

**NOTICE OF PROPOSED RATE CHANGE
PURSUANT TO TEX. WATER CODE § 13.1871**

RIO CONCHO AVIATION, INC.

12835

Company Name

CCN Number(s)

has filed a rate change application with the Public Utility Commission of Texas (Commission or PUC). The application may be reviewed online at interchange.puc.texas.gov. You may also inspect a copy of the rate change application at your utility's office at the address below or at the Commission's office (1701 N. Congress Ave, Austin, TX 78701). The proposed rates will apply to service received after the effective date provided below, unless modified or suspended by the Commission. If the Commission receives a sufficient number of protests, separately or in a combined protest letter, from at least ²⁴ [number of] ratepayers (10 percent of the utility's customers over whose rates the Commission has original jurisdiction) or from any affected municipality before the 91st day after the proposed effective date, the matter will be set for hearing. **See Protest Form on the next page for instructions on how to protest.**

EFFECTIVE DATE OF PROPOSED INCREASE: 4/26/2016

(must be at least 35 days after notice is provided to customers and 35 days after application is filed)

(Proposed rates requested by the utility are not final. The Commission may modify the rates and order a 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.)

Reason(s) for proposed Rate Change:

INCREASE IN EXPENSES

BILLING COMPARISON**Water**

Existing	5,000 gallons:	\$ <u>58.50</u> /mo	Proposed	5,000 gallons:	\$ <u>78.10</u> /mo
Existing	10,000 gallons:	\$ <u>86.00</u> /mo	Proposed	10,000 gallons:	\$ <u>116.45</u> /mo
Existing	30,000 gallons:	\$ <u>196.00</u> /mo	Proposed	30,000 gallons:	\$ <u>269.85</u> /mo

Sewer

Existing	5,000 gallons:	\$ _____ /mo	Proposed	5,000 gallons:	_____ /mo
Existing	10,000 gallons:	\$ _____ /mo	Proposed	10,000 gallons:	\$ _____ /mo

HICKS AIRFIELD

Subdivision(s) or System(s) Affected by Rate Change

171 AVIATOR DRIVE	FORT WORTH	TX	76179
Company Address	City	State	Zip

(817) 233-1058

Company Phone Number

29,087.58

Annual Revenue Increase

3/19/2016

Date Notice Delivered

10/29/2014

Date of Last Rate Change

25TH

Date Meters Typically Read

* Prior to providing notice, the utility shall file a request for the assignment of a docket number for the application.

P.U.C. DOCKET NO. 45720

RATEPAYER PROTEST

If you wish to PROTEST the proposed rate change, you must submit this form and 10 copies to:

**Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326**

Unless protests are received from at least 10% of ratepayers or from any affected municipality, or the Commission Staff requests a hearing, no hearing will be held and the rates will be effective as proposed.

CUSTOMER INFORMATION (to be completed by customers submitting protests)

First Name: _____ Last Name: _____

Phone Number: _____ Fax Number: _____

Address, City, State: _____

Location where service is received: _____

(if different from the mailing address)

Please fill out the following:

I wish to PROTEST the following proposed rate action/s:

☐ Water Rate Change ☐ Sewer Rate Change ☐ Both Water and Sewer Rate Change

☐ Other (please specify below)

Signature of Protester:

Date:

**Si desea informacion en Espanol, puede llamar al
1-888-782-8477**

**Hearing- and speech-impaired individuals with text telephones may contact the PUC's Customer Assistance
Hotline at
512-936-7136**

