



Control Number: 43078



Item Number: 16

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.

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126

Fremont Water Co.

RECEIVED

P.O. Box 291937

2014 SEP 22 AM 7:59

Kerrville, Texas 78029-1937

PUBLIC UTILITY COMMISSION
FILING CLERK

August 13, 2014

Subject: Fremont Water Co. CCN 12821 Rate Change

Dear, Ms. Leila Guerrero

Enclosed are the replacement pages you requested which were changed in the (Application for a Rate/Tariff Change). If you have any questions please call me at 830/895-0497,

Thank You,



Fred Gregory

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AUG 15 2014
UTILITIES & DISTRICTS
SECTION

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 | 0 | 0 |
| | | | | [B] | 18,410 | 4,800 | 23,210 | 90 | | |
| | | | | [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 | | 42,248 | | | |
| | | | | [M] | 0 | | 0 | 50 | | |
| | | | | [N] | 948 | | 948 | 100 | | |
| | | | | [O] | 5,460 | | 5,460 | 100 | | |
| | | | | [P] | | 88 | | 100 | | |
| | | | | [Q] | | 14,685 | 14,685 | 100 | | |
| | | | | [R] | 42,852 | 14,773 | 63,341 | | | |
| | | | | [S] | 495 | | 495 | 100 | | |
| | | | | [T] | 42,357 | 14,773 | 62,846 | | | |
| | | | | [U] | | | | 67 | 42,106.82 | 20,739 |
| | | | | | | | | | | |

SECTION IX - RATE DESIGN - WATER

A. VARIABLE RATE CALCULATIONS

Table IX. A.

| Line | Instructions |
|------|--|
| [A] | \$20,739 |
| [B] | From Table VI. A., Line [T], Box ⑩ or Line [U], Box ⑩ |
| [C] | From Table VIII, Line [B] |
| [D] | Divide Line [B] by 1,000 |
| [E] | Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box ② |

B. BASE RATE CALCULATIONS

Table IX. B.

| Line | Instructions | 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 |
|------|--|------|--------------------------------|------------------------------|--|--------------------------------|
| [A] | total fixed costs - From Table VI. A., Line [T], Box ⑩ or Line [U], Box ⑩ | [A] | 42,106.82 | | | |
| [B] | total meter equivalents at end of test year - From Table VII, Line [K], Box ⑤ | [B] | 143.5 | | | |
| [C] | base charge per meter equivalent or for each unmeasured connection [A] ÷ [B] and then divide by 12 | [C] | \$24.45 | | | |
| [D] | base charge per meter size | | | | | |
| [E] | 5/8" x 3/4" or unmeasured | [D] | 24.45 | 0 | 2.28 | 24.45 |
| [F] | 3/4" | [E] | 36.68 | 0 | 2.28 | 36.67 |
| [G] | 1" | [F] | 61.13 | 0 | 2.28 | 61.13 |
| [H] | 1 1/2" | [G] | 122.26 | 0 | 2.28 | 122.25 |
| [I] | 2" | [H] | 195.62 | 0 | 2.28 | 195.56 |
| [J] | 3" | [I] | 366.78 | 0 | 2.28 | 366.75 |
| [K] | Other: | [J] | | 0 | 0 | |

② From Table IX. A., Line [D]

SECTION IX - RATE DESIGN - WATER

A. VARIABLE RATE CALCULATIONS

Table IX. A.

| | Line | Instructions |
|--|------|--------------|
| Total Variable Costs | [A] | \$20,739 |
| 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] | \$2.28 |

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] | 42,106.82 | | | |
| 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 unmeasured connection [A] ÷ [B] and then divide by 12 | [C] | \$24.45 | | | |
| base charge per meter size | | | | | |
| 5/8" x 3/4" or unmeasured | [D] | 0 | 2.28 | 0 | 24.45 |
| 3/4" | [E] | 0 | 2.28 | 0 | 36.67 |
| 1" | [F] | 0 | 2.28 | 0 | 61.13 |
| 1 1/2" | [G] | 0 | 2.28 | 0 | 122.25 |
| 2" | [H] | 0 | 2.28 | 0 | 195.56 |
| 3" | [I] | 0 | 2.28 | 0 | 366.75 |
| 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 [A], 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] \$62,846 |
| Total to be recovered through base rate | [E] \$28,691 |
| Total number of meter equivalents | [F] 143.5 |
| Base rate per meter equivalent | [G] \$16.66 |

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] = [B] + [C] |
| Base rate per meter size | | | | |
| 5/8" x 3/4" or unmetered | 0 | 3.75 | 0 | 16.67 |
| 3/4" | 0 | 3.75 | 0 | 24.99 |
| 1" | 0 | 3.75 | 0 | 41.65 |
| 1 1/2" | 0 | 3.75 | 0 | 83.31 |
| 2" | 0 | 3.75 | 0 | 133.29 |
| 3" | 0 | 3.75 | 0 | 249.92 |
| Other: | | | | |

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

NOTICE OF PROPOSED RATE CHANGE

Fremont Water Co.

