**Section 655.30 Recoverable Purchased Water/Sewage Treatment Costs**

a) Costs recoverable through the purchased water/sewage treatment surcharge shall include the following:

1) The cost of purchased water from an entity other than the utility (including wheeling or delivery charges); and

2) The cost of purchased sewage treatment from an entity other than the utility.

b) Recoverable purchased water/sewage treatment costs shall be offset by the revenues derived from transactions at rates not subject to the purchased water/sewage treatment surcharge to the extent that costs incurred in connection with such transactions are recoverable costs under subsection (a) above. Subsection (a) shall apply to transactions subject to rates contained in tariffs on file with the Commission, in contracts entered into pursuant to such tariffs, and in any other contracts providing for purchased water/sewage treatment.

c) Revenues from penalty charges approved by the Commission that relate to purchased water/sewage treatment shall offset recoverable costs as determined under Section 655.40 of this Part.

d) The determination of costs recoverable from customers through the purchased water/sewage treatment surcharge shall not include water used in, and/or sewage treated for, facilities either owned or leased by the utility.