

Control Number: 43078



Item Number: 14

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

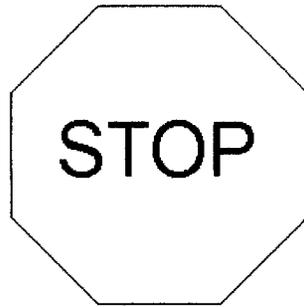
RECEIVED

2014 SEP 22 AM 7:59

PUBLIC UTILITY COMMISSION
FILING CLERK



APPLICATION FOR A
RATE/TARIFF CHANGE



When you are filling out this application, you cannot go from one line to the next and fill it out correctly. You will need to complete some tables partially and come back to them later in the process.

Therefore, it is important that you follow the instructions that accompany this application. They are designed to give you a step-by-step process for completing the application.

TABLE OF CONTENTS

SECTION IA - GENERAL INFORMATION.....	5
SECTION IB - MISCELLANEOUS INFORMATION.....	5
SECTION II: OPERATIONAL INFORMATION – WATER.....	8
SECTION III. PLANT & EQUIPMENT INFORMATION – WATER.....	9
A. CUSTOMER CONTRIBUTIONS.....	9
B. ORIGINAL COST & DEPRECIATION SCHEDULE – WATER.....	10
C. DEVELOPER CONTRIBUTIONS - WATER.....	11
SECTION IV - LONG TERM DEBT & EQUITY INFORMATION – WATER.....	11
A. EQUITY.....	11
B. RATE OF RETURN.....	11
C. BANKRUPTCY.....	11
D. NOTES PAYABLE - WATER.....	12
E. INVESTED CAPITAL & RETURN - WATER.....	13
SECTION V - INCOME TAX CALCULATION – WATER.....	13
SECTION VI - UTILITY INCOME & EXPENSE INFORMATION – WATER.....	14
A. REVENUE REQUIREMENT.....	14
B. KNOWN & MEASURABLE.....	15
SECTION VII - CUSTOMER INFORMATION - WATER.....	15
NUMBER OF CUSTOMERS.....	15
SECTION VIII - PRODUCTION & CONSUMPTION INFORMATION - WATER.....	16
SECTION IX - RATE DESIGN - WATER.....	17
A. VARIABLE RATE CALCULATIONS.....	17
B. BASE RATE CALCULATIONS.....	17
SECTION X –ALTERNATE METHOD OF RATE DESIGN - WATER.....	17
SECTION II: OPERATIONAL INFORMATION – SEWER.....	Error! Bookmark not defined.
SECTION III. PLANT & EQUIPMENT INFORMATION – SEWER.....	Error! Bookmark not defined.
A. CUSTOMER CONTRIBUTIONS.....	Error! Bookmark not defined.
B. ORIGINAL COST & DEPRECIATION SCHEDULE – SEWER.....	Error! Bookmark not defined.
C. DEVELOPER CONTRIBUTIONS - SEWER.....	Error! Bookmark not defined.
SECTION IV - LONG TERM DEBT & EQUITY INFORMATION – SEWER.....	Error! Bookmark not defined.
A. EQUITY.....	Error! Bookmark not defined.
B. RATE OF RETURN.....	Error! Bookmark not defined.
C. BANKRUPTCY.....	Error! Bookmark not defined.
D. DEBT & EQUITY - SEWER.....	Error! Bookmark not defined.
E. INVESTED CAPITAL & RETURN - SEWER.....	Error! Bookmark not defined.

CONTINUATION OF TABLE OF CONTENTS

SECTION V - INCOME TAX CALCULATION – SEWER.....**Error! Bookmark not defined.**

SECTION VI - UTILITY INCOME & EXPENSE INFORMATION – SEWER**Error! Bookmark not defined.**

 A. REVENUE REQUIREMENT**Error! Bookmark not defined.**

 B. KNOWN & MEASURABLE**Error! Bookmark not defined.**

SECTION VII - CUSTOMER INFORMATION - SEWER**Error! Bookmark not defined.**

 NUMBER OF CUSTOMERS**Error! Bookmark not defined.**

SECTION VIII – TREATMENT INFORMATION - SEWER.....**Error! Bookmark not defined.**

SECTION IX - RATE DESIGN - SEWER**Error! Bookmark not defined.**

 A. VARIABLE RATE CALCULATIONS**Error! Bookmark not defined.**

 B. BASE RATE CALCULATIONS**Error! Bookmark not defined.**

SECTION X - ALTERNATE METHOD OF RATE DESIGN - SEWER.....30

AFFIDAVIT.....32

NOTICE OF PROPOSED RATE CHANGE34

SECTION 1.0 - RATE SCHEDULE38

INCOME TAX TABLE.....41

APPLICATION FOR A RATE/TARIFF CHANGE

SECTION IA - GENERAL INFORMATION

Applicant Fred Gregory dba Fremont Water Co.
(Individual, Corporation, or Other Legal Entity)

Utility Name: Fremont Water Co.
(If different than above)

Legal form of Application:

Individual Partnership Sub Chapter-S Corporation

Corporation Provide Charter Number _____

Other Please Explain:

Utility Address: 938 Saddle Club Drive Kerrville, Texas 78028
Street Address or Location City State Zip Code

County(ies) where services are provided: Kerr

CCN Number(s): 12821

Contact Person: Fred Gregory Telephone Number: 830-895-0497

Position: owner Fax Number: 830-895-0497

Address: 938 Saddle Club Drive Kerrville Texas 78028
Street Address or Location City State Zip Code

