

Postage



STATE OFFICE OF ADMINISTRATIVE HEARINGS
PUBLIC HEARING REGISTRATION
ALL PERSONS IN ATTENDANCE ARE REQUESTED TO COMPLETE
PLEASE PRINT CLEARLY



Date: 1-25-05

Name: Elaine Walls

Occupation: Retired

Mailing Address: 7001 Garrett Ranch Rd #67
Street or P.O. Box

Granbury TX 76049
City State Zip

Daytime Phone: (817) 247-5226 Fax #: ()

E-Mail address (if available): elwalls@earthlink.net

Representing: ☒ Self ☐ Other (specify):

Title of matter being considered: Fall Creek Utility Rate

SOAH Docket No. (if known): 58205-15-28

Your position regarding the matter being considered: ☐ In Favor ☒ Opposed ☐ Undecided ☐ Observer

Rotary



STATE OFFICE OF ADMINISTRATIVE HEARINGS
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Date: 1-25-05

Name: Thomas W. Walls

Occupation: Retired

Mailing Address: 2001 Garrett Ranch Rd #67
Street or P.O. Box

Granbury Texas 76049
City State Zip

Daytime Phone: (817) 247-5226 Fax #: ()

E-Mail address (if available): TEWALLS@earthlink.net

Representing: ☒ Self ☐ Other (specify):

Title of matter being considered: FALL CREEK UTILITY WATER/SEWER

SOAH Docket No. (if known): 582051528

Your position regarding the matter being considered: ☐ In Favor ☒ Opposed ☐ Undecided ☐ Observer

Rate



STATE OFFICE OF ADMINISTRATIVE HEARINGS
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Date: 1/25/05

Name: GARY WHITWORTH

Occupation: RETIRED

Mailing Address: 7001 GARRETT RANCH RD LOT 50
Street or P.O. Box

GRANBURY TX 76049
City State Zip

Daytime Phone: (817) 326-4431 Fax #: ()

E-Mail address (if available):

Representing: ☒ Self ☐ Other (specify):

Title of matter being considered: FALL CREEK UTILITY WATER RATES

SOAH Docket No. (if known):

Your position regarding the matter being considered: ☐ In Favor ☒ Opposed ☐ Undecided ☐ Observer



STATE OFFICE OF ADMINISTRATIVE HEARINGS
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Date: 1-25-2005

Name: Charlotte Garnett

Occupation: UTILITY owner

Mailing Address: P.O. Box 481
Street or P.O. Box

GRANBURY
City

TX
State

76088
Zip

Daytime Phone: (817) 573-6509

Fax #: ()

E-Mail address (if available): cagarnett6509@sbcglobal.net

Representing: ☒ Self ☐ Other (specify): president Fall Creek Utility Co. Inc.

Title of matter being considered: Rate Increase Application

SOAH Docket No. (if known): 582-05-1528

Your position regarding the matter being considered: ☒ In Favor ☐ Opposed ☐ Undecided ☐ Observer



STATE OFFICE OF ADMINISTRATIVE HEARINGS
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Date: 1/25/05

Name: Marvin B. Morgan

Occupation: Certified Public Accountant

Mailing Address: P.O. Box 1083, ~~AT~~
Street or P.O. Box

Manchaca TX 78652
City State Zip

Daytime Phone: (512) 346-8349 Fax #: (512) 292-3844

E-Mail address (if available): Marvin@mbmapa.com

Representing: ☐ Self ☒ Other (specify): Applicant Fall Creek Utility

Title of matter being considered: Rate Increase Application

SOAH Docket No. (if known): 582-05-1528

Your position regarding the matter being considered: ☒ In Favor ☐ Opposed ☐ Undecided ☐ Observer



STATE OFFICE OF ADMINISTRATIVE HEARINGS
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Date: 1-25-05

Name: Molly Wilsher

Occupation: CPA

Mailing Address: 385 Chaparral Dr.
Street or P.O. Box

Granbury
City

TX
State

76049
Zip

Daytime Phone: (817) 573-5597

Fax #: (817) 573-5570

E-Mail address (if available): molly.cl.cpa@charter.net

Representing: ☐ Self ☒ Other (specify): Applicant

Title of matter being considered: Rate increase application

SOAH Docket No. (if known): 582-05-1528

Your position regarding the matter being considered: ☒ In Favor ☐ Opposed ☐ Undecided ☐ Observer



STATE OFFICE OF ADMINISTRATIVE HEARINGS
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Date: 1/25/05

Name: De'von Stanford

Occupation: Engineer

Mailing Address: MC-153 P.O. Box 13087
Street or P.O. Box

Austin TX 78758-0387
City State Zip

Daytime Phone: (512) 239-0855 Fax #: (512) 239-6972

E-Mail address (if available): dstanfo@teed.state.tx.us

Representing: ☐ Self ☒ Other (specify): ED of TCEQ

Title of matter being considered: Fall Creek Utility, Inc.

SOAH Docket No. (if known): 582-05-1528

Your position regarding the matter being considered: ☐ In Favor ☐ Opposed ☐ Undecided ☐ Observer



STATE OFFICE OF ADMINISTRATIVE HEARINGS
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Date: 1/25/05

Name: Tammy Benter

Occupation: Staff Accountant/Program Specialist III

Mailing Address: P.O. Box 13087
Street or P.O. Box

Austin TX 78711-3087
City State Zip

Daytime Phone: (512) 239-6136 Fax #: (512) 239-3654

E-Mail address (if available): tho1guin@tceq.state.tx.us

Representing: ☐ Self ☒ Other (specify): E.D. of TCEQ

Title of matter being considered: Fall Creek Utility Company, Inc.

