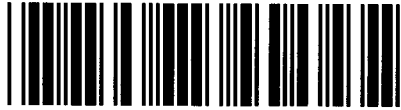


Control Number: 43529



Item Number: 2

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
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.

43599

**TEXAS COMMISSION  
ON ENVIRONMENTAL QUALITY**  
**TRANSMITTAL OF ADMINISTRATIVE RECORD**

RECEIVED  
2014 OCT 13 AM 9:54  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**DATE:** December 22, 2004

**TO:** SOAH Natural Resources Docket Clerk

**THRU:** ~~DA~~ Deanna Avalos, TCEQ Final Documents Team Leader

**FROM:** ~~MM~~ Melanie Mohair, TCEQ SOAH Docket Coordinator

**RE:** Fall Creek Utility Company, Inc.  
SOAH Docket No. 582-05-1528; TCEQ Docket No. 2004-1201-UCR

Pursuant to 30 TAC § 80.6(b)(4) regarding referrals to SOAH, a copy of the Chief Clerk's case file is attached. Please find **certified** copies of the following documents:

- ☒ 1. the application;
- ☒ 2. public hearing notice and Chief Clerk's affidavit; *Please note: at this time the OCC has not received the affidavit of notice to customers of the public hearing issued on December 17, 2004. When it is received, OCC will supplement this package.*

If any of these documents are not included as enclosures with this memo, please notify Melanie Mohair, SOAH Coordinator at (512) 239-2578 or Deanna Avalos, Final Documents Team Leader at (512) 239-3327.

RECEIVED  
ADMINISTRATIVE OFFICE OF  
PUBLIC UTILITY COMMISSIONS  
28 DEC 04 03 22

J

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

## INTEROFFICE MEMORANDUM

TO: LaDonna Castanuela, Chief Clerk  
DATE: August 12, 2004

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

FROM: *mm* 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 -

THE STATE OF TEXAS  
COUNTY OF TRAVIS

I hereby certify that this is a true and correct copy of a Texas Commission on Environmental Quality document, which is filed in the permanent records of the Commission. Given, under my hand and the seal of office on

*LaDonna Castanuela* DEC 22 2004

LaDonna Castanuela, Chief Clerk  
Texas Commission on Environmental Quality

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@tceq.state.tx.us](mailto:tholguin@tceq.state.tx.us) or [destanfo@tceq.state.tx.us](mailto: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

cc: TCEQ Region No. 4, Office  
P.O. Box 12097 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address: [www.tceq.state.tx.us](http://www.tceq.state.tx.us)

printed on recycled paper using soy-based ink

Mailing List for **Fall Creek Utility Company, Inc.**  
Docket No. 2004-1201-UCR  
(Application Nos. 34585-G & 34586-G)

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

Courtesy copies:

Robert Martinez, Environmental Law Division, MC 173  
Blas Coy, Public Interest Counsel, MC 103  
De'Mon Stanford, Utilities & Districts Section, MC 153  
Tammy Lee Holguin-Benter, Utilities & Districts Section, MC 153

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,

A handwritten signature in cursive script that reads "Tammy Benter".

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

Fall Creek Utility Company, Inc. 5/4/04  
Date Filed

R-027-4  
Admin. Review No.

Deposit User Report

y/n

Administrative Review - Rate

4/27/04

Date Received By Program Area

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

20854(sewer)

Subdivisions: Lake Granbury RV Ranch

Contact Person: Wendall Branniff

County: Hood

Address: 816 Congress Avenue  
Suite 1100  
Austin, Tx 78701

Total Water Billed  
Customer Number

2,132,670  
58

Current Rates

20.00 (including 1000) 3.85/1000(water)

30.00 flat (sewer)

Regulatory Assessment Fees Paid

y/n

Proposed Rate

58.40 w/0 gallons, 5.50/1000(water)

91.17, 5.51/1000 (sewer)

Filing Fees Paid

50.00  
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  
y/n

Annual Revenue Increase

y/n

In City Limits

N  
y/n

Customer Notice Date:

4/27/04

Other Deficiencies:

Forms of Payment:

Late Charge:

10%

Revenues Recomputed

y/n

Rate Of Return Requested

12%  
y/n

Deficiencies:

Deficiencies:

Rejection Letter Date:

Acceptance Letter Date:

File Assignment Date:

File Assigned To:

Tammy Benter

De'mon Stanford

Michelle Abrams

Name of Reviewer

Sheresia Perryman

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, C.P.A.