If the applicant is a corporation, please provide a copy of the corporation's "Certificate of Account Status" (regarding the payment of franchise taxes) from the State Comptroller's Office. This "Certificate of Account Status" can be obtained from the website at:

Comptroller of Public Accounts, Office Management ¹
P. O. Box 13528
Austin, Texas 78711
1-800-252-5555

1. <https://ourcpa.cpa.state.tx.us/coa/Index.html>

SECTION IB - MISCELLANEOUS INFORMATION

- A. How often and on what dates are water meters typically read? On the last day of each month (monthly)
- B. When are bills typically sent out? First day of each month
- C. Do you serve customers within the corporate limits of a municipality? If No, Go to D. Yes No
 If yes, which municipalities? _____

Have you filed a request to change rates with the municipality? Yes No
 If no, please explain:

- D. Are you currently collecting the Regulatory Assessment Fee from your customers? Yes No

If yes, are you current in your payment of the Regulatory Assessment Fee to the Texas Commission on Environmental Quality or the predecessor agency, Texas Water Commission, for assessments payable beginning January 1, 1992? Yes No

E. Water Utilities: Please indicate the Public Water System Identification numbers for each of your systems:

System Name	TCEQ PWS ID #	County	Rate Increase Applicable?
Fremont Water Co.	1330153	Kerr	yes

For each of the systems, please provide a copy of the most recent public water system annual inspection report letter from the Texas Commission on Environmental Quality and a written explanation detailing how and when you will comply with all noted deficiencies.

F. Sewer Utilities: Please indicate the discharge permit number for each Wastewater Treatment Plant you operate:

Wastewater Treatment Plant Name	TCEQ Discharge Permit Number	County	Rate Increase Applicable?
NA			

For each of the plants, please provide a copy of the most recent inspection report letter from the Texas Commission on Environmental Quality and a written explanation detailing how and when you will comply with all noted deficiencies.

INFORMATION REQUIRED
FOR A
WATER RATE/TARIFF CHANGE

SECTION II: OPERATIONAL INFORMATION – WATER

Manager (or owner if services are routinely provided to the utility)

Name Fred Gregory Relationship to Owner: Owner

Short job description:

Owner, Manager and Operator

Approximate number of hours per week this person works for the company: 20

Salary: \$18,000 Hourly Weekly Monthly Annual

Contractors only

Name Monte Gregory Relationship to Owner: Wife

Short job description:

Office Manager Billing, Collection and Record keeping

Approximate number of hours per week this person works for the company: 10

Salary: \$4,800 Hourly Weekly Monthly Annual

Name 0 Relationship to Owner: _____

Short job description:

Approximate number of hours per week this person works for the company:

Salary: _____ Hourly Weekly Monthly Annual

Contract Services (attach additional sheets if necessary)

Name None Relationship to Owner: _____

Short job description:

Approximate number of hours per week this person works for the company:

Amount paid for services: _____ Hourly Weekly Monthly Annual

Please provide the names and classification of the utility's certified operators:

Certified Operator's Name/ Classification	Certified Operator's Name/Classification
Fred R. Gregory (D)	

-Attach additional sheet(s) if necessary-

SECTION III. PLANT & EQUIPMENT INFORMATION – WATER

A. CUSTOMER CONTRIBUTIONS

If any of the items included in your plant and equipment were 100% financed with customer contributions, assessments, surcharges, extension fees, etc., you may not include depreciation or return on those items in your cost of service. However, if those customer contributions did not cover the entire cost of the asset, you may include the amount that the utility paid for. Please list below all items that were funded either all or in part by customer contributions and indicate amount that the customers contributed for each item.

Table III. A.

Item [A]	Date of installation [B]	Total Cost [C]	Amount of Customer Contribution [D]	Difference [E]= [C] - [D]
NONE				?
				?
				?
				?
				?

- Attach additional sheet(s) if necessary –

If any amount in this column is greater than zero, enter that item in the appropriate category in **Table III. B**