12821

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

\$20,949.00

August 6, 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: 10/7/14

Reason(s) for proposed Rate Change:

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

BILLING COMPARISON

Water 5/8x3/4"

| | | | | | | | |
|----------|-----------------|----------|-----|----------|-----------------|-----------|-----|
| Existing | 10,000 gallons: | \$ 43.95 | /mo | Existing | 30,000 gallons: | \$ 102.95 | /mo |
| Proposed | 10,000 gallons: | \$ 54.17 | /mo | Proposed | 30,000 gallons: | \$ 129.17 | /mo |

Water 1"

| | | | | | | | |
|----------|-----------------|----------|-----|----------|-----------------|-----------|-----|
| Existing | 10,000 gallons: | \$ 43.95 | /mo | Existing | 30,000 gallons: | \$ 102.95 | /mo |
| Proposed | 10,000 gallons: | \$ 79.15 | /mo | Proposed | 30,000 gallons: | \$ 154.15 | /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

AFFIDAVIT

STATE OF TEXAS

COUNTY OF Kerr

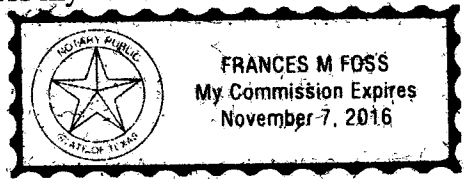
I, Fred R. Gregory being duly sworn, file this **NOTICE OF PROPOSED RATE CHANGE** as Owner
(indicate relationship to Utility, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Utility); that, in such capacity, I am qualified and authorized to 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 August 6, 20 14

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 6th day of August, 20 14, to certify
which witness my hand and seal of office.



SEAL

NOTARY PUBLIC IN AND FOR THE

Frances M Foss

STATE OF TEXAS

Frances M Foss
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

November 7, 2016

| CURRENT RATES | | PROPOSED RATES | |
|--|--------------|---------------------------------------|-----------|
| Monthly base rate including | 2000 gallons | Monthly base rate including | 0 gallons |
| Meter Size: | | Meter Size: | |
| RESIDENTIAL | | RESIDENTIAL | |
| 5/8" x 3/4" or 5/8" | \$ 24.95 | 5/8" x 3/4" or 5/8" | \$ 16.67 |
| 3/4" | \$ 24.95 | 3/4" | \$ 24.99 |
| 1" | \$ 24.95 | 1" | \$ 41.65 |
| 1-1/2" | \$ 24.95 | 1-1/2" | \$ 83.31 |
| 2" | \$ 24.95 | 2" | \$ 133.29 |
| Other: 3" | \$ 24.95 | Other: 3" | \$ 249.92 |
| GALLONAGE CHARGE: | | GALLONAGE CHARGE: | |
| \$ 2.25 for each additional 1000 gallons over 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 | | MISCELLANEOUS FEES | |
|-----------------------|-----------------|---|--------------|
| Tap Fee | \$ 495 | Tap Fee | \$ 595 |
| Reconnect fee: | | Reconnect fee: | |
| Non-payment | | Non-payment | |
| (Maximum - \$25.00) | \$ 25 | (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 either \$5.00 or 10%) | 10% |
| Returned Check Charge | \$ 25. | Returned Check Charge | \$ 25 |
| Deposit | \$ Maximum \$50 | Deposit (Maximum \$50.00) | \$50 Maximum |
| 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.

SECTION 1.0 –RATE SCHEDULE**Section 1.01 – Rates**

| | | |
|-----------------------------|------------|-----------|
| Monthly base rate including | 0 | gallons |
| Meter Size: | | |
| Residential | | |
| | 5/8"x 3/4" | \$ 16.67 |
| | 3/4" | \$ 24.99 |
| | 1" | \$ 41.65 |
| | 1- 1/2" | \$ 83.31. |
| | 2" | \$ 133.29 |
| Other: | | \$ |
| Gallonage Charge: | | \$ 3.75 |

Regulatory Assessment Fee1%

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