Enclosures

CC: Wendall Braniff

Charlotte Garrett

50.00 pd  
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 43529

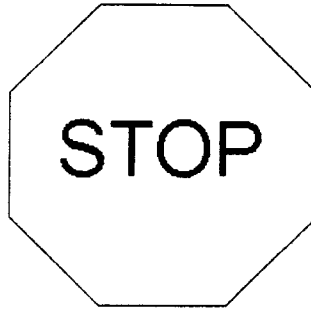
April 2004

MARVIN B. MORGAN  
*Certified Public Accountant*

J



# **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 12884  
Number(s): 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 30<sup>th</sup> or last day

B. When are bills typically sent out? By the 4<sup>th</sup> 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

<b>MANAGER</b> (or owner if services are routinely provided to the utility)	
Name: <u>Charlotte Garrett</u>	Relationship to owner: <u>Owner</u>
Short job description: <u>Supervise daily activities, Contract negotiations, and Accounts Payable</u>	
Approximate number of hours per week this person works for the company: <u>30</u>	
Salary: <u>\$3,500</u> ( ) Hourly - ( ) Weekly - ( ) Monthly - ( X ) Annual	
<b>EMPLOYEES</b>	
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	
<b>Contract Services</b> (attach additional sheets if necessary)	
Name: <u>Brandon Bennett</u>	Relationship to owner: <u>Grandson</u>
Short job description: <u>Meter reading, chlorine residual testing, logs and repairs</u>	
Approximate number of hours per week this person works for the company: _____	
Amount paid for services: <u>\$300 base</u> ( ) Hourly - ( ) Weekly - ( X ) Monthly - ( ) Annual	
Please provide the names and classifications of the utility's certified operators:	
<u>Certified Operator's Name / Classification</u>	<u>Certified Operator's Name / Classification</u>
<u>Charlotte Garrett - D</u>	
<u>Gaston B. Garrett, Jr. - C</u>	

-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 (\$)	Depreciation					[G] = [D]-[F] Net Book Value (\$)
		*	**		Years in Service			[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? 150,000Enter 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]
<b>Part 1 - Debt</b>						
			\$	\$	%	%
NONE			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
<b>Total</b>			\$ ①	0		% ⑥
<b>Part 2 - Investment/Equity</b>						
				\$ 150,000 ③	12 % ④	12 % ⑦
<b>Total Debt &amp; Equity</b>				150,000		
					<b>Rate of Return:</b>	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 <b>Table III. B., Box ②</b>	[A]	\$ 139,256
Working cash allowance - (Amount From <b>Table VI. A., Line [L] Column ③, Box ⑦ (+ 8)</b> )	[B]	\$ 3,378
Materials and supplies	[C]	\$ 0
Subtotal - Sum of [A] thru [C]	[D]	142,634
Developer Contributions - From <b>Table III. C., Box ①</b>	[E]	\$ 0
Total invested capital [D] - [E]	[F]	142,634
Rate of return - From <b>Table IV. D., Box ⑧</b>	[G]	12.0 %
<b>Return/Interest</b> - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0-. Enter this amount in <b>Table V., Line [A] and Table VI. A., Line [Q], Column ②</b>	[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 <b>Table IV. E., Line [H]</b>	[A]	\$ 17,102
Interest Calculation		
Total Invested Capital - From <b>Table IV. E., Line [F]</b>	[B]	\$ 142,634
Weighted Cost of Debt Capital - Percentage From <b>Table IV. D., Box ⑧</b>	[C]	0 %
Interest [B]*[C]	[D]	\$ 0
Taxable Income [A] - [D]	[E]	\$ 17,102
Enter Income Tax from Tax Table ( <b>Appendix A</b> )	[F]	\$ 3,088 ①

①To **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.						
						④	⑤=(③*④)/100						
			①	②	③=①+②	50		1,750	⑥=③-⑤				
Salaries and Wages		[A]		3,500	3,500	90		4,471	1,750				
Contract Labor		[B]	4,305	663	4,968	0		0	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) <b>(Estimated)</b>	[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 <b>[C]=[A]+[B]</b>	[C]	<b>2,400,000</b>	gallons
Total number of gallons billed to your customers (total customer consumption)	[D]	<b>2,132,670</b>	gallons
System losses: $\frac{([C] - [D])}{[C]} \times 100\% = [E]$	[E]	<b>11</b>	%
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 ①	[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						
5/8" x 3/4" or unmetered	[D]	\$ 79.42		\$ 2.38	\$ 0.00	\$ 79.42
3/4"	[E]	\$ 119.13		\$ 2.38	\$ 0.00	\$ 119.13
1"	[F]	\$ 198.55		\$ 2.38	\$ 0.00	\$ 198.55
1 1/2"	[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 <b>Table X. B., Column ③, Lines [B] through [H]</b>
Total # of 1,000 Gallons billed	[B]	2,133	From <b>Table IX. A., Line [C]</b>
Total Cost to be recovered through gallonage charge	[C]	11,732	Multiply Line [A] times Line [B]
Total Revenue Requirement	[D]	\$52,378	From <b>Table VI. A., Line [T] Box ⑧</b>
Total to be recovered through base rate	[E]	40,647	Subtract Line [C] from Line [D]
Total number of meter equivalents	[F]	58	From <b>Table VII, Line [K], Box ⑤</b>
Base rate per meter equivalent	[G]	\$58.40	Divide Line [E] by Line [F] & then divide by 12months Enter this in <b>Table X. B, Line [A] Column ①</b>