B. ORIGINAL COST & DEPRECIATION SCHEDULE – WATER

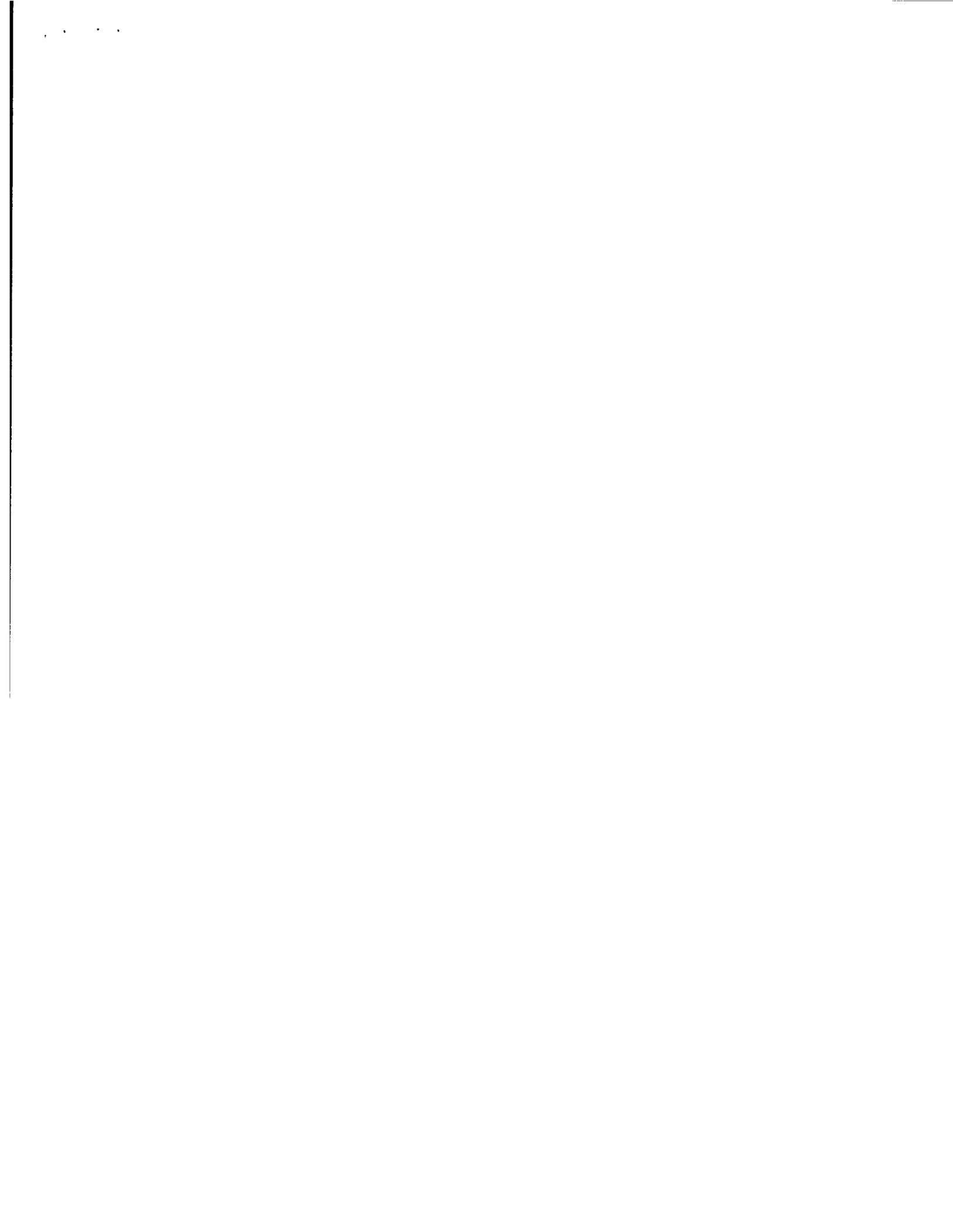
Please provide the following inventory of the water utility plant being used to provide water service at the end of the test year. You will be responsible for supporting this information with invoices or other documentation. Round your figures to the nearest dollar. **Amounts should be computed as of the end of the "test year."** Table III. B.

[A] Item	[B] Date Of Installation	[C] Service Life (yrs) ***	[D] Original Cost when installed \$	Depreciation				[G] = [D]-[F] Net Book Value (\$)	
				Years in Service			[E] = [D]/[C] Annual (\$)		[F] Accumulated (\$)
				YR ⊙	Mos ⊙⊙	Days ⊙⊙⊙			
Land	1/1/1997	n/a	4236	17			4,236		
Wells	1/1/1997	50	60,155	17		1203	20,451	39,704	
Well Pumps:									
5 hp or less	0	5							
Greater than 5 hp	11/10/2010	10	10,722	4		1,073	4,292	6,430	
Booster Pumps:									
Greater than 5 hp #1	7/27/2009	10	1,312	5		132	660	652	
Greater than 5 hp #2	9/3/2012	10	3,036	2		304	608	2,428	
Chlorinators	1/20/2011	10	450	1		45	45	405	
Structures:									
Wood	NA	15							
Masonry	1/1/2097	30							
Storage Tanks	3/6/2097	50	25,720	17		515	8,755	16,965	
Pressure Tanks	7/31/2097	50	23,655	17		474	8,058	15,597	
Distribution System (mains and lines)	1/1/2097	50	82,494	17		1,650	28,050	54,444	
Meters and Service (taps not covered by fees)	0	20							
Office Equipment	0	10							
Vehicles	0	5							
Shop Tools	0	15							
Heavy Equipment	0	10							
Fencing	12/5/20	20	1,265	14		64	896	369	
Other: (Please list)									
Total			213,045			5,460	71,815	141,230	

* TCEQ Suggested Service Life ** Other Service Life

Enter this number in Table VI. A., Line [O], Column [] If [F] is greater than [D], enter the total for [D] Enter this number in Table IV. E., Line [A]

- Attach additional sheet(s) if necessary -



C. DEVELOPER CONTRIBUTIONS - WATER

If any of the Items listed in the Depreciation Schedule were contributed by a developer, please list those items and the associated cost below.

Table III. C.

Item	Date of installation or Contribution	Total Cost	Amount of Developer Contribution	Net Book Value (from Table III.B.)
NONE				
Total				<input type="checkbox"/>

Insert this amount in **Table IV. E., Line [E]**

- Attach additional sheet(s) if necessary -

SECTION IV - LONG TERM DEBT & EQUITY INFORMATION – WATER

A. EQUITY

How much equity or total capital does the company have in the utility? \$141,230

Enter also in **Table IV. D., Box** below

B. RATE OF RETURN

What rate of return (profit) on investment in plant (equity) is expected? 9.86 %

Enter also in **Table IV. D., Box** below

NOTE: You may choose

- an average equity return established by the staff each year and included with the Annual Report Instructions **OR**
- an interest rate that you think is fair that is less than the rate established by the staff **OR**
- to use the **Rate of Return Worksheet** which is attached to the **Instructions**.