SOAH Docket No. (if known): 582-05-1528

Your position regarding the matter being considered: ☐ In Favor ☐ Opposed ☒ Undecided ☐ Observer



STATE OFFICE OF ADMINISTRATIVE HEARINGS
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ALL PERSONS IN ATTENDANCE ARE REQUESTED TO COMPLETE
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Date: 1/25/05

Name: Curtis Fisher

Occupation: TCEQ

Mailing Address: PO 13087 MC-153
Street or P.O. Box

Austin TX 78711-3087
City State Zip

Daytime Phone: (512) 239-4984 Fax #: (512) 239-0030

E-Mail address (if available): cfisher@Tceq.state.tx.us

Representing: ☐ Self ☐ Other (specify): _____

Title of matter being considered: Fall Creek

SOAH Docket No. (if known): 34585-G + 34586-G

Your position regarding the matter being considered: ☐ In Favor ☐ Opposed ☐ Undecided ☒ Observer



STATE OFFICE OF ADMINISTRATIVE HEARINGS
PUBLIC HEARING REGISTRATION
ALL PERSONS IN ATTENDANCE ARE REQUESTED TO COMPLETE
PLEASE PRINT CLEARLY



Date: 1-25-05

Name: Brandon Bennett

Occupation: I & E Tech

Mailing Address: 603 Heritage Trl
Street or P.O. Box

Granbury
City

TX
State

76048
Zip

Daytime Phone: (817) 573-3831

Fax #: ()

E-Mail address (if available): _____

Representing: ☐ Self ☒ Other (specify): Fall Creek Utility Co., Inc.

Title of matter being considered: Rate Increase

SOAH Docket No. (if known): _____

Your position regarding the matter being considered: ☒ In Favor ☐ Opposed ☐ Undecided ☐ Observer

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

INTEROFFICE MEMORANDUM

TO: LaDonna Castanuela, Chief Clerk

DATE: August 12, 2004

THRU: *ML* Earl Lott, Section Manager
Utilities and Districts Section
Water Supply Division

FROM: *ML* Michelle Abrams, Team Leader
Utilities Financial Review Team

SUBJECT: Docket No. 2004-1201-UCR; Protest of the application for a Water Rate/Tariff Change of Fall Creek Utility Company, Inc., Certificate of Convenience and Necessity (CCN) No. 12884 in Hood County; Application No. 34585-G

Docket No. 2004-1201-UCR; Protest of the application for a Sewer Rate/Tariff Change of Fall Creek Utility Company, Inc., Certificate of Convenience and Necessity (CCN) No. 20854 in Hood County; Application No. 34586-G

We hereby transfer the official file for the above applications to the Chief Clerk's Office. Please refer the applications to the State Office of Administrative Hearings (SOAH) and request that a hearing be scheduled.

We received the rate change applications on April 27, 2004. The effective date of the rate increases was June 30, 2004, and the deadline for customer protests is September 28, 2004. We have received 36 water and 36 sewer complaints from a total of 65 customers, which exceeds the minimum requirement of 10%. Staff estimates 18 people to attend this hearing. Attached is a mailing list for the applications.

The staff assigned to this case are:

Technical - De'Mon Stanford

Financial - Tammy Lee Holguin-Benter

Legal -

If we may be of further service regarding this matter, please call.

Michelle Abrams
Michelle Abrams, Team Leader

MA/THB/ac

cc: TCEQ Public Interest Counsel; ATTN: Blas Coy
TCEQ Agency Communications; ATTN: Andy Saenz, Director
TCEQ Chief Clerk's Office; ATTN: Melanie Mohair, SOAH Docket Clerk
TCEQ Legal Office; ATTN: Robert Martinez

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution
August 12, 2004

Ms. Wendell Braniff, Attorney
816 Congress Avenue, Suite 1100
Austin, Texas 78701

Re: Docket No. 2004-1201-UCR; Protest of the application for a Water Rate/Tariff Change of Fall Creek Utility Company, Inc., Certificate of Convenience and Necessity (CCN) No. 12884 in Hood County; Application No. 34585-G

Docket No. 2004-1201-UCR; Protest of the application for a Sewer Rate/Tariff Change of Fall Creek Utility Company, Inc., Certificate of Convenience and Necessity (CCN) No. 20854 in Hood County; Application No. 34586

Dear Ms. Braniff:

On April 27, 2004, we received your notice of a rate/tariff change. The Commission has now received thirty-six (36) protests which is more than ten percent (10%) of your customers. Your applications have been assigned Docket Nos. 2004-1201-UCR and 2004-1201-UCR. Any further communications should refer to these docket have numbers.

This matter has been referred to the State Office of Administrative Hearings to schedule a hearing. When a hearing has been scheduled, you will receive a notice of hearing which explains when and where the hearing will be held.

In order to review the rate change requests, the staff of the TCEQ may need additional information regarding your utility's cost of providing service. You may be receiving Staff Requests for Information (RFI's) within a few weeks. We would appreciate your cooperation in providing the information requested.

If you have questions about this process or what material you should bring with you to the hearing, please contact Ms. Tammy Lee Holguin-Benter at 512/239-6136 or Mr. De'Mon Stanford at 512/239-0885, by fax at 512/239-6972, by email at [tholguin](mailto:tholguin@tceq.state.tx.us) or destanfo@tceq.state.tx.us or if by correspondence, include MC153 in the letterhead address.

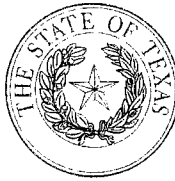
Sincerely,

A handwritten signature in cursive script that reads "Michelle Abrams".