**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 <b>Table X. A, Line [G]</b>	[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
3/4"	Multiply [A] ① by 1.5	[C]	\$ 87.60	0	\$ 5.50	\$ 0.00
1"	Multiply [A] ① by 2.5	[D]	\$ 146.00	0	\$ 5.50	\$ 0.00
1 1/2"	Multiply [A] ① by 5.0	[E]	\$ 292.00	0	\$ 5.50	\$ 0.00
2"	Multiply [A] ① by 8.0	[F]	\$ 467.20	0	\$ 5.50	\$ 0.00
3"	Multiply [A] ① by 15.0	[G]	\$ 876.00	0	\$ 5.50	\$ 0.00
Other:		[H]			⑥	

⑥ From **Table X. A., Line [A]**

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



**SECTION II: OPERATIONAL INFORMATION - SEWER**

<b>MANAGER</b> (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
<b>EMPLOYEES</b>	
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:	
<u>Certified Operator's Name / Classification</u>	<u>Certified Operator's Name / Classification</u>
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.

Table III. D.

[A]  Item	[B]  Date of Installation	[C]		[D]  Original Cost when installed (\$)	Depreciation					[G] = [D]-[F] Net Book Value (\$)
		Service Life (yrs)			Years in Service			[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$)	
		*	**		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]
<b>Part 1 - Debt</b>						
			\$	\$	%	%
			\$	\$	%	%
None			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
<b>Total</b>			\$ 0 ①	\$ 0 ②		0 %⑥
<b>Part 2 - Investment/Equity</b>						
				\$ 215,000 ③	12 %④	12 %⑦
<b>Total Debt &amp; Equity</b>				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 <b>Table III. B., Box ②</b>	[A]	212,185
Working cash allowance - (Amount From <b>Table VI. A., Line [L] Column ③, Box ⑦</b> (÷ 8))	[B]	3,893
Materials and supplies	[C]	0
Subtotal - Sum of [A] thru [C]	[D]	216,078
Developer Contributions - From <b>Table III. C., Box ①</b>	[E]	0
Total invested capital [D] - [E]	[F]	216,078
Rate of return - From <b>Table IV. D., Box ⑧</b>	[G]	12 %
<b>Return/Interest</b> - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0-. Enter this amount in <b>Table V., Line [A] and Table VI. A., Line [Q], Column ②</b>	[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 <b>Table IV. E., Line [H]</b>	[A]	\$25,929
Interest Calculation		
Total Invested Capital - From <b>Table IV. E., Line [F]</b>	[B]	\$ 215,899
Weighted Cost of Debt Capital - Percentage From <b>Table IV. D., Box ⑥</b>	[C]	0 %
Interest [B]*[C]	[D]	0
Taxable Income [A] - [D]	[E]	25,929
Enter Income Tax from Tax Table ( <b>Appendix A</b> )	[F]	\$ 4,588 ①

①To 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
<b>Subtotal - Sum of Line [A] thru Line [K]</b>	[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
<b>Subtotal - Sum of Line [L] thru Line [Q]</b>	[R]	15,971	54,136	70,107			63,804	6,303
Other Revenues	[S]	350		350	100		350	0
<b>Total Cost = Line [L] + Line [R] - Line [S]</b>	[T]	15,621	54,136	69,757			63,454	6,303
<b>Alternative Allocation between Fixed and Variable [Note 1]</b>	[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 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