NOTICE OF PROPOSED RATE CHANGE –WATER

CURRENT RATES			PROPOSED RATES		
Monthly base rate including _____ 0 gallons			Monthly base rate including _____ 0 gallons		
Meter Size:			Meter Size:		
RESIDENTIAL			RESIDENTIAL		
5/8" or 3/4"	\$	31.00	5/8" or 3/4"	\$	39.75
1"	\$		1"	\$	
1 1/2"	\$		1 1/2"	\$	
2"	\$		2"	\$	
3"	\$		3"	\$	
Other:	\$		Other:	\$	
GALLONAGE CHARGE:			GALLONAGE CHARGE:		
TIER	VOLUME	CHARGE per 1000 gals.	TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	_____ 0 to _____ gals.	\$ 5.50 /1000 gals.	Tier 1	_____ 0 to _____ gals.	\$ 7.67 /1000 gals.
Tier 2	_____ to _____ gals.	\$ /1000 gals.	Tier 2	_____ to _____ gals.	\$ /1000 gals.
Tier 3	_____ to _____ gals.	\$ /1000 gals.	Tier 3	_____ to _____ gals.	\$ /1000 gals.
Tier 4	_____ to _____ gals.	\$ /1000 gals.	Tier 4	_____ to _____ gals.	\$ /1000 gals.
Tier 5	_____ to _____ gals.	\$ /1000 gals.	Tier 5	_____ to _____ gals.	\$ /1000 gals.
MISCELLANEOUS FEES			MISCELLANEOUS FEES		
Tap Fee	\$	725.00	Tap Fee	\$	725.00
Reconnect fee: Non-payment	\$	25.00	Reconnect fee: Non-payment (Maximum - \$25.00)	\$	25.00
Customer's Request	\$	25.00	Customer's Request	\$	50.00
Transfer Fee	\$	15.00	Transfer Fee	\$	15.00
Late Charge	\$	5.00	Late charge: (Indicate either \$5.00 or 10%)	\$	5.00
Returned Check Charge	\$	25.00	Returned Check Charge	\$	38.00
Deposit	\$	50.00	Deposit (Maximum \$50.00)	\$	50.00
Meter test fee	\$	25.00	Meter test fee (Maximum - \$25.00)	\$	25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

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

NOTICE OF PROPOSED RATE CHANGE –SEWER

N/A

CURRENT RATES	PROPOSED RATES
Monthly base rate including _____ gallons	Monthly base rate including _____ gallons
Meter Size:	Meter Size:
RESIDENTIAL	RESIDENTIAL
5/8" or 3/4" \$	5/8" or 3/4" \$
1" \$	1" \$
1 1/2" \$	1 1/2" \$
2" \$	2" \$
3" \$	3" \$
Other: \$	Other: \$
GALLONAGE OR FIXED CHARGE:	GALLONAGE OR FIXED CHARGE:
\$ _____	\$ _____
<input type="checkbox"/> per month; OR	<input type="checkbox"/> per month; OR
<input type="checkbox"/> for each additional 1,000 gallons over the minimum.	<input type="checkbox"/> for each additional 1,000 gallons over the minimum.
Gallonge charges are determined based on average consumption for winter period which includes the following months: _____	Gallonge charges are determined based on average consumption for winter period which includes the following months: _____
MISCELLANEOUS FEES	MISCELLANEOUS FEES
Tap Fee \$	Tap Fee \$
Reconnect fee: Non-payment \$	Reconnect fee: Non-payment (Maximum - \$25.00) \$
Customer's Request \$	Customer's Request \$
Transfer Fee \$	Transfer Fee \$
Late Charge \$	Late charge: (Indicate either \$5.00 or 10%) \$
Returned Check Charge \$	Returned Check Charge \$
Deposit \$	Deposit (Maximum \$50.00) \$
Meter test fee \$	Meter test fee (Maximum - \$25.00) \$

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

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

RIO CONCHO AVIATION, INC.

DOCKET NO. 45720

ATTACHMENT 1 INDEX OF ATTACHMENTS

TEST YEAR 2015

ATTACHMENT 1-INDEX

ATTACHMENT 2-NOTES

ATTACHMENT 3-ADENDEM N DEPRECIATION SCHEDULE

ATTACHMENT 4- ALTERNATE RATE DESIGN

ATTACHMENT 5- BOND RATING SHEET FROM PUC WEBSITE

ATTACHMENT 6-FRANCHISE TAX ACCOUNT STATUS

ATTACHMENT 7-COMPANY OFFICERS

ATTACHMENT 8- COST OF SALES WORKSHEET (confidential)

ATTACHMENT 9 – BALANCE SHEET (confidential)

ATTACHMENT 10 – INCOME STATEMENT (confidential)

RIO CONCHO AVIATION, INC.

DOCKET NO. 45720

ATTACHMENT 2

NOTES TO ACCOMPANY RATE CASE FOR TEST YEAR 2015

Sch II-3 Other Revenues & Expenses Passed Through

Adding pass throughs on this Schedule and then moving them to Sch I-2 and then to Sch I-1 increases the revenue without showing it was paid out. The result is it inflates the stated return. Additionally, Sch II-3 only addresses Underground Water Districts and not the TCEQ 1% pass through.