Michelle Abrams, Team Leader
Utilities and Districts Section
Water Supply Division

MA/SP/KA/ac

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Margaret Hoffman, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 9, 2004

Mr. Marvin B. Morgan, C.P.A.
P.O. Box 1083
Manchaca, Texas 78652-1083

Re: Water Rate/Tariff Change Application of Fall Creek Utility Company, Inc. in Hood County;
Application No. 34585-G

Sewer Rate/Tariff Change Application of Fall Creek Utility Company, Inc. in Hood County;
Application No. 34586-G

CN: 600694111; RN: 101457398 (water); RN: 101261931 (sewer)

Dear Mr. Morgan:

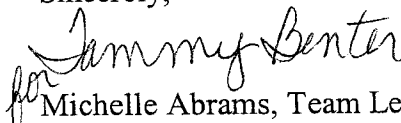
Your rate/tariff change applications for Fall Creek Utility Company, Inc., received on April 22, 2004 and subsequent information received on June 4, 2004, have been accepted for filing. They have been assigned Application Nos. 34585-G and 34586-G. Please refer to these numbers in future correspondence.

If the Texas Commission on Environmental Quality (TCEQ) receives complaints from 10% of the ratepayers within 90 days of the effective date of the rate increase or if the staff protests the actual service rates, then the application will be scheduled for a hearing. You will be notified if a hearing is scheduled. If, during the course of a hearing, rates are set which are different from the rates charged by the utility, the utility may be required 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 as determined by the Commission.

Your new rates may go into effect as scheduled, at least 60 days after the date of your notice. The effective date of the new rates must be the first day of the billing period and the new rates may not apply to service received before the effective date of the new rates. If the required number of complaints are not received by the TCEQ within 90 days of the effective date, and the staff does not require a hearing, then you will receive another letter from the TCEQ so informing you along with your approved tariff.

If you have any further questions, please contact Ms. Tammy Benter at (512) 239-6136 or Mr. De'Mon Stanford at (512) 239-0855, or if by correspondence, include MC 153 in the letterhead address.

Sincerely,


Michelle Abrams, Team Leader
Utilities & Districts Section
Water Supply Division

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Margaret Hoffman, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 14, 2004

Mr. Marvin B. Morgan, C.P.A.
P.O. Box 1083
Manchaca, Texas 78652-1083

Re: Water Rate/Tariff Change Application of Fall Creek Utility Company, Inc. in Hood County;
Application No. 34585-G

Sewer Rate/Tariff Change Application of Fall Creek Utility Company, Inc. in Hood County;
Application No. 34586-G

CN: 600694111; RN: 101457398 (water); RN: 101261931 (sewer)

Dear Mr. Morgan:

Your water rate/tariff change application for Fall Creek Utility Company, Inc., received on April 27, 2004, has not been accepted for filing. There are deficiencies in the applications as follows:

1. The affidavit does not indicate the date the notice was mailed to customers. Enclosed is another affidavit. Please provide this information.
2. The proposed amount for 30,000 gallons (Billing Comparison) is incorrect.
3. Please indicate the forms of payment the utility will accept (i.e. cash, check, money order, credit card, etc.)

Please provide the above information by **June 11, 2004**, to avoid suspension of your rate increase. If you have any further questions, please contact Ms. Sheresia Perryman at (512) 239-3654 or if by correspondence, include MC 153 in the letterhead address.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Abrams".

Michelle Abrams, Team Leader
Utilities & Districts Section
Water Supply Division

MA/SP/ac

Deposit User Report _____ y/n **Administrative Review - Rate**

4/27/04 CCN No.: 12884(water) Effective Date: 4/27/04
20854(sewer)

Date Received By Program Area
Subdivisions: Lake Granbury RV Ranch
Contact Person: Wendall Braniff County: Hood
Address: 816 Congress Avenue Total Water Billed 2,132,670
Suite 1108 Customer Number 58
Austin, TX 78701

Current Rates **Proposed Rate**
20.00 (including 1000) 3.85/1000 (water) 58.40 w/0 gallons 5.50/1000 (water)
30.00 flat (sewer) 91.17 5.51/1000 (sewer)
Regulatory Assessment Fees Paid X Filing Fees Paid Y - 50.00
y/n y/n
Deficiencies: _____
Deficiencies: _____

All Pages of Application Complete and Correct _____ y/n
Deficiencies: Affidavit does not indicate the date notice was
provided. need forms of payment. the proposed amount
for 30,000 gallons (Billing comparison) is incorrect.

Notice Correct N Annual Revenue Increase Y In City Limits N
y/n y/n y/n
Customer Notice Date: 4/27/04 Other Deficiencies: _____
Forms of Payment: _____
Late Charge: 10% _____
Revenues Recomputed Y Rate Of Return Requested 12%
y/n y/n
Deficiencies: _____
Deficiencies: _____
Rejection Letter Date: _____ Acceptance Letter Date: _____
File Assignment Date: _____
File Assigned To: Tammy Benter De'mon Stanford
Michelle Abrams Sheresia Perryman
Name of Reviewer Date Admin. Review Complete

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Margaret Hoffman, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 4, 2004

Mr. Marvin B. Morgan, C.P.A.
P. O. Box 1083
Manchaca, Texas 78652-1083

RE: Declaration of Administrative Completeness
Name: Fall Creek Utility Company, Inc.
CCN Numbers: 12884 (water) and 20854 (sewer)
CN: 600694111, RN: 101457398 (water) and 101261931 (sewer)
Administrative Review Number: R-027-4
Type of Application: Rate Change

Dear Mr. Morgan:

The above referenced application was received by the Water Quality Applications Team on April 27, 2004. An administrative review of the application has been conducted and the application was declared administratively complete on May 3, 2004.

This application has been forwarded to Ms. Michelle Abrams, Utility Certification and Rate Analysis Team, Districts and Utilities Section (Mail Code 153), Water Supply Division for a technical review. If during the course of the technical review additional information is needed, you will be notified of the deficiency and be requested to supplement the application.

You may contact Ms. Abrams at (512) 239-6014 if you have questions regarding the technical evaluation of your application. If you have questions regarding the administrative review, please contact Peggy Hiscoe at (512) 239-6168.

Sincerely,

A handwritten signature in cursive script that reads "Peggy Fox Hiscoe".