-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 <b>[C] = [A] + [B]</b>	[C]	<b>1,143,200</b>	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 ① or Line [U], Box ①
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 ①	[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						
$\frac{5}{8}$ " x $\frac{3}{4}$ " or unmetered	[D]	91.17	0	5.51	0	91.17
$\frac{3}{4}$ "	[E]	136.76	0	5.51	0	136.76
1"	[F]	227.93	0	5.51	0	227.93
1½"	[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 <b>Table IX. A., Line [C]</b>
Total Cost to be recovered through gallonage charge	[C]	\$	Multiply Line [A] times Line [B]
Total Revenue Requirement	[D]	\$	From <b>Table VI. A., Line [T] Box ⑧</b>
Total to be recovered through base rate	[E]	\$	Subtract Line [C] from Line [D]
Total number of meter equivalents	[F]		From <b>Table VII, Line [K], Box ⑤</b>
Base rate per meter equivalent	[G]	\$	Divide Line [E] by Line [F] & then divide by 12months Enter this in <b>Table X. B, Line [A] Column ①</b>

**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 <b>Table X. A, Line [G]</b>	[A]	\$				
Base rate per meter size						
5/8" x 3/4" or unmetered	[B]			⑥		
3/4"	[C]			⑥		
1"	[D]			⑥		
1 1/2"	[E]			⑥		
2"	[F]			⑥		
3"	[G]			⑥		
Other:	[H]			⑥		

⑥ From **Table X. A., Line [A]**

**AFFIDAVIT**  
**WATER &/OR SEWER**  
**RATE/TARIFF CHANGE**

AFFIDAVIT

STATE OF ~~TEXAS~~ WA

COUNTY OF Clark

I, Charlotte Garrett, being duly sworn, file this NOTICE OF PROPOSED RATE CHANGE as President (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.

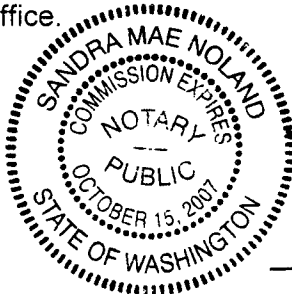
I further represent that a copy of the attached notice was provided by \_\_\_\_\_ Mail \_\_\_\_\_ to  
(mail or hand delivery)  
each customer or other affected party on or about \_\_\_\_\_, 20\_\_\_\_.

Charlotte Garrett

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 15 day of April, 2024,  
to certify which witness my hand and seal of office.



SEAL

Sandra Mae Noland

NOTARY PUBLIC IN AND FOR THE  
STATE OF ~~TEXAS~~ WA

Sandra Mae Noland

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES Oct. 15 2027



**TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**  
CAROLE KEETON STRAYHORN • COMPTROLLER • AUSTIN, TEXAS 78774

January 6, 2004

**CERTIFICATE OF ACCOUNT STATUS**

THE STATE OF TEXAS  
COUNTY OF TRAVIS

I, Carole Keeton Strayhorn, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

**FALL CREEK UTILITY COMPANY INC**

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due May 17, 2004.

This certificate does not make a representation as to the status of the corporation's Certificate of Authority, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for the purpose of dissolution, merger, or withdrawal.

GIVEN UNDER MY HAND AND  
SEAL OF OFFICE in the City of  
Austin, this 6th day of  
January, 2004 A.D.

A handwritten signature in cursive script that reads "Carole Keeton Strayhorn".

Carole Keeton Strayhorn  
Texas Comptroller

Taxpayer number: 30119394622  
File number: 0143640400

Form 05-304 (Rev. 02-03/14)

**Fall Creek Utility Col, Inc.**  
Test Year Ended December 31, 2003

Explanation of Known and Measurable Changes

		Water	Sewer	Total
<b>Salaries and Wages:</b>				
Adjustment to provide compensation to owner for time spent		3,500	3,500	7,000
<b>Contract Labor:</b>				
Adjustment to bring actual costs up to projected annual costs:				
Talem, Inc..				
Bid cost of sewer plant sampling and testing	5,616			
Brandon Bennett:				
Test Year actual water system testing	4,200			
James Robson:				
Miscellaneous test year labor	120			
Total proforma costs	9,936			
Test Year per books	8,609			
Adjustment	1,327	664	663	1,327
<b>Accounting and Legal:</b>				
Adjustment made to reflect legal costs related to customer filed lawsuit, enforcement actions, and discharge permit renewal				
<u>Glasgow, Dunson, Isham &amp; Glasgow:</u>				
Legal expenses to defend against customer filed lawsuit				
Expenses amortized over five years	7,191			
Five year amortization per year	1,438			
Test Year Amount	1,500			
	(62)	(31)	(31)	(62)
<u>Wendall Braniff:</u>				
Legal expenses as follows:				
General legal advice - on-going	3,424			
Enforcement expenses - on-going	4,793			
Five year amortization of discharge permit legal fees	548			
	8,765			
Test year amount	1,500			
	7,265	3,633	3,632	7,265
		3,602	3,601	7,203
<b>Regulatory Expense:</b>				
Estimated legal and consulting costs to prepare and file application:				
Marvin B. Morgan, C.P.A.	7,642			
Wendall Braniff	5,400			
	13,042	6,521	6,521	13,042
<b>Miscellaneous Expenses:</b>				
Adjustment to comply with TCEQ requirements with respect to				
Sewer Treatment System				
Sludge Pumping @ \$850 per quarter	3,400			
Sewer Permit engineering estimates / five years	2,400			
	5,800	-	5,800	5,800
<b>Property and Other Taxes:</b>				
Adjustment made to provide for Texas Franchise Taxes @ 4.5% of Federal Taxable income:				
Water: $\$17,116 + 3,088 = 20,254 \times .045 = 909$	909			909
Sewer: $\$25,908 + 4,588 = 30,496 \times .045 = 1,372$			1,372	1,372