C. BANKRUPTCY

Has the utility or utility owner filed bankruptcy within the last seven years? Yes X No

If YES, explain status of applicant at this time.

D. NOTES PAYABLE - WATER

List the following information concerning debt and equity of the utility and attach copies of notes payable:

Round all percentages to two (2) decimal places.

Table IV. D.

[A] Name of Bank/Lender	[B] Date of Issue	[C] Date of Maturity	[D] Original Amount of Loan	[E] Outstanding or Unpaid Balance- End of Test Year	[F] Interest Rate	[G] Weighted Average [E] ÷ ⑤ * [F]
Part 1 - Debt						
NO DEBT			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
		Total	\$ ⑦	\$ ⑦		% ⑦
Part 2 - Investment/Equity						
Total Debt & Equity				\$ ⑤		% ④
					Rate of Return	% ⑧

- ⑦ Total amount of original loans
- ⑦ Total amount of the outstanding balance on the loans
- ⑦ Equity in the utility - From Section IV. A.
- ⑦ Return on Equity - From Section IV. B.
- ⑤ Total of ⑦ + ⑦
- ⑦ Total weighted average of debt - To Table V, Line [C]
- ⑦ Weighted average of Investment/Equity ⑦ ÷ ⑤ * ⑦
- ⑧ Sum of ⑦ + ⑦ - To Table IV. E., Line [G]

E. INVESTED CAPITAL & RETURN – WATER

Table IV. E.

Net Book Value - From Table III. B., Box ⑦	[A]	\$141,230
Working cash allowance -Amount From Table VI. A., Line [L] Column ⑦, Box ②(÷③)	[B]	\$7,707
Materials and supplies	[C]	\$0
Subtotal - Sum of [A] thru [C]	[D]	\$210,591
Developer Contributions - From Table III. C., Box ⑦	[E]	\$0
Total invested capital [D] - [E]	[F]	\$210,691
Rate of return - From Table IV. D., Box ⑧	[G]	9.86%
Return/Interest - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0-. Enter this amount in Table V., Line [A] and Table VI. A., Line [Q], Column ⑦	[H]	\$20,765

SECTION V - INCOME TAX CALCULATION – WATER

Use the following table to determine the amount of income tax that can be included in your revenue requirement.

Table V.

Return - From Table IV. E., Line [H]	[A]	\$20,765
Interest Calculation		
Total Invested Capital - From Table IV. E., Line [F]	[B]	\$210,591
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box ⑦	[C]	9.86%
Interest [B]*[C]	[D]	\$20,765
Taxable Income [A] - [D]	[E]	\$0
Enter Income Tax from Tax Table (Appendix A)	[F]	\$ 88. ⑦

⑦To **Table VI. A., Line [P], Column ⑦**

SECTION VI - UTILITY INCOME & EXPENSE INFORMATION – WATER REVENUE REQUIREMENT

Please provide the following information regarding the cost to the utility of providing water utility service over your selected twelve month "test year."
Note 1 - Instead of using the percentages listed, you may take the Total Cost and multiply it by 67% to determine the fixed portion and 33% for the variable portion.

TABLE VI. A.

Test Year	1/1/13	to	12/31/13	Line	12 Month "test year" per books	Known and Measurable Changes	Revenue Requirement for next yr	% of that is fixed (Note 1)	Fixed Expenses (Note1)	Variable Expenses (Note 1)
				[A]	0	0	0	50	⑤=(7*2)/100	7=7-⑤
				[B]	18,410	4,800	23,210	90	0	0
				[C]	0		0	0		
				[D]	1,173		1,173	0		
				[E]	4,116		4,116	0		
				[F]	7,758		7,758	50		
				[G]	117		117	50		
				[H]	3,270		3,270	100		
				[I]	0	1,004	1,004	100		
				[J]				100		
				[K]	1,600		1,600	50		
				[L]	36,444		42,248⑦			
				[M]	0		0	50		
				[N]	948		948	100		
				[O]	5,460		5,460	100		
				[P]		88		100		
				[Q]		20,765	20,765	100		
				[R]	42,852	21,263	69,421			
				[S]	495		495	100		
				[T]	42,357	21,263	68,926⑧		⑨	⑩
				[U]			⑥	67	46,180.42⑨	22,745.58⑩

B. KNOWN & MEASURABLE

If you listed anything in TABLE VI. A. above as an increase/decrease expected in the next 12 months, please provide a short explanation by item why there will be a change and how you projected the cost. Changes in cost must be known and measurable and supported by invoices or other documentation.

Contract labor for bookkeeping and administration \$4,800. The previous owner combined bookkeeping and administration with several other larger companies and did not separate out adequate work hours for the water Co.

-Attach additional sheet(s) or a separate listing for sewer service if necessary-

SECTION VII - CUSTOMER INFORMATION - WATER

NUMBER OF CUSTOMERS

How many customers (active connections) did you have at the beginning and at the end of the twelve month test year?