Peggy Fox Hiscoe
Water Quality Applications Team (Mail Code 156)
Permits Administrative Review Section
Registration, Review & Reporting Division

05/04/2004
11:12:37AM

Texas Commission on Environmental Quality
Document Detail

EDOC1111

Site: FALL CREEK UTILITY COMPANY INC
District Number
Document Type: UTILITY APPLICATION (RATE)
Document ID: 196233

Received Date: 04/27/2004
Received Time:
Final Action Date:
Creation Date: 05/04/2004

Value	Type	Name
	R	REVIEW-PREFIX (R)
027		REVIEW-NUMBER
4		REVIEW-SUFFIX
		APPL. OR CASE NUMBER
		APPLICATION EXTENSION (R, G)
	U	CONTESTED (U, C)
	W	CASE-TYPE (W, S)
	P	CASE-STATUS (P, C, D, W)
05/03/2004		FILED DATE
		PROTEST END DATE
		TO LEGAL
		INFORMAL HEARING SCHEDULED
		PREFILED TESTIMONY DUE
		HEARING SCHEDULED
		ORDER SIGNED

Checklist For Rate Change

Review Number: R - 027 - 4

☒ Original and four copies of application received

☒ Applicant Name

☒ Utility Name and address

☒ Contact Person and address

☒ CCN Number 12884/20854

☒ Number of Connections: (W) 58 (S) 58

☒ Filing Fee

<100 connections	\$ 50
100-200 connections	\$100
201-500 connections	\$200
>500 connections	\$500

MARVIN B. MORGAN

Certified Public Accountant

Phone (512) 292-3844 • Fax (512) 292-3846 • E-mail: marvin@mbmcpa.com
P.O. Box 1083 • Manchaca, Texas 78652-1083

April 27, 2004

Texas Commission on Environmental Quality
Utility and Districts Section, MC153
P. O. Box 13088
Austin, Texas 78711-3088

Dear Sir or Madam:

Enclosed please find an original and four (4) copies of the completed Rate/Tariff Change Application with attachments for Fall Creek Utility Company, Inc., including new tariff pages with revised wording, copies of the most recent TCEQ field inspection letters, and the actual notice provided to customers and other affected parties. A check for \$50.00 is also enclosed.

Please file stamp the receipt date on the extra copy of this cover letter and return in the addressed, stamped envelope.

Any questions concerning this application may be directed to Wendall Braniff or me.

Sincerely yours,

Marvin B. Morgan

Marvin B. Morgan, C.P.A.

Enclosures

CC: Wendall Braniff

Charlotte Garrett

50.00 per
RECEIVED

APR 27 2004

Water Quality Applications Team

R-027-4

C-600694111

R(W)-101457398

R(S)-101261931

RECEIVED

APR 27 2004

Water Quality Applications Team

RECEIVED

APR 27 2004

Water Quality Applications Team

RATE/TARIFF CHANGE APPLICATION
FALL CREEK UTILITY COMPANY, INC.

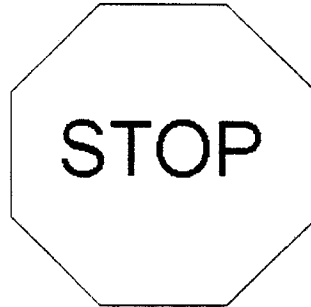
DOCKET NUMBER _____

April 2004

MARVIN B. MORGAN
Certified Public Accountant



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.

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APPLICATION FOR A RATE/TARIFF CHANGE

SECTION IA - GENERAL INFORMATION

Applicant: Fall Creek Utility Company, Inc.
(Individual, Corporation, or Other Legal Entity)

Utility Name: _____
(If different than above)

Legal form of Applicant:

<input type="checkbox"/>	Individual
<input type="checkbox"/>	Partnership
<input checked="" type="checkbox"/>	Corporation. Provide Charter Number: <u>01436404</u>
<input type="checkbox"/>	Sub Chapter-S Corporation
<input type="checkbox"/>	Other: _____

RECEIVED
APR 27 2004
Water Quality Applications Team

Utility Address: P. O. Box 954 Granbury TX 76048
Street Address or Location City State Zip Code

County(ies) where services are provided: Hood CCN Number(s): 12884
20854

Contact Person: Wendall Braniff Telephone Number: 512-480-2216
Position: Attorney Fax Number: 512-291-1006

Address: 816 Congress Avenue, Suite 1100 Austin TX 78701
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. **See Attachment 1**

Comptroller of Public Accounts, Office Management
P. O. Box 13528
Austin, Texas 78711
1-800-252-5555
or
<http://ecpa.cpa.state.tx.us/coa/coaStart.html>

SECTION IB - MISCELLANEOUS INFORMATION

A. How often and on what dates are water meters typically read? Monthly, on 30th or last day

B. When are bills typically sent out? By the 4th of the following month

C. Do you serve customers within the corporate limits of a municipality? If No, Go to D. ☐ Yes ☒ No.

If yes, which municipalities? N/A

How many customers are within limits of the municipality? N/A

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

N/A

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

If yes, are you current in your payment of the Regulatory Assessment Fee to the Texas Natural Resource Conservation Commission or the predecessor agency, Texas Water Commission, for assessments payable beginning January 1, 1992?