**NOTICE OF RATE/TARIFF CHANGE  
TO BE PROVIDED TO CUSTOMERS**



CURRENT RATESMonthly base rate including 1,000 gallons

Meter Size:

Residential

 $\frac{5}{8}$ " or  $\frac{3}{4}$ " \$ 20.00

1" \$ 33.40

1½" \$ 66.60

2" \$ 106.00

3" \$ 200.00

Other: \_\_\_\_\_ "

Gallonge Charge:

\$ 3.85 for each additional 1000 gallons over the minimumPROPOSED RATESMonthly base rate including 0 gallons

Meter Size:

Residential

 $\frac{5}{8}$ " or  $\frac{3}{4}$ " \$ 58.40

1" \$ 146.00

1½" \$ 292.00

2" \$ 467.20

3" \$ 876.00

Other: \_\_\_\_\_ "

Gallonge Charge:

\$ 5.50 for each additional 1000 gallons over the minimumMiscellaneous Fees

Tap fee \$ 350.00

Reconnection fee \$

Non-payment  
(Maximum - \$25.00) \$ 25.00

Customer's request \$ None

Transfer fee \$ 50.00

Late charge \$ 5.00

Returned check charge \$ 25.00

Deposit \$ 50.00

Meter test fee \$ 25.00

Miscellaneous Fees

Tap fee \$ 700.00

Reconnection fee \$

Non-payment  
(Maximum - \$25.00) \$ 25.00

Customer's request \$ 50.00

Transfer fee \$ 50.00

Late charge (Indicate  
either \$5.00 or 10%) 10%

Returned check charge \$ 25.00

Deposit  
(Maximum \$50.00) \$ 50.00

Meter test fee \$ 25.00

Regulatory Assessment of 1% is added to base rate and gallonge charges

CURRENT RATESMonthly base rate including N/A gallonsMeter Size: **Flat Rate**

Residential

 $\frac{5}{8}$ " or  $\frac{3}{4}$ " \$ 30.00

1" \$

 $1\frac{1}{2}$ " \$

2" \$

3" \$

Other: \_\_\_\_\_ "

Gallonge Charge:

\$ N/A for each additional 1000 gallons over the minimumPROPOSED RATESMonthly base rate including 0 gallons

Meter Size:

Residential

 $\frac{5}{8}$ " or  $\frac{3}{4}$ " \$ 91.17

1" \$ 227.93

 $1\frac{1}{2}$ " \$ 501.44

2" \$ 729.36

3" \$ 1,367.55

Other: \_\_\_\_\_ "

Gallonge Charge:

\$ 5.51 for each additional 1000 gallons over the minimum

Gallonge charges are determined based on average consumption for winter period which includes the following months: December, January and February

Miscellaneous Fees

Tap fee \$ 350.00

Reconnection fee \$

Non-payment  
(Maximum - \$25.00) \$ 25.00

Customer's request \$ None

Transfer fee \$ 50.00

Late charge \$ 5.00

Returned check charge \$ 25.00

Deposit \$ 50.00

Miscellaneous Fees

Tap fee \$ 700.00

Reconnection fee \$

Non-payment  
(Maximum - \$25.00) \$ 25.00

Customer's request \$ 50.00

Transfer fee \$ 50.00

Late charge (Indicate  
either \$5.00 or 10%) 10 %

Returned check charge \$ 25.00

Deposit \$ 50.00  
(Maximum \$50.00)

Regulatory Assessment of 1% is added to base rate and gallonge charges