TABLE VII

Connection Type	Line	Beginning of period ②	End of period ②	Equivalency Factor ②	Meter Equivalents ②=②*②
Non-Metered Connections:					
Residential	[A]	0	0	1	
Commercial	[B]	0	0	1	
Standby	[C]	0	0	1	
Metered Connections:					
5/8" x 3/4"	[D]	0	0	0	
3/4"	[E]	2	2	1.5	3
1"	[F]	53	53	2.5	132.5
1 1/2"	[G]	0	0	5	
2"	[H]	1	1	8	8
3"	[I]	0	0	15	
Other:	[J]				
Total	[K]	56	56		⑤143.5

⑤To Table IX. B., Line [B] AND Table X. A., Line [F]

SECTION VIII - PRODUCTION & CONSUMPTION INFORMATION - WATER

Please provide the following information regarding water utility operations over your selected twelve month "test year".

Table VIII

Total number of gallons pumped (total master meter reading for the year)	[A]	9,621,700	gallons
Total number of gallons purchased from another source for sale to customers (if any)	[B]	0	gallons
Total number of gallons provided to customers [C]=[A]+[B]	[C]	9,621,700	gallons
Total number of gallons billed to your customers (total customer consumption)	[D]	☒ 9,108,316	gallons
System losses: $\frac{([C] - [D])}{[C]} \times 100\% = [E]$	[E]	5.34	%
Source of Purchased water	NA		

☒To Table IX. A., Line [B] AND Table X. A., Line [B]

SECTION IX - RATE DESIGN - WATER

A. VARIABLE RATE CALCULATIONS

Table IX. A.

	Line	Instructions
Total Variable Costs	[A]	\$22,745.5
Total # of Gallons Billed to Customers	[B]	9,108,316
Total # of 1,000 Gallons billed	[C]	9,108
Variable Cost per 1,000 gallons	[D]	\$2.50

B. BASE RATE CALCULATIONS

Table IX. B.

	Line	# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost to be added to base rate	Total base rate per meter size
total fixed costs - From Table VI. A., Line [T], Box ⑩ or Line [U], Box ⑩	[A]	42,964			
total meter equivalents at end of test year - From Table VII, Line [K], Box ⑤	[B]	143.5			
base charge per meter equivalent or for each unmetered connection [A] ÷ [B] and then divide by 12	[C]	\$26.82			
base charge per meter size					
5/8" x 3/4" or unmetered	[D]	0	2.50	0	26.82
3/4"	[E]	0	2.50	0	40.23
1"	[F]	0	2.50	0	67.05
1 1/2"	[G]	0	2.50	0	130.14
2"	[H]	0	2.50	0	214.56
3"	[I]	0	2.50	0	402.30
Other:	[J]			0	

⑩ From **Table IX. A., Line [D]**

SECTION X - ALTERNATE METHOD OF RATE DESIGN - WATER

After you have performed the calculations in SECTION IX, you may find that the cost per 1,000 gallons is not what you think your customers will approve. If that is the case, then the following will allow you to calculate a rate structure that still recovers your revenue requirement, but with rates that you think may be more appropriate for your customers.

Table X. A.

Line	This is the rate that you think is appropriate Enter in Table X. B., Column [I], Lines [B] through [H]
Cost per 1,000 gallons	[A] \$3.75
Total # of 1,000 Gallons billed	[B] 9,108
Total Cost to be recovered through gallonage charge	[C] \$34,155
Total Revenue Requirement	[D] \$68,926
Total to be recovered through base rate	[E] \$34,771
Total number of meter equivalents	[F] 143.5
Base rate per meter equivalent	[G] \$20.19

Table X. B.

Line	# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost added to base	Total base bill per meter size
Base charge per meter equivalent or for each unmetered connection From Table X. A, Line [G]	[A] \$	[B]	[C] = [B] * [D]	[E] = [D] + [C]
Base rate per meter size				
5/8" x 3/4" or unmetered	[B] 20.19	3.75	0	20.19
3/4"	[C] 30.25	3.75	0	30.25
1"	[D] 50.48	3.75	0	50.48
1 1/2"	[E] 100.95	3.75	0	100.95
2"	[F] 161.52	3.75	0	161.52
3"	[G] 302.85	3.75	0	302.85
Other:	[H]			

From **Table X. A., Line [A]**

NOTICE OF RATE/TARIFF CHANGE
TO BE PROVIDED TO CUSTOMERS

NOTICE OF PROPOSED RATE CHANGE

Fremont Water Co.

12321

Company Name

CCN Number

has submitted a rate change application to the Texas Commission on Environmental Quality (Commission). The proposed rates listed on the next page will apply to service received after the effective date provided below. If the Commission receives protests to the proposed increase from 10 percent of the ratepayers or from any affected municipality before the 91st day after the proposed effective date, a public hearing will be scheduled to determine if the proposed rates are reasonable. Protests should be mailed to:

**Texas Commission on Environmental Quality
Water Supply Division
Utilities & Districts Section, MC 153
P. O. Box 13087
Austin, Texas 78711-3087**

Unless protests are received from 10 percent of the ratepayers or the Commission staff requests a hearing, no hearing will be held and rates will be effective as proposed. Please read the following information carefully:

Homestead @ turtle Creek

Subdivisions or Systems Affected by Rate Change

P.O Box 291937 Kerrville, Texas 78029-1937

830-895-0497

Company Address:

Telephone

\$23,073.00

July 22, 2014

Annual Revenue Increase

Date Customer Notice Mailed

Jan 25, 1997

Last day of month

Date of Last Rate Change:

Date Meters Typically:

EFFECTIVE DATE OF PROPOSED INCREASE: 9/26/14

Reason(s) for proposed Rate Change:

Changes in operational and equipment costs from last tariff dated 1/25/1997

BILLING COMPARISON

Water 5/8-3/4"

Existing	10,000 gallons:	\$ 43.95	/mo	Existing	30,000 gallons:	\$ 102.95	/mo
Proposed	10,000 gallons:	\$ 57.69	/mo	Proposed	30,000 gallons:	\$ 132.69	/mo

Water 1"

Existing	10,000 gallons:	\$ 43.95	/mo	Existing	30,000 gallons:	\$ 102.95	/mo
Proposed	10,000 gallons:	\$ 87.98	/mo	Proposed	30,000 gallons:	\$ 162.98	/mo

The proposed rates will apply to all service rendered after the effective date and will be reflected on the bill you receive approximately 30 to 45 days after the effective date.