X Yes No

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

System Name	TNRCC PWS ID #	County	Rate Increase Applicable?
Fall Creek Utility Co., Inc.	1110114	Hood	Yes

For each of the systems, please provide a copy of the most recent public water system annual inspection report letter from the Texas Natural Resource Conservation Commission 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	TNRCC Discharge Permit Number	County	Rate Increase Applicable?
Fall Creek Utility Co., Inc.	0013809	Hood	Yes

For each of the plants, please provide a copy of the most recent inspection report letter from the Texas Natural Resource Conservation Commission 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: Charlotte Garrett Relationship to owner: Owner

Short job description: Supervise daily activities, Contract negotiations, and Accounts Payable

Approximate number of hours per week this person works for the company: 30

Salary: \$3,500 () Hourly - () Weekly - () Monthly - (X) Annual

EMPLOYEES

Name: _____ Relationship to owner: _____

Short job description: _____

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

Salary: _____ () Hourly - () Weekly - () Monthly - () Annual

Name: _____ 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: Brandon Bennett Relationship to owner: Grandson

Short job description: Meter reading, chlorine residual testing, logs and repairs

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

Amount paid for services: \$300 base () Hourly - () Weekly - (X) Monthly - () Annual

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

Certified Operator's Name / Classification	Certified Operator's Name / Classification
Charlotte Garrett - D	
Gaston B. Garrett, Jr. - C	

-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				0
				0
				0
				0
				0

- Attach additional sheet(s) if necessary -

- ① 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 (\$)	Years in Service			Depreciation		[G] = [D]-[F] Net Book Value (\$)
		*	**		[E] = [D]/[C] Annual (\$)			[F] Accumulated (\$)		
					Yrs ☉	Mos ☾☾	Days ☾☾☾			
Land	7/1/97	n/a		15,000						15,000
Wells	7/1/97	50		23,944				479	3,073	20,871
Well Pumps:										
5 hp or less		5								0
greater than 5 hp		10								0
Booster Pumps:										
5 hp or less		5								0
greater than 5 hp		10								0
Chlorinators		10								0
Structures:										
Wood		15								0
Masonry	7/1/97	30		24,865				829	5,318	19,547
Storage Tanks	7/1/97	50		16,247				325	2,085	14,162
Pressure Tanks	7/1/97	50		7,758				155	996	6,762
Distribution System (mains and lines)	7/1/97 10/15/98	50		45,785				916	5,722	40,063
Meters and Service (taps not covered by fees)	7/1/97	20		19,693				985	6,318	13,375
Office Equipment	11/28/99	10		1,200				120	490	710
Vehicles		5								0
Shop Tools		15								0
Heavy Equipment	6/30/02	10	15	4,250				283	425	3,825
Fencing		20								0
Other: (Please list)										
Fire Hydrants	7/1/97		50	5,669				113	728	4,941
Total				164,411				4,205	25,155	139,256

* TNRCC Suggested Service Life ** Other Service Life

① Enter this number in Table VI. A., Line [O], Column ① ② If [F] is greater than [D], enter the total for [D]

③ 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				①

① Insert this amount in **Table IV. E., Line [E]**

- Attach additional sheet(s) if necessary -

SECTION IV - LONG TERM DEBT & EQUITY INFORMATION - WATER**C. EQUITY**

How much equity or total capital does the company have in the utility? 150,000
Enter also in **Table IV. D., Box ③** below

D. RATE OF RETURN

What rate of return (profit) on investment in plant (equity) is expected? 12 %
Enter also in **Table IV. D., Box ④** 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.

E. 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. _____

F. , 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						
			\$	\$	%	%
NONE			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
Total			\$ ①	0		% ⑥
Part 2 - Investment/Equity						
				\$ 150,000 ③	12 % ④	12 % ⑦
Total Debt & Equity				150,000		
					Rate of Return:	12 % ⑧

- ① Total amount of original loans
 ② Total amount of the outstanding balance on the loans
 ③ Equity in the utility - From **Section IV. A.**
 ④ Return on Equity - From **Section IV. B.**
 ⑤ Total of ② + ③
 ⑥ Total weighted average of debt - To **Table V, Line [C]**
 ⑦ Weighted average of Investment/Equity ③ ÷ ⑤ * ④
 ⑧ Sum of ⑥ + ⑦ - To **Table IV. E., Line [G]**

Note: All debt from owner and personally guaranteed

G.

INVESTED CAPITAL & RETURN - WATER**Table IV. E.**

Net Book Value - From Table III. B., Box ②	[A]	\$ 139,256
Working cash allowance - (Amount From Table VI. A., Line [L] Column ③, Box ⑦ (÷ 8))	[B]	\$ 3,378
Materials and supplies	[C]	\$ 0
Subtotal - Sum of [A] thru [C]	[D]	142,634
Developer Contributions - From Table III. C., Box ①	[E]	\$ 0
Total invested capital [D] - [E]	[F]	142,634
Rate of return - From Table IV. D., Box ③	[G]	12.0 %
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 ②	[H]	17,116

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]	\$ 17,102
Interest Calculation		
Total Invested Capital - From Table IV. E., Line [F]	[B]	\$ 142,634
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box ⑥	[C]	0 %
Interest [B]*[C]	[D]	\$ 0
Taxable Income [A] - [D]	[E]	\$ 17,102
Enter Income Tax from Tax Table (Appendix A)	[F]	\$ 3,088 ①

① To **Table VI. A., Line [P], Column ②**

SECTION VI - UTILITY INCOME & EXPENSE INFORMATION - WATER

A. 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 01/01/03 to 12/31/03	Line	12 Month "test year" per books	Known and Measurable Changes	Revenue Requirement for next yr	% of ③ that is fixed (Note 1)		Fixed Expenses (Note 1)	Variable Expenses (Note 1)
					Rec.	Act.		
		①	②	③=①+②	④		⑤=(③*④)/100	⑥=③-⑤
Salaries and Wages	[A]		3,500	3,500	50		1,750	1,750
Contract Labor	[B]	4,305	663	4,968	90		4,471	497
Purchased water	[C]			0	0		0	0
Chemicals for treatment	[D]			0	0		0	0
Utilities (electricity)	[E]	2,272		2,272	0		0	2,272
Repairs/maintenance/supplies	[F]	154		154	50		77	77
Office expenses	[G]	61		61	50		31	31
Accounting & Legal fees	[H]	4,552	3,602	8,154	100		8,154	0
Insurance	[I]	491		491	100		491	0
Rate case expense	[J]		6,521	6,521	100		6,521	0
Miscellaneous	[K]	906		906	50		453	453
Subtotal - Sum of Line [A] thru Line [K]	[L]	12,741	14,286	27,027			21,948	5,079
Payroll Taxes	[M]			0	50		0	0
Property and other taxes	[N]	383	909	1,292	100		1,292	0
Annual Depreciation and Amortization - From Table III. B. Box ①	[O]	3,080	1,125	4,205	100		4,205	0
Income Taxes - From Table V, Line [F]	[P]		3,088	3,088	100		3,088	0
Return - From Table IV. E., Line [H]	[Q]		17,116	17,116	100		17,116	0
Subtotal - Sum of Line [L] thru Line [Q]	[R]	16,204	36,524	52,728			47,649	5,079
Other Revenues	[S]	350		350	100			
Total Cost = Line [L] + Line [R] - Line [S]	[T]	15,854	36,524	52,378			47,649	5,079
Alternative Allocation between Fixed and Variable	[U]			52,378	67		17,306	8,524

