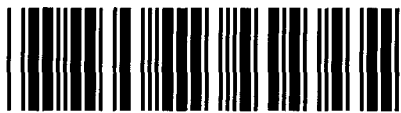




Control Number: 46412



Item Number: 1

Addendum StartPage: 0



PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER
SERVICE PROVIDERS, SUBCHAPTER 10, CERTIFICATES OF CONVENIENCE AND NECESSITY

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Docket Number: **46412**

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, shall be filed with

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

If submitting digital map data, two copies of the portable electronic storage medium (such as CD or DVD) are required.

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Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Purpose of Application

<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input type="checkbox"/> Water CCN# (s) _____	
<input type="checkbox"/> Amend	<input checked="" type="checkbox"/> Sewer CCN#(s) 20984	

1. Applicant Information

Applicant

Utility name: MSEC Enterprises, Inc.

Certificate number: 20984

Street address (City/ST/ZIP/Code): 7625 Highway 6, Navasota, TX 77868

Mailing address (City/ST/ZIP/Code): P.O. Box 970, Navasota, TX 77868

Utility Phone Number and Fax: (936) 825-5100

Contact information

Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.

Name: John M. Fultz

Title: Attorney

Mailing address: P.O. Box 868, Navasota, TX 77868

Email: john@fultzlaw.com

Phone and Fax: (936) 825-7833

List all counties in which service is proposed:

Montgomery County, Texas

A. Check the appropriate box and provide information regarding the legal status of the applicant:

- ☒ Investor Owned Utility ☐ Individual ☐ Partnership
☐ Home or Property Owners Association ☒ For-profit Corporation
☐ Non-profit, member-owned, member-controlled cooperative corporation
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)
☐ Municipality ☐ District ☐ Other - Please explain:

N/A

B. If the applicant is a For-Profit business or corporation, please include the following information: See Attachment 1.B.

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. See Attachment 1.B.i.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: 79558
- iii. A listing of all stockholders and their respective percentages of ownership. See Attachment 1
- iv. A copy of the company's organizational chart, if available. See Attachment 1.B.iv.
- v. A list of all directors and disclose the title of each individual. See Attachment 1.B.v.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant. See Attachment 1

C. If the applicant is a Texas Water Code (TWC) Chapter 67 water supply or sewer service corporation please provide:

- i. A copy of the Articles of Incorporation and By-Laws.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State.
- iii. Identification of all board members including name, address, title, and telephone number.
- iv. A copy of the corporation's *Certificate of Account Status* from the Texas Comptroller of Public Accounts.

2. Location Information

- A. Are there people already living in the proposed area? ☐ Yes ☒ No
If YES, are any currently receiving utility service? ☐ Yes ☐ No
If YES, from WHOM? N/A

B. Demonstrate the Need for Service by providing the following:

Have you received any requests for service in the requested service area?

☒ Yes ☐ No

If YES, provide the following: See Attachment 2

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or
- ii. Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
- iii. Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
See attachment 2.B.iv
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.
- vi. If none of these items exist or are available, please justify the need for service in the proposed area in writing.

Note: Failure to demonstrate a need for additional service in the proposed service area may result in the delay and /or possible denial of the application.

C. Is any portion of the proposed service area inside an incorporated city or district?

☐ Yes ☒ No

If YES, within the corporate limits of: N/A

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

N/A

D. Is any portion of the proposed service area inside another utility's CCN area?

☐ Yes ☒ No

If YES, has the current CCN holder agreed to decertify the proposed area?

If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest:

N/A

3. Map Requirements

Attach the following hard copy maps with each copy of the application:

- A. A location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county. See Attachment 3.A.
- B. A map showing only the proposed area by: See Attachment 3.B.i. and digital data submitted with hard copy.
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area. See Attachment 3.C
- D. Provide separate and additional maps of the proposed area(s) to show the following: N/A
 - i. all facilities; illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

Note: Failure to provide adequate mapping information may result in the delay or possible denial of your application.

Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC website for assistance.

4. New System Information or Utilities Requesting a CCN for the First Time

- A. Please provide the following information: N/A
 - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;
 - ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in a. 1 above or documentation that it is not economically feasible to obtain service from each entity;
 - iii. copies of written responses from each system or evidence that they did not reply; and
 - iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.
- B. Were your requests for service denied? ☐ Yes ☐ No N/A

i. If yes, please provide documentation of the denial of service and go to c.

ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.

C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:

N/A

D. Date of plat approval, if required: _____
 Approved by: N/A

E. Date Plans & Specifications submitted to the TCEQ for approval: _____
N/A Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.

F. Date construction is scheduled to commence: _____

G. Date service is scheduled to commence: _____

5. Existing System Information

A. Please provide the following information for each water and/or sewer system, attach additional sheets if necessary.

i. Water system(s): TCEQ Public Water System identification number(s):

1	7	0	0	6	3	8	1	7	0	0	6	7	7	1	7	0	0	7	8	1

ii. Sewer system(s): TCEQ Discharge Permit number(s)

W	Q	1	4	6	3	8	0	0	1
---	---	---	---	---	---	---	---	---	---

W	Q								
---	---	--	--	--	--	--	--	--	--

W	Q								
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W	Q								
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W	Q								
---	---	--	--	--	--	--	--	--	--

- iii. Date of last TCEQ water and/or sewer system inspection(s): _____
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s). See Attachment 5.A
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates. See Attachment 5.A.v.

B. Provide the following information about the utility's certified water and/or sewer operators See Attachment 5.B.

Name	Classes	License Number
See Attachment 5.B.		

- Attach additional sheet(s) if necessary -

C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

- ☐ Yes
- ☒ No

Attach a copy of the 85% rule compliance document filed with the TCEQ if the system is operating at 85% or greater of the TCEQ's minimum standard capacity requirements.

D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial **documentation** and reflect the number of service requests identified in Question 2.b in the application.

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	3,754	0	Residential	0	0
1" meter or larger	751	0	Commercial	3	1
Non-Metered	0	0	Industrial	0	0

TCEQ Water System			TCEQ Sewer System		
Other:			Other:		
Total Water	4,505	0	Total Sewer	3	1

- E. If this application is for a water CCN only, please explain how sewer service is or will be provided:

N/A

- F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

Water service is provided by Applicant MSEC Enterprises under its Water CCN#12887 which water service area includes the Property.

- G. Effect of Granting a Certificate Amendment. See Attachment 5.G.

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- the applicant,
- any retail public utility of the same kind already serving the proximate area; and
- any landowner(s) in the requested area.

- H. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

i. ☒ No, (skip the rest of this question and go to #6)

ii. ☐ Yes, Water

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
	0.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. ☐ Yes, Sewer treatment capacity

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Sewer Source	% of Total Treatment
	0.00%
	0.00%
	0.00%

iv. Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract.

I. Ability to Provide Adequate Service.

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration:

- i. the current and projected density; and
- ii. the land use of the requested area. See Attachment 5.I.

J. Effect on the Land. Explain the effect on the land to be included in the certificated area.

The effect on the Property, the only land to be included in the certificated area, will be to allow Mid-South Synergy to operate its Operations Facility with sanitary sewer service and avoid on-site septic or aerobic systems.

6. Financial Information

A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system:

- i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing retail water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
- ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates

should correlate to the projected growth in connections, shown on the projected profit and loss statement.

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.

B. For existing water and/or sewer systems:

- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed). See Attachment 6.B.i.
- ii. Attach a proposed rate schedule or tariff. See Attachment 6.B.ii.

❖ **Note: An existing water and/or sewer system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application**

C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.

- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.

❖ **Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.**

7. Notice Requirements

- A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.
- B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication; neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.
- F. Notice For Publication:
The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. Notice To Neighboring Utilities: See Attachment 7.G.i.
 - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
 - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.

- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.
- H. Notice to Customers:
 - Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.
- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the commission. Wait until you receive written authorization to do so. Authorization occurs after the commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.

OATH

STATE OF TEXAS
COUNTY OF GRIMES

I, KERRY KELTON, being duly sworn,
file this application as President of MSEC Enterprises (Indicate relationship to Applicant,
that is, owner, member of partnership, title as officer of corporation, or other authorized
representative of Applicant); that, in such capacity, I am qualified and authorized to file
and verify such application, am personally familiar with the maps and financial information
filed with this application, and have complied with all the requirements contained in this
application; and, that all such statements made and matters set forth therein are true and
correct. I further state that the application is made in good faith and that this application
does not duplicate any filing presently before the Public Utility Commission of Texas.

I further represent that the application form has not been changed, altered or amended
from its original form.

**I further represent that the Applicant will provide continuous and adequate
service to all customers and qualified applicants for service within its certificated
service area.**

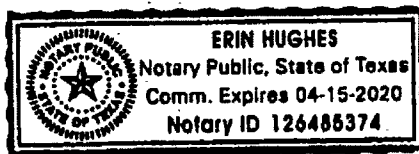


AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
This day 27th of September 20 16

SEAL





NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Erin Hughes

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 04/15/2020

OATH

STATE OF TEXAS,
COUNTY OF GRIMES,

I, KERRY KELTON, being duly sworn, file this application as President of MSEC Enterprises (indicate relationship to Applicant, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the maps and financial information filed with this application, and have complied with all the requirements contained in this application; and, that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Public Utility Commission of Texas.

I further represent that the application form has not been changed, altered or amended from its original form.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certificated service area.

AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
This day 27th of September 2016

SEAL

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

MONTGOMERY

COUNTY(IES), TEXAS

Name of Applicant MSEC ENTERPRISES, INC. has filed an application for a CCN to obtain or amend CCN No. (s) 20984 and to decertify a portion(s) of not applicable with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide

sewer

(specify 1) water or 2) sewer or 3) water & sewer)

utility service in

Montgomery

County
(ies).

The proposed utility service area is located approximately 9 miles west
[direction] of downtown Conroe, [City or Town] Texas, and is
generally bounded on the north by Robert W. Clopton Trust Property ; on the east by
Rabon Chapel Road ; on the south by F.M. 2854 ; and on the west by Gibbs-Thomas Property

The total area being requested includes approximately 38 acres and 0
current customers.

A copy of the proposed service area map is available at (Utility Address and Phone
Number): 7625 Highway 6, Navasota, Texas 77868; Telephone: (936) 825-5100

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should file with the PUC at the following address:

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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

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

Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

MONTGOMERY

COUNTY(IES), TEXAS

To: _____ Date Notice Mailed _____ 20 16
(Neighboring System, Landowner or City)

(Address)

City State Zip

Name of Applicant MSEC Enterprises, Inc. has filed an application for a
CCN to obtain or amend CCN No. (s) 20984 and to
decertify a portion(s) of not applicable with the
(Name of Decertified Utility)

Public Utility Commission of Texas to provide sewer
(specify 1) water or 2) sewer or 3) water & sewer)
utility service in Montgomery County(ies).

The proposed utility service area is located approximately 9 miles west
[direction] of downtown Conroe, [City or Town] Texas, and is
generally bounded on the north by Robert W. Clopton Trust Property
Rabon Chapel Road; on the south by F.M. 2854; and on the west by Gibbs-Thomas Property

See enclosed map of the proposed service area.