In the event that the application is set for hearing, the specific rates requested by the utility may be decreased or increased by order of the Commission. If the Commission orders a lower rate to be set, the utility may be ordered to refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest. You may inspect a copy of the rate change application at your utility's office or at the Commission's office at Park 35 - Building F, 12015 Park 35 Circle, Suite 3101, Austin, Texas, west side of IH-35, south of Yager Lane. Additional information about the application can be obtained by contacting the Utilities and Districts Section at 512/239-4691. Information about how you can participate in the rate setting process can be obtained by contacting the Public Interest Counsel at 512/239-6363.

Si deseainformacion en Espanol, puedellamar al 512-239-0200

CURRENT RATES	PROPOSED RATES
Monthly base rate including <u>2000</u> gallons Meter Size:	Monthly base rate including <u>0</u> gallons Meter Size:
RESIDENTIAL	RESIDENTIAL
"5/8/or 3/4" \$ 24.95	"5/8/or 3/4" \$ 20.19
1" \$ 24.95	1" \$ 50.48
1 1/2" \$ 24.95	1 1/2" \$ 100.95
2" \$ 24.95	2" \$ 161.52
3" \$ 0	3" \$ 302.85
Other: \$	Other: \$
GALLONAGE CHARGE:	GALLONAGE CHARGE:
\$ 2.25 for each additional 1000 gallons over the the minimum. to 10,000 gallons	\$ 3.75 From 0 to 10,000 gallons
\$2.75 from 10,001 to 20,000 gallons	\$ 3.75 From 10,001 to 20,000 gallons
\$3.25 20,001 gallons and above	\$ 3.75 From 20,001 gallons above

MISCELLANEOUS FEES	<input type="checkbox"/>
Tap Fee \$ 495	Tap Fee \$ 595
Reconnect fee: Non-payment (Maximum - \$25.00) \$ 25	Reconnect fee: Non-payment (Maximum - \$25.00) \$ 25
Customer's Request \$ 25	Customer's Request \$ 25
Transfer Fee \$ 25	Transfer Fee \$ 25
Late Charge \$ 2.00 or 5%	Late charge: (Indicate 10% either \$5.00 or 10%) \$
Returned Check Charge \$ 25.	Returned Check Charge \$ 25
Deposit \$ Maximum \$50	Deposit (Maximum 50 maximum \$50.00) \$
Meter test fee \$ 25	Meter test fee \$ 25

Customer requested meter size change out maximum \$1495.
Regulatory Assessment of 1% is added to base rate and gallonage charges.

If applicable, list any bill payment assistance programs to low income Ratepayers.

WATER & SEWER

TARIFF PAGES

SECTION 1.0 –RATE SCHEDULE

Section 1.01 – Rates

Monthly base rate including	0	gallons
Meter Size:		
Residential		
	5/8" or 3/4"	\$ 20.19
	1"	\$ 50.48
	1 1/2"	\$ 100.95
	2"	\$ 161.52
	3"	\$ 302.85
Other:		\$
Gallonage Charge:		\$ 3.75

Regulatory Assessment Fee

1%

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

Section 1.02 - Miscellaneous Fees

TAP FEE

\$ 595

TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF e" X : " METER.

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) **Nonpayment of bill (Maximum \$25.00)** \$ 25
- b) **Customer's request** \$ 25
- Or other reasons listed under Section 20CF of this tariff** \$ 25

TRANSFER FEE

\$ 25

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (Not more than \$5.00 or 10%)(Indicate one)

\$ 10%

A ONE TIME PENALTY MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE

\$ 25

CUSTOMER DEPOSIT (Maximum \$50)

\$ 50

METER TEST FEE (actual cost of testing the meter up to)

\$ 25.00

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY

CUSTOMER REQUESTED METER SIZE CHANGE OUT FEE (Maximum \$1495)