⑦ Divide this amount by 8 and enter the result in Table IV. E., Line [B]

⑧ To Table X. A., Line [D] ⑨ To Table IX B., Line [A] ⑩ To Table

IX A., Line [A]

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.

See Attachment 2

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 ①	End of period ②	Equivalency Factor ③	Meter Equivalents ④=②*③
Non-Metered Connections:					
Residential	[A]			1	0
Commercial	[B]			1	0
Standby	[C]			1	0
Metered Connections:					
5/8" x 3/4"	[D]	58	58	1	58
3/4"	[E]			1.5	0
1"	[F]			2.5	0
1 1/2"	[G]			5	0
2"	[H]			8	0
3"	[I]			15	0
Other:	[J]				0
Total	[K]	58	58		58

⑤ To 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) (Estimated)	[A]	2,400,000	gallons
Total number of gallons purchased from another source for sale to customers (if any)	[B]		gallons
Total number of gallons provided to customers [C]=[A]+[B]	[C]	2,400,000	gallons
Total number of gallons billed to your customers (total customer consumption)	[D]	2,132,670	gallons
System losses: $\frac{([C] - [D])}{[C]} \times 100\% = [E]$	[E]	11	%
Source of Purchased water			

① 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]	5,079	From Table VI. A., Line [T], Box ① or Line [U], Box ①
Total # of Gallons Billed to Customers	[B]	2,132,670	From Table VIII, Line [B]
Total # of 1,000 Gallons billed	[C]	2,133	Divide Line [B] by 1,000
Variable Cost per 1,000 gallons	[D]	\$2.38	Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box ⑥

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
		①	②	③	④=②*③	⑤=①+④
Total fixed costs - From Table VI. A., Line [T], Box ⑨ or Line [U], Box ⑩	[A]	\$ 47,649				
Total meter equivalents at end of test year - From Table VII, Line [K], Box ⑤	[B]	50				
Base charge per meter equivalent or for each unmetered connection [A]÷[B] and then divide by 12	[C]	79.42				
Base charge per meter size						
$\frac{5}{8}$ " x $\frac{3}{4}$ " or unmetered	[D]	\$ 79.42		\$ 2.38	\$ 0.00	\$ 79.42
$\frac{3}{4}$ "	[E]	\$ 119.13		\$ 2.38	\$ 0.00	\$ 119.13
1"	[F]	\$ 198.55		\$ 2.38	\$ 0.00	\$ 198.55
1½"	[G]	\$ 397.10		\$ 2.38	\$ 0.00	\$ 397.10
2"	[H]	\$ 635.36		\$ 2.38	\$ 0.00	\$ 635.36
3"	[I]	\$1,191.30		\$ 2.38	\$ 0.00	\$ 1,191.30
Other:	[J]			⑥		

⑥ 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		
Cost per 1,000 gallons	[A]	\$5.50	This is the rate that you think is appropriate Enter in Table X. B., Column ③, Lines [B] through [H]
Total # of 1,000 Gallons billed	[B]	2,133	From Table IX. A., Line [C]
Total Cost to be recovered through gallonage charge	[C]	11,732	Multiply Line [A] times Line [B]
Total Revenue Requirement	[D]	\$52,378	From Table VI. A., Line [T] Box ⑧
Total to be recovered through base rate	[E]	40,647	Subtract Line [C] from Line [D]
Total number of meter equivalents	[F]	58	From Table VII, Line [K], Box ⑤
Base rate per meter equivalent	[G]	\$58.40	Divide Line [E] by Line [F] & then divide by 12months Enter this in Table X. B, Line [A] Column ①

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
		①	②	③	④=②*③	⑤=①+④
Base charge per meter equivalent or for each unmetered connection From Table X. A, Line [G]	[A]	\$ 58.40				
Base rate per meter size						
5/8" x 3/4" Multiply [A] ① by 1	[B]	\$ 58.40	0	⑥ 5.50	\$ 0.00	\$58.40
3/4" Multiply [A] ① by 1.5	[C]	\$ 87.60	0	\$ 5.50	\$ 0.00	\$ 87.60
1" Multiply [A] ① by 2.5	[D]	\$ 146.00	0	\$ 5.50	\$ 0.00	\$ 146.00
1 1/2" Multiply [A] ① by 5.0	[E]	\$ 292.00	0	\$ 5.50	\$ 0.00	\$ 292.00
2" Multiply [A] ① by 8.0	[F]	\$ 467.20	0	\$ 5.50	\$ 0.00	\$ 467.20
3" Multiply [A] ① by 15.0	[G]	\$ 876.00	0	\$ 5.50	\$ 0.00	\$ 876.00
Other:	[H]			⑥		

⑥ From **Table X. A., Line [A]**

**INFORMATION REQUIRED
FOR A
SEWER RATE/TARIFF CHANGE**

SECTION II: OPERATIONAL INFORMATION - SEWER

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

Name: Charlotte Garrett Relationship to owner: Owner

Short job description: Supervises daily activities, Contract negotiations, and Accounts Payable