The total area being requested includes approximately 38 acres and 0
current customers.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

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

Notice to Customers of IOUs in Proposed Area

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO
PROVIDE WATER/SEWER UTILITY SERVICE IN

_____ COUNTY(IES), TEXAS

Dear Customer: _____ Date Notice Mailed _____ 20 ____

Name of Applicant _____ has filed an application for a
CCN to obtain or amend CCN No. (s) _____ and to
decertify a portion(s) of _____ with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide _____
(specify 1) water; or 2) sewer or 3) water & sewer)
utility service in _____ County(ies).

The proposed utility service area is located approximately _____ miles _____
[direction] of downtown _____, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone
Number): _____

The current utility rates which were first effective on _____ 20 ____

Monthly Flat Rate of \$ _____ Per connection

-OR-

Monthly Base Rate Including per _____ gallons
connection for:

5/8" meter	\$ _____
1" meter	\$ _____
1 1/2" meter	\$ _____
2" meter	\$ _____

Other\$ _____

Gallage charge of \$ _____ Per 1,000
Gallons above minimum (same for all meters sizes)

Miscellaneous Fees

Regulatory Assessment

Tap Fee (Average Actual Cost)

Reconnecting fee:

- Non Payment (\$25.00 max)
- Transfer
- Customer's request

Late fee

Returned Check charge

Customer Deposit (\$50.00 max)

Meter test fee

(Actual Cost not Exceed \$25.00)

Other Fees

1%
\$ _____
\$ _____
\$ _____
\$ _____
\$5.00 or 10% _____
\$ _____
\$ _____
\$ _____
\$ _____

Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

IF A HEARING IS HELD, it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

If you are a landowner with a tract of land at least 25 acres or more, and is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

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

ATTACHMENT 1.B.

MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

Affecting: 37 .916 Acres or 1,651 ,640 Square Feet of land being part of that certain 40 Acre tract of land conveyed from John W. Post to Tillman Jay MacLaskey, et ux, by a deed dated March 14, 1994 and recorded in Clerk's File No. 9414553, of the Deed Records of Montgomery County, Texas (M.C.D.R.) lying in the R.G. HAMLET SURVEY, Abstract 281, near Montgomery, Montgomery County, Texas

Response to Question 1.B.

- i. Certificate of Account Status – See Attachment 1.B.i.
- ii. Charter Number: **79558**
- iii. Stockholders and Shares – **Mid-South Electric Cooperative Association, a member owned electric cooperative corporation, owns 100% of all outstanding shares of Applicant MSEC Enterprises, Inc.**
- iv. Organizational Chart – See Attachment 1.B.iv.
- v. List of Directors and titles of each – See Attachment 1.B.v.
- vi. Affiliated Organizations
 - a. **MSEC Services, Inc., a wholly owned subsidiary of Applicant, not an active entity**
 - b. **Mid-South Electric Cooperative Association, parent of Applicant, providing electric service to Applicant**

ATTACHMENT 1.B.i.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

Response to Question 1.B.i.

Certificate of Account Status

Attached

**Franchise Tax Account Status**

As of : 09/26/2016 11:14:31 AM

This Page is Not Sufficient for Filings with the Secretary of State**MSEC ENTERPRISES, INC.****Texas Taxpayer Number** 32000001266**Mailing Address** PO BOX 970 NAVASOTA, TX 77868-0970**Right to Transact Business in
Texas** ACTIVE**State of Formation** TX**Effective SOS Registration Date** 07/10/1997**Texas SOS File Number** 0145205000**Registered Agent Name** KERRY KELTON**Registered Office Street Address** 7625 HIGHWAY 6 NAVASOTA, TX 77868

Attachment 1.B.i.