RATES LISTED ARE EFFECTIVE ONLY IF THIS PAGE HAS TCEQ APPROVAL STAMP

If your TAXABLE INCOME from Table V., Line [E] is

More	Less	The tax	More	Less	The tax	More	Less	The tax	More	Less	The tax is
0	501	88	25,000	25,501	4,500	50,000	50,501	10,166	75,000	75,501	21,091
500	1,001	176	25,500	26,001	4,588	50,500	51,001	10,333	75,500	76,001	21,349
1,000	1,501	265	26,000	26,501	4,676	51,000	51,501	10,500	76,000	76,501	21,606
1,500	2,001	353	26,500	27,001	4,765	51,500	52,001	10,666	76,500	77,001	21,864
2,000	2,501	441	27,000	27,501	4,853	52,000	52,501	10,833	77,000	77,501	22,121
2,500	3,001	529	27,500	28,001	4,941	52,500	53,001	11,000	77,500	78,001	22,410
3,000	3,501	618	28,000	28,501	5,029	53,000	53,501	11,166	78,000	78,501	22,730
3,500	4,001	706	28,500	29,001	5,118	53,500	54,001	11,333	78,500	79,001	23,049
4,000	4,501	794	29,000	29,501	5,206	54,000	54,501	11,500	79,000	79,501	23,370
4,500	5,001	882	29,500	30,001	5,294	54,500	55,001	11,666	79,500	80,001	23,689
5,000	5,501	971	30,000	30,501	5,382	55,000	55,501	11,833	80,000	80,501	24,008
5,500	6,001	1,059	30,500	31,001	5,471	55,500	56,001	12,000	80,500	81,001	24,328
6,000	6,501	1,147	31,000	31,501	5,559	56,000	56,501	12,166	81,000	81,501	24,648
6,500	7,001	1,235	31,500	32,001	5,647	56,500	57,001	12,333	81,500	82,001	24,967
7,000	7,501	1,324	32,000	32,501	5,735	57,000	57,501	12,500	82,000	82,501	25,287
7,500	8,001	1,412	32,500	33,001	5,824	57,500	58,001	12,666	82,500	83,001	25,607
8,000	8,501	1,500	33,000	33,501	5,912	58,000	58,501	12,833	83,000	83,501	25,926
8,500	9,001	1,588	33,500	34,001	6,000	58,500	59,001	13,000	83,500	84,001	26,246
9,000	9,501	1,676	34,000	34,501	6,088	59,000	59,501	13,166	84,000	84,501	26,566
9,500	10,001	1,765	34,500	35,001	6,176	59,500	60,001	13,333	84,500	85,001	26,885
10,000	10,501	1,853	35,000	35,501	6,265	60,000	60,501	13,500	85,000	85,501	27,205
10,500	11,001	1,941	35,500	36,001	6,353	60,500	61,001	13,666	85,500	86,001	27,525
11,000	11,501	2,029	36,000	36,501	6,441	61,000	61,501	13,833	86,000	86,501	27,844
11,500	12,001	2,118	36,500	37,001	6,529	61,500	62,001	14,000	86,500	87,001	28,164
12,000	12,501	2,206	37,000	37,501	6,618	62,000	62,501	14,166	87,000	87,501	28,484
12,500	13,001	2,294	37,500	38,001	6,706	62,500	63,001	14,333	87,500	88,001	28,803
13,000	13,501	2,382	38,000	38,501	6,794	63,000	63,501	14,500	88,000	88,501	29,123
13,500	14,001	2,471	38,500	39,001	6,882	63,500	64,001	14,666	88,500	89,001	29,443
14,000	14,501	2,559	39,000	39,501	6,971	64,000	64,501	14,833	89,000	89,501	29,762
14,500	15,001	2,647	39,500	40,001	7,059	64,500	65,001	15,000	89,500	90,001	30,082
15,000	15,501	2,735	40,000	40,501	7,147	65,000	65,501	15,166	90,000	90,501	30,402
15,500	16,001	2,824	40,500	41,001	7,235	65,500	66,001	15,333	90,500	91,001	30,721
16,000	16,501	2,912	41,000	41,501	7,324	66,000	66,501	15,500	91,000	91,501	31,041
16,500	17,001	3,000	41,500	42,001	7,412	66,500	67,001	15,666	91,500	92,001	31,361
17,000	17,501	3,088	42,000	42,501	7,500	67,000	67,501	15,833	92,000	92,501	31,680
17,500	18,001	3,176	42,500	43,001	7,588	67,500	68,001	16,000	92,500	93,001	32,000
18,000	18,501	3,265	43,000	43,501	7,676	68,000	68,501	16,166	93,000	93,501	32,320
18,500	19,001	3,353	43,500	44,001	7,765	68,500	69,001	16,333	93,500	94,001	32,639
19,000	19,501	3,441	44,000	44,501	7,853	69,000	69,501	16,500	94,000	94,501	32,959
19,500	20,001	3,529	44,500	45,001	7,941	69,500	70,001	16,666	94,500	95,001	33,279
20,000	20,501	3,618	45,000	45,501	8,029	70,000	70,501	16,833	95,000	95,501	33,598
20,500	21,001	3,706	45,500	46,001	8,118	70,500	71,001	17,000	95,500	96,001	33,918
21,000	21,501	3,794	46,000	46,501	8,206	71,000	71,501	17,166	96,000	96,501	34,238
21,500	22,001	3,882	46,500	47,001	8,294	71,500	72,001	17,333	96,500	97,001	34,557
22,000	22,501	3,971	47,000	47,501	8,382	72,000	72,501	17,500	97,000	97,501	34,877
22,500	23,001	4,059	47,500	48,001	8,471	72,500	73,001	17,666	97,500	98,001	35,197
23,000	23,501	4,147	48,000	48,501	8,559	73,000	73,501	17,833	98,000	98,501	35,516
23,500	24,001	4,235	48,500	49,001	8,647	73,500	74,001	18,000	98,500	99,001	35,836
24,000	24,501	4,324	49,000	49,501	8,735	74,000	74,501	18,166	99,000	99,501	36,156
24,500	25,001	4,412	49,500	50,001	8,824	74,500	75,001	18,333	99,500	100,001	36,475

Fremont Water Co.