Approximate number of hours per week this person works for the company: 30

Salary: \$3,500 () Hourly - () Weekly - () Monthly - (X) Annual

EMPLOYEES

Name: _____ Relationship to owner: _____

Short job description: _____

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

Salary: _____ () Hourly - () Weekly - () Monthly - () Annual

Name: _____ 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: Brandon Bennett Relationship to owner: Grandson

Short job description: Meter reading, chlorine residual testing, logs and repairs

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

Amount paid for services: \$ 300 base () Hourly - () Weekly - (X) Monthly - () Annual

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

Certified Operator's Name / Classification	Certified Operator's Name / Classification
Charlotte Garrett - D	
Gaston B. Garrett, Jr - C	

-Attach additional sheet(s) if necessary-

SECTION III. PLANT & EQUIPMENT INFORMATION - SEWER

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]
				①
NONE				①
				①
				①
				①

- Attach additional sheet(s) if necessary -

- ① 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 - SEWER

Please provide the following inventory of the water utility plant being used to provide water service at the end of the test year (for sewer attach a similar list). You will be responsible for supporting this information with invoices or other documentation. Round your figures to the nearest dollar. **Figures should be computed as of the end of the "test year."**

Table III. B.

[A] Item	[B] Date of Installation	[C]		[D] Original Cost when installed (\$)	Depreciation			[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$)	[G] = [D]-[F] Net Book Value (\$)
		Service Life (yrs)			Years in Service					
		*	**		Yrs ☉	Mos ☉☉	Days ☉☉☉			
Land	7/1/97	n/a		17,500						17,500
Collection Sewers										
Gravity	7/1/97	50		105,330				2,107	13,517	91,813
Force	7/1/97	50		12,628				253	1,621	11,007
Lift Station	7/1/97		50	40,768				815	5,232	35,536
Treatment & Disposal Equipment	7/1/97	25		69,678				2,787	17,884	51,794
Structures:										
Wood		15								0
Masonry		30								0
Plant Sewers		50								0
Outfall sewer lines		50								0
Laboratory Equipment		10								0
Meters and Service (taps not covered by fees)		20								0
Office Equipment	11/28/99	10		1,200				120	490	710
Vehicles		5								0
Shop Tools		15								0
Heavy Equipment	6/30/02	10	15	4,250				283	425	3,825
Fencing		20								0
Other: (Please list)										
										0
Total				251,354				6,365	39,169	212,185

* TNRCC Suggested Service Life ** Other Service Life

- ① Enter this number in Table VI. A., Line [O], Column ① ② If [F] is greater than [D], enter the total for [D]
 ③ Enter this number in Table IV. E., Line [A]

-Attach additional sheet(s) if necessary-

C. DEVELOPER CONTRIBUTIONS - SEWER

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				①

① Insert this amount in **Table IV. E., Line [E]**

- Attach additional sheet(s) if necessary -

SECTION IV - LONG TERM DEBT & EQUITY INFORMATION - SEWER**C. EQUITY**

How much equity or total capital does the company have in the utility? \$ 215,000
Enter also in **Table IV. D., Box ③** below

D. RATE OF RETURN

What rate of return (profit) on investment in plant (equity) is expected? 12 %
Enter also in **Table IV. D., Box ④** 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.

E. 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. _____

F.

DEBT & EQUITY

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. - SEWER

[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						
			\$	\$	%	%
			\$	\$	%	%
None			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
Total			\$ 0 ①	\$ 0 ②		0 % ⑥
Part 2 - Investment/Equity						
				\$ 215,000 ③	12 % ④	12 % ⑦
Total Debt & Equity				215,000		
					Rate of Return:	12 % ⑧

- ① Total amount of original loans
- ② Total amount of the outstanding balance on the loans
- ③ Equity in the utility - From **Section IV. A.**
- ④ Return on Equity - From **Section IV. B.**
- ⑤ Total of ② + ③
- ⑥ Total weighted average of debt - To **Table V, Line [C]**
- ⑦ Weighted average of Investment/Equity ③ ÷ ⑤ * ④
- ⑧ Sum of ⑥ + ⑦ - To **Table IV. E., Line [G]**

G. INVESTED CAPITAL & RETURN - SEWER**Table IV. E.**

Net Book Value - From Table III. B., Box ②	[A]	212,185
Working cash allowance - (Amount From Table VI. A., Line [L] Column ③, Box ⑦ (÷ 8))	[B]	3,893
Materials and supplies	[C]	0
Subtotal - Sum of [A] thru [C]	[D]	216,078
Developer Contributions - From Table III. C., Box ①	[E]	0
Total invested capital [D] - [E]	[F]	216,078
Rate of return - From Table IV. D., Box ③	[G]	12 %
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 ②	[H]	25,929

SECTION V - INCOME TAX CALCULATION - SEWER

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]	\$25,929
Interest Calculation		
Total Invested Capital - From Table IV. E., Line [F]	[B]	\$ 215,899
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box ⑥	[C]	0 %
Interest [B]*[C]	[D]	0
Taxable Income [A] - [D]	[E]	25,929
Enter Income Tax from Tax Table (Appendix A)	[F]	\$ 4,588 ①