ATTACHMENT 1.B.iv.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

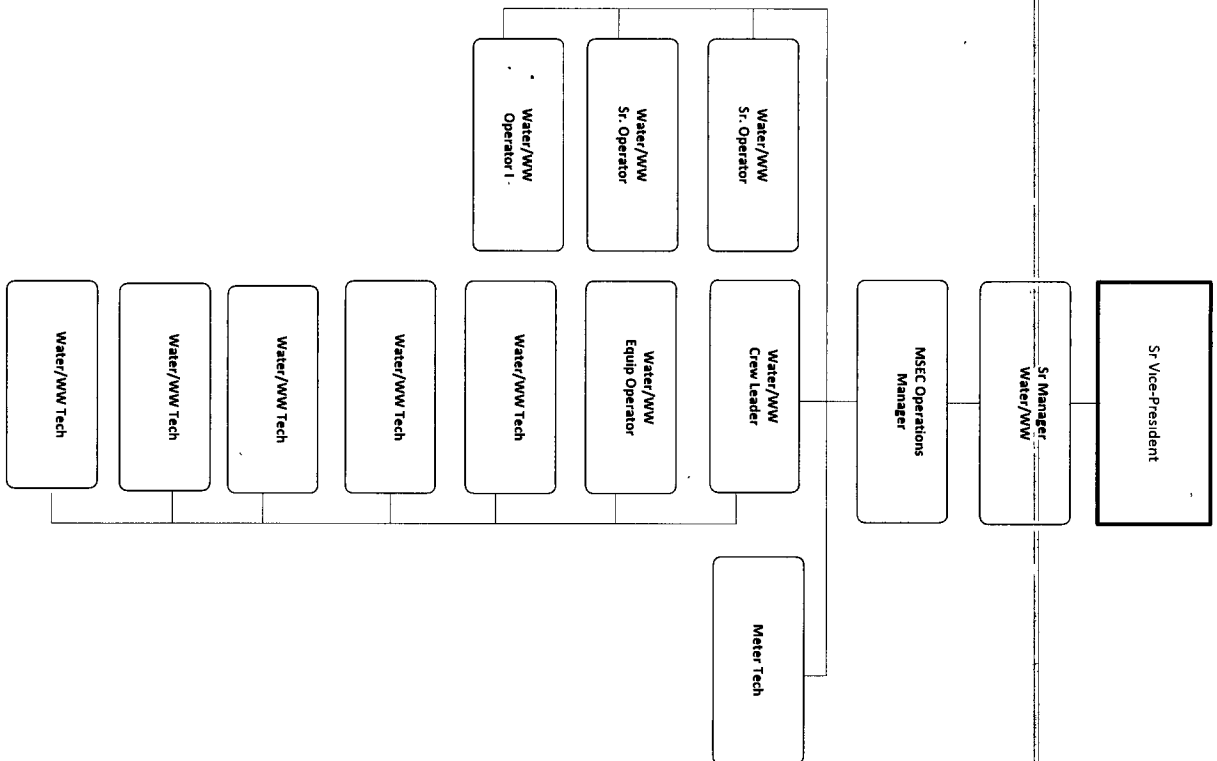
Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

Response to Question 1.B.iv.

Organizational Chart

Attached



ATTACHMENT 1.B.v.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

Response to Question 1.B.v.

List of Directors and Titles

1. Paul Malek, Chairman of the Board
2. Russell Watson
3. Jack Shepherd
4. Dennis McWhorter
5. Robert D. "Danny" Pierce
6. Gary Baker
7. Steve Driver

List of Officers:

Paul Malek	Chairman of the Board
Kerry Kelton	President and Chief Executive Officer
Troy Morris	First Vice-President
Mike McDougald	Second Vice-President
Erin Hughes	Secretary

ATTACHMENT 2.B.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

Response to Question 2.B.

2.B.i. The Service Area is located at the northwest corner of the intersection of FM 2854 and Rabun Chapel Road within southwestern Montgomery County, Texas, one of the fastest growing areas in Texas. The Service Area consists of a tract of land containing 37.916 acres above (the "Property"). Mid-South Electric Cooperative Association, d/b/a Mid-South Synergy, purchased the Property in October 2013 for the intended purpose of constructing an operations center to service the anticipated development in Mid-South Synergy's certificated service area in Montgomery County. The Operations Center will include a transportation center, electric service operations offices, water service operations offices, communications service offices, material warehousing operations, and materials storage yard, among other improvements. The anticipated initial population includes 30 employees with plans of expansion to approximately 65 employees related to Mid-South Synergy's electric service and MSEC Enterprises water service operations. Mid-South is the sole owner of the Property.