P. O. Box 291937
Kerrville, Texas 78029-1937

July 19, 2014

To: Whom it may concern:

Enclosed is a completed TCEQ application for a rate/tariff change for Fremont Water Co.

Certificate of Convenience and Necessity No. 12821 was transferred by TCEQ to Fred R. Gregory dba Fremont Water Co. on June 23, 2014 from Crystal Land Water LLC. Fred Gregory has been the operator and manager of the system for Crystal Land Water since May of 2008.

Also enclosed are copies of the following items:

A letter to the customers and Notice of Proposed Rate Change

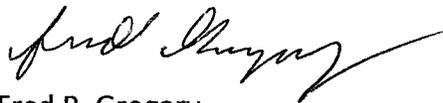
Notarized Affidavit on the form in the application

A new tariff page

A copy of the most recent TCEQ inspection report letter

A copy of the CCN Transfer

Sincerely,



Fred R. Gregory

AFFIDAVIT

STATE OF TEXAS

COUNTY OF Kerr

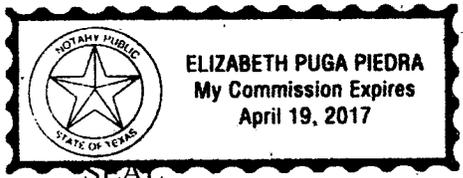
I, Fred R. Gregory being duly sworn, file this **NOTICE OF PROPOSED RATE CHANGE** as Owner
(indicate relationship to Utility, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Utility); that, in such capacity, I am qualified and authorized to file and verify such NOTICE; and that all statements made and matters set forth herein are true and correct.

I further represent that a copy of the attached NOTICE was provided by mail
(mail or hand delivery)
to each customer or other affected party on or about July 24, 2014

Fred R. Gregory
AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Utility, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME,
this the 24th day of July, 2014, to certify
which witness my hand and seal of office.



NOTARY PUBLIC IN AND FOR THE

Elizabeth Puga Piedra
STATE OF TEXAS
Elizabeth Puga-Piedra
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

April 19, 2017

To: Fremont Water Customers

July 17, 2014

Enclosed is a notice of a proposed rate change for the customers of Fremont Water Co.

The attached rate change was developed using TCEQs required forms, procedures and calculations with a Texas Commission on Environmental Quality Contractor. Personal desires of Fremont Water Co. owners did not enter into the calculations. There is a significant change in the rates simply because the last and only approved rate/tariff adopted for Homestead @ Turtle Creek Community (CCN 12821) was on January 25 1997.

Considering 17 years have passed, water rates, depending on amount of water used, will have only increased an average of 3 to 6% per year. It should be noted quality and safe water is delivered to your home, 24 hours a day, at a price averaging less than \$0.77 per 100 gallons.

For comparison purposes the Homestead Home Owners Association annual assessment rates for the same time period exceeded 8.8% per year (from \$200 in 1997 to \$500 in 2013) and, it appears the HOA will need to make a special assessment to cover road surfacing and repair.

If you have any questions I will be at the Homeowners Board of Directors meetings which are held on the second Tuesday of each month to answer questions or you may call me at 830-895-0497.

Sincerely,



Fred and Monte Gregory

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.C., *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 12, 2011

Mr. Charles Ray, Managing Partner
Crystal Land Water System
P. O. Box 51608
Midland, Texas 79710

Re: Compliance Evaluation Investigation at:
Crystal Land WS, 8 miles S of Kerrville on W side of SH 173, Kerr County, Texas
Regulated Entity No.: RN102690690
TCEQ ID No.: 1330153, Investigation No.: 919283

Dear Mr. Ray:

On April 14, 2011, Ms. Stacy Tanner of the Texas Commission on Environmental Quality (TCEQ) San Antonio Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Stacy Tanner in the San Antonio Region Office at (210) 403-4078.

Sincerely,



Joy Thurston-Cook
Water Section Work Leader
San Antonio Region Office

JTC/SMT/eg



**TRANSFER OF
CERTIFICATE OF CONVENIENCE AND NECESSITY**

To Provide Water Service Under V.T.C.A., Water Code
and Texas Commission on Environmental Quality Substantive Rules

Certificate No. 12821

Certificate No. 12821 was transferred by Order of the Commission in Docket No. 36852-S. Crystal Land Water Company LLC's facilities and lines were transferred to Fred R. Gregory, Certificate of Convenience and Necessity number 12821, in Kerr County.

Please reference Certificate No. 12821 for the location of maps and other information related to the service area transferred.

Certificate of Convenience and Necessity No. 12821 is hereby transferred by Order of the Texas Commission on Environmental Quality.

Issued Date: June 23, 2014

A handwritten signature in cursive script, appearing to read "R. Q. A. Hylb".

For the Commission



Texas Commission On Environmental Quality

By These Presents Be It Known To All That

Fred R. Gregory

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 12821

to provide continuous and adequate water utility service to that service area or those service areas in Kerr County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 36852-S are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Fred R. Gregory to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this June 23, 2014

A handwritten signature in cursive script, appearing to read "R. D. A. Hylb".

For the Commission

SECTION 1.0 -- RATE SCHEDULE (Continued)

LATE CHARGE	<u>\$2.00 OR 5%</u>
TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.	
RETURNED CHECK CHARGE	<u>\$25.00</u>
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.	
CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....	<u>\$50.00</u>
METER TEST FEE.....	<u>\$25.00</u>
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.	

RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY
36852-S, CCN 12821, MAY 14, 2014
APPROVED TARIFF BY 