed sub-accounts may be used for the main system of accounts.
9. The utility must answer all questions fully and accurately. The utility should use the terms "none" or "not applicable" only to answer any question or schedule if it is appropriate. If information is omitted, the utility must state a specific, justifiable reason for the omission.
10. Within the Microsoft Excel version of the form, the blue zeros indicate cells requiring the reporting entity to fill in the cell unless the proper amount is zero. The black cells indicate an automated formula. The utility must round dollar figures to the nearest dollar amount, unless calculating a number such as return on invested capital percentage or other percentage.
11. The name of the utility and the year to which this report relates should carry from the title page in the space provided at the top of each page.
12. The utility must mail or deliver an original and 3 copies of the report to the filing clerk of Central Records at the Commission's offices in Austin, Texas. The utility must retain another copy in the utility's offices for reference. Additionally, the utility must file an unaltered electronic version (i.e. in native Microsoft Excel format) with all cell references, formulas, links, and other electronic information intact) of the information contained in the required schedules and report along with the hard copies. Each sheet of the Excel file must be pre-formatted to calculate certain items based on company specific inputs. Any supporting documents or workpapers filed in PDF format must be searchable. For specific instructions regarding the electronic filing of the report, please visit the Commission's website at: <http://www.puc.state.tx.us/industry/filings/FilingProceed.aspx>.