① To Table VI. A., Line [P], Column ②

SECTION VI - UTILITY INCOME & EXPENSE INFORMATION - SEWER

A. REVENUE REQUIREMENT

Please provide the following information regarding the cost to the utility of providing sewer 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 01/01/03 to 12/31/03	Line	12 Month "test year" per books	Known and Measurable Changes	Revenue Requirement for next yr	% of ③ that is fixed (Note 1)		Fixed Expenses	Variable Expenses
					Rec.	Act.		
		①	②	③=①+②	④		⑤=(③*④)/1	⑥=③-⑤
Salaries and Wages	[A]		3,500	3,500	50		1,750	1,750
Contract Labor	[B]	4,305	663	4,968	90		4,471	497
Purchased Sewer Service	[C]			0	0		0	0
Chemicals for treatment	[D]			0	0		0	0
Utilities (electricity)	[E]	596		596	0		0	596
Repairs/maintenance/supplies	[F]	154		154	50		77	77
Office expenses	[G]	61		61	50		31	30
Accounting & Legal fees	[H]	4,552	3,602	8,154	100		8,154	0
Insurance	[I]	491		491	100		491	0
Rate case expense	[J]		6,521	6,521	100		6,521	0
Miscellaneous	[K]	906	5,800	6,706	50		3,353	3,353
Subtotal - Sum of Line [A] thru Line [K]	[L]	11,065	20,086	31,151			24,848	6,303
Payroll Taxes	[M]			0	50		0	0
Property and other taxes	[N]	702	1,372	2,074	100		2,074	0
Annual Depreciation and Amortization - From Table III. B., Box ①	[O]	4,204	2,161	6,365	100		6,365	0
Income Taxes - From Table V, Line [F]	[P]		4,588	4,588	100		4,588	0
Return - From Table IV. E., Line [H]	[Q]		25,929	25,929	100		25,929	0
Subtotal - Sum of Line [L] thru Line [Q]	[R]	15,971	54,136	70,107			63,804	6,303
Other Revenues	[S]	350		350	100		350	0
Total Cost = Line [L] + Line [R] - Line [S]	[T]	15,621	54,136	69,757			63,454	6,303
Alternative Allocation between Fixed and Variable [Note 1]	[U]			69,757	67		46,737	23,020

⑦ Divide this amount by 8 and enter the result in Table IV. E., Line [B] ⑧ To Table X. A., Line [D] ⑨ To Table IX. B., Line [A] ⑩ To Table IX. A., Line [A]

B.

KNOWN & MEASURABLE

If you listed anything in **TABLE X. 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.

See Attachment 2

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

SECTION VII - CUSTOMER INFORMATION - SEWER

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 ①	End of period ②	Equivalency Factor ③	Meter Equivalents ④=②*③
Non-Metered Connections:					
Residential	[A]			1	0
Commercial	[B]			1	0
Standby	[C]			1	0
Metered Water Connection:					
5/8" x 3/4"	[D]	58	58	1	58
3/4"	[E]			1.5	0
1"	[F]			2.5	0
1 1/2"	[G]			5	0
2"	[H]			8	0
3"	[I]			15	0
Other:	[J]				0
Total	[K]	58	58		58

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

SECTION VIII - TREATMENT INFORMATION - SEWER

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

Table VIII

Total number of gallons treated (total master meter reading for the year)	[A]	1,143,200	gallons
Total number of gallons treated by another source for sale to customers (if any)	[B]	0	gallons
Total number of gallons treated $[C] = [A] + [B]$	[C]	1,143,200	gallons
Source of Purchased Treatment			

① To Table IX. A., Line [B] and Table X. A., Line [B]

NOTE: Sewer usage determined from winter months average water usage

SECTION IX - RATE DESIGN - SEWER

A. VARIABLE RATE CALCULATIONS

Table IX. A.

	Line		Instructions
Total Variable Costs	[A]	\$6303	From Table VI. A., Line [T], Box ⑩ or Line [U], Box ⑩
Total # of Gallons Treated	[B]	1,143,200	From Table VIII, Line [B]
Total # of 1,000 Gallons treated	[C]	1,143	Divide Line [B] by 1,000
Variable Cost per 1,000 gallons	[D]	5.51	Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box ⑥

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
		①	②	③	④=②*③	⑤=①+④
Total fixed costs - From Table VI. A., Line [T], Box ⑩	[A]	63,454				
Total meter equivalents at end of test year - From Table VII, Line [K], Box ⑤	[B]	58				
Base charge per meter equivalent or for each unmetered connection [A]÷[B] and then divide by 12	[C]	91.17				
Base charge per meter size						
5/8" x 3/4" or unmetered	[D]	91.17	0	5.51	0	91.17
3/4"	[E]	136.76	0	5.51	0	136.76
1"	[F]	227.93	0	5.51	0	227.93
1 1/2"	[G]	501.44	0	5.51	0	501.44
2"	[H]	729.36	0	5.51	0	729.36
3"	[I]	1,367.55	0	5.51	0	1,367.55
Other:	[J]					

⑥ From Table IX. A., Line [D]

SECTION X - ALTERNATE METHOD OF RATE DESIGN - SEWER

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		
Cost per 1,000 gallons	[A]	\$	This is the rate that you think is appropriate
Total # of 1,000 Gallons billed	[B]		From Table IX. A., Line [C]
Total Cost to be recovered through gallonage charge	[C]	\$	Multiply Line [A] times Line [B]
Total Revenue Requirement	[D]	\$	From Table VI. A., Line [T] Box ⑧
Total to be recovered through base rate	[E]	\$	Subtract Line [C] from Line [D]
Total number of meter equivalents	[F]		From Table VII, Line [K], Box ⑤
Base rate per meter equivalent	[G]	\$	Divide Line [E] by Line [F] & then divide by 12months Enter this in Table X. B, Line [A] Column ①

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
		①	②	③	④=②*③	⑤=①+④
Base charge per meter equivalent or for each unmetered connection From Table X. A, Line [G]	[A]	\$				
Base rate per meter size						
5/8" x 3/4" or unmetered	Multiply [A] by 1	[B]		⑥		
3/4"	Multiply [A] by 1.5	[C]		⑥		
1"	Multiply [A] by 2.5	[D]		⑥		
1 1/2"	Multiply [A] by 5.0	[E]		⑥		
2"	Multiply [A] by 8.0	[F]		⑥		
3"	Multiply [A] by 15.0	[G]		⑥		
Other:		[H]		⑥		

⑥ From **Table X. A., Line [A]**