2.B.ii. Mid-South Synergy and MSEC Enterprises provide vital infrastructure to commercial, social, and residential development in the area. Mid-South Synergy and MSEC Enterprises require sewer service for the Operations Center currently under construction. Demand for electric and water infrastructure is high due to the development and growth in this area of Montgomery County. The Operations Center is required to meet the development demands in this area. The plans, specifications, and design of the Operations Center have been approved by Montgomery County and the City of Conroe, and construction of the Center is underway.

2.B.iv. Applicant MSEC has received a request for sewer service to the Property, a copy of which is attached as Attachment 2. B. iv. Applicant has a wastewater discharge permit for and operates a wastewater plant located within 1 mile of the Property.

ATTACHMENT 2.B.iv.

MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas

2.B.iv. Request for Service.

Request For Service
FROM
Mid-South Electric Cooperative Association

Attached



May 12, 2016

Mr. Michael Long
MSEC Enterprises, Inc.
P. O. Box 970
Navasota, TX 77868

Re: Mid-South Electric Cooperative Association, d/b/a Mid-South Synergy (the "Cooperative"); Request for Sewer Service to Cooperative facilities under construction on FM 2854 and Rabon Chapel Road, Montgomery County, Texas

Dear Mr. Long:

The Cooperative is constructing an operations facility at the intersection of FM 2854 and Rabon Chapel Road in Montgomery County, Texas (the "FM 2854 Facility"). The Cooperative will require water and sewer service at that location.

The Cooperative understands that MSEC Enterprises ("MSEC") holds the certificate of convenience and necessity ("CCN") for water service for the FM 2854 Facility. The Cooperative formally requests water service from MSEC to the Cooperative's FM 2854 Facility within MSEC's water CCN.

The Cooperative also understands that MSEC owns and operates a sewer plant located on FM 2854 approximately 1 mile west of its intersection with Rabon Chapel Road and the Cooperative's FM 2854 Facility; however, MSEC's sewer CCN does not as of this date extend to the FM 2854 Facility location.

The Cooperative requests sewer service from MSEC to the Cooperative's FM 2854 Facility and requests that MSEC take the necessary steps to extend its sewer CCN territory to include the Cooperative's FM 2854 Facility.

Should additional information be required, please do not hesitate to contact me.

Sincerely,


Kerry Kelton,
General Manager

Attachment 2.B.iv.

ATTACHMENT 3.A.

MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984

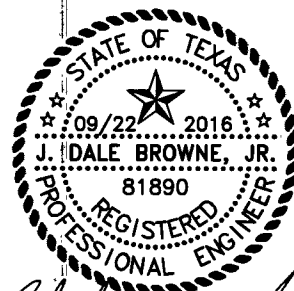
MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas

3.A. General Location and Detailed Maps

See Attached Exhibit "A" and Exhibit "B"



J. Dale Browne, Jr.

DATE: 09/22/16
DRAWN BY: ARD
DESIGNED BY: JDB



McCLURE & BROWNE
ENGINEERING/SURVEYING, INC.
1008 Woodcreek Drive, Suite 103
College Station, Texas 77845
(979) 693-3838
Firm Reg. No. F-458

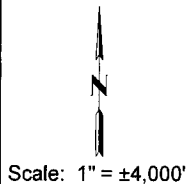
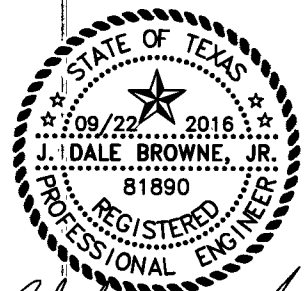