Sch II-8 Contract Work:

Increase in cost to read meters.

Sch II-9 Transportation:

All expenses related to the main vehicle used in the business, (2015 Audi), are charged at 60% for the water system and 40% other, as attested in an affidavit dated July 27, 2015 and filed with Docket 43728.

Sch II-11 Employee pensions & benefits:

There is an increase in health insurance and the start of life insurance and an annuity.

Sch II-15 Professional Services:

Consultant to aid in compliance with TCEQ and PUC ever changing rules, forms, and regulations.

Sch II-18 Regulatory expense (other):

Proposed increase in PUC regulatory assessment.

RIO CONCHO AVIATION, INC.

DOCKET NO. 45720

ATTACHMENT 2 pg 2

NOTES TO ACCOMPANY RATE CASE FOR TEST YEAR 2015

Sch III-1 Requested Return

Using the most recent Moody's BAA rating as posted on the PUC website attached as Attachment 5 and the PUC recommended 7% for Class C Water systems, Rio Concho Aviation, Inc. is requesting a 12.55% ROE.

Sch III-6 Long Term Debt/Notes Payable

The note for the main vehicle used in the business, (2015 Audi), is charged at 60% for the water system, as attested in an affidavit dated July 27, 2015 and filed with Docket 43728.

Sch VI-1 Rate Design

The water system's customer base and usage historically remain unchanged. We believe that an alternate rate design that has a base rate at \$40.00 and balance being calculated in the volumetric charge will be of a greater benefit to our customers while promoting conservation. Rio Concho Aviation, Inc. is submitting an alternate rate design as Attachment 5.

Schedule 1

[A] Item	[B] Date of Installation	[C] Service Life (yrs)	[D] Original Cost when installed	Depreciation			[G]=[D]-[F]Net Book Value
				[E]=[D]/[C] Annual	[F] Accumulated		
Shop Tools(Compressor)	2010	5	\$ 376.17	\$ 75.23	\$ 376.17	\$	\$ -
Distribution System (mains and lines)	12/2012	50	\$ 1,250.00	\$ 25.00	\$ 77.08	\$	\$ 1,172.92
Distribution System (mains and lines)	1/2013	50	\$ 1,238.71	\$ 24.77	\$ 49.55	\$	\$ 1,189.16
Shop Tools (Dewalt Tool Bag)	2/2013	15	\$ 247.73	\$ 16.52	\$ 46.79	\$	\$ 200.94
Paving	4/2013	5	\$ 6,011.12	\$ 1,202.22	\$ 3,205.93	\$	\$ 2,805.19
Office Equipment (Side Board)	5/2013	10	\$ 487.07	\$ 48.71	\$ 125.83	\$	\$ 361.24
Office Equipment (Lamps)	7/2013	10	\$ 213.85	\$ 21.39	\$ 51.68	\$	\$ 162.17
Totals			\$ 9,824.65	\$ 1,413.84	\$ 3,933.03	\$	\$ 5,891.62
Office (Television)	11/2014	5	\$ 677.60	\$ 135.52	\$ 146.81	\$	\$ 530.79
Vehicles (Golf Cart)	9/2014	5	\$ 2,100.00	\$ 420.00	\$ 525.00	\$	\$ 1,575.00
Office (Chairs)	10/2014	10	\$ 475.20	\$ 47.52	\$ 55.44	\$	\$ 419.76
			\$ 3,252.80	\$ 603.04	\$ 727.25	\$	\$ 2,525.55
Vehicles (Audi)	1/2015	5	\$ 24,600.00	\$ 4,920.00	\$ 4,920.00	\$	\$ 19,680.00
Office (Software)	3/2015	3	\$ 1,494.00	\$ 498.00	\$ 373.50	\$	\$ 1,120.50
Office (Computer)	3/2015	3	\$ 756.67	\$ 252.22	\$ 189.17	\$	\$ 567.50
Desk and Chair	9/2015	10	\$ 335.47	\$ 33.55	\$ 11.18	\$	\$ 324.29
			\$ 27,186.14	\$ 5,703.77	\$ 5,493.85	\$	\$ 21,692.29
			\$ 40,263.59	\$ 7,720.65	\$ 10,154.14	\$	\$ 30,109.45

UTILITY NAME: RIO CONCHO AVIATION, INC.

SCHEDULES - CLASS C RATE/TARIFF CHANGE

ATTACHMENT 4 ALTERNATE RATE DESIGN

PUC Docket No. 45720

Test Year End:

2015

Line No.	A	B	C
	DETERMINATION OF FIXED COST		
1	Gross Revenues to be Recovered	SCH I-1, Line 36	\$ 151,720.87
	Less Variable cost:		
2	Purchased Water- Account 610	SCH I-1, Col. F, Line 1	\$ -
3	Purchased power - Account 615	SCH I-1, Col. F, Line 2	\$ 3,048.19
4	Other volume related - Account 618	SCH I-1, Col. F, Line 3	\$ 1,619.76
5	Other volume related or allocated (attach schedule)		
6			
7			
8			
9			
10	VOLUME RELATED COST	Lines 2 through 9	\$ 4,667.95
11	TOTAL FIXED COST	Line 1 minus Line 10	\$ 147,052.92
12	FIXED COSTS TO BE RECOVERED IN VOLUMETRIC CHARGE	Line 20 minus Line 10	\$ 31,141.92
13	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE	Line 11 divided by Line 12	21%
14	TO BE RECOVERED THROUGH BASE SERVICE CHARGE	Line 19 divided by Line 11	79%
15			
16			
17	TOTAL METER EQUIVALENTS	SCH I-3, Col H, Line 9	243
18	REQUESTED BASE RATE PER MONTH		\$ 39.75
19	TOTAL REVENUE FROM REQUESTED BASE RATE	Line 17 x Line 18 x 12 months	\$ 115,911.00
20	REVENUE RECOVERED IN VOLUMETRIC CHARGE	Line 1 minus Line 19	\$ 35,809.87
21	TOTAL WATER SALES IN 1,000 GALS	Sch II-1(a), Col C, Line 4	4662
22	VOLUMETRIC RATE (CHARGE PER 1,000 GALS)	Line 20 / Line 21	\$ 7.68
23	FOR ALL WATER SALES IN 1,000 GALLONS	Line 22 or attach calculations	
	BASE SERVICE CHARGE (PER 5/8" X 3/4")		
	Meter Size	Line 18	Equivalency
24	5/8 X 3/4"	\$ 39.75	X 1.0=
25	3/4"		X 1.5=
26	1"		X 2.5=
27	1 1/2"		X 5.0=
28	2"		X 8.0=
29	3"		X 15.0=
30	4"		X 25.0=

ATTACHMENT 5
Rio Concho Auction
Docket NO 45780

BAA Bond Ratings for Public Utilities¹

2016

January 5.49

2015

December 5.55

November 5.57

October 5.47

September 5.42

August 5.23

July 5.22

June 5.13

May 4.91

April 4.51

March 4.51

February 4.44

January 4.39

¹ As reported by *Mergent Bond Record*



ATTACHMENT 6
DOCKET NO 45730

Franchise Tax Account Status

As of: 03/10/2016 01:41:35 PM

This Page is Not Sufficient for Filings with the Secretary of State

RIO CONCHO AVIATION, INC.	
Texas Taxpayer Number	17525612499
Mailing Address	221 WEST HILL DR ALED0, TX 76008-2551
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	07/19/1994
Texas SOS File Number	0131931000
Registered Agent Name	KIRK W BRUNSON
Registered Office Street Address	328 FM 407 W ARGYLE, TX 76226



ATTACHMENT 7
Docket NO 45720

Office of the Secretary of State

February 09, 2016

A search of our records reveals the following information for the entity record selected.

Entity Name: RIO CONCHO AVIATION, INC.
Entity Type: Domestic For-Profit Corporation
Jurisdiction: TEXAS, USA
File Number: 131931000
Formation File Date: July 19, 1994 Effective: July 19, 1994

The status of the entity is in existence.

The name and address of the registered agent and office in Texas is:

KIRK W BRUNSON
328 FM 407 W
ARGYLE, TX 76226
USA

The entity recorded the following assumed name(s) with this office:

The entity has not recorded any assumed name certificates with this office.

The management information from our computer records lists:

KEVIN BRUNSON
PRESIDENT

221 WEST HILL DR
ALED0, TX 76008
USA

BARBIE BRUNSON
VICE PRESIDENT

221 WEST HILL DR
ALED0, TX 76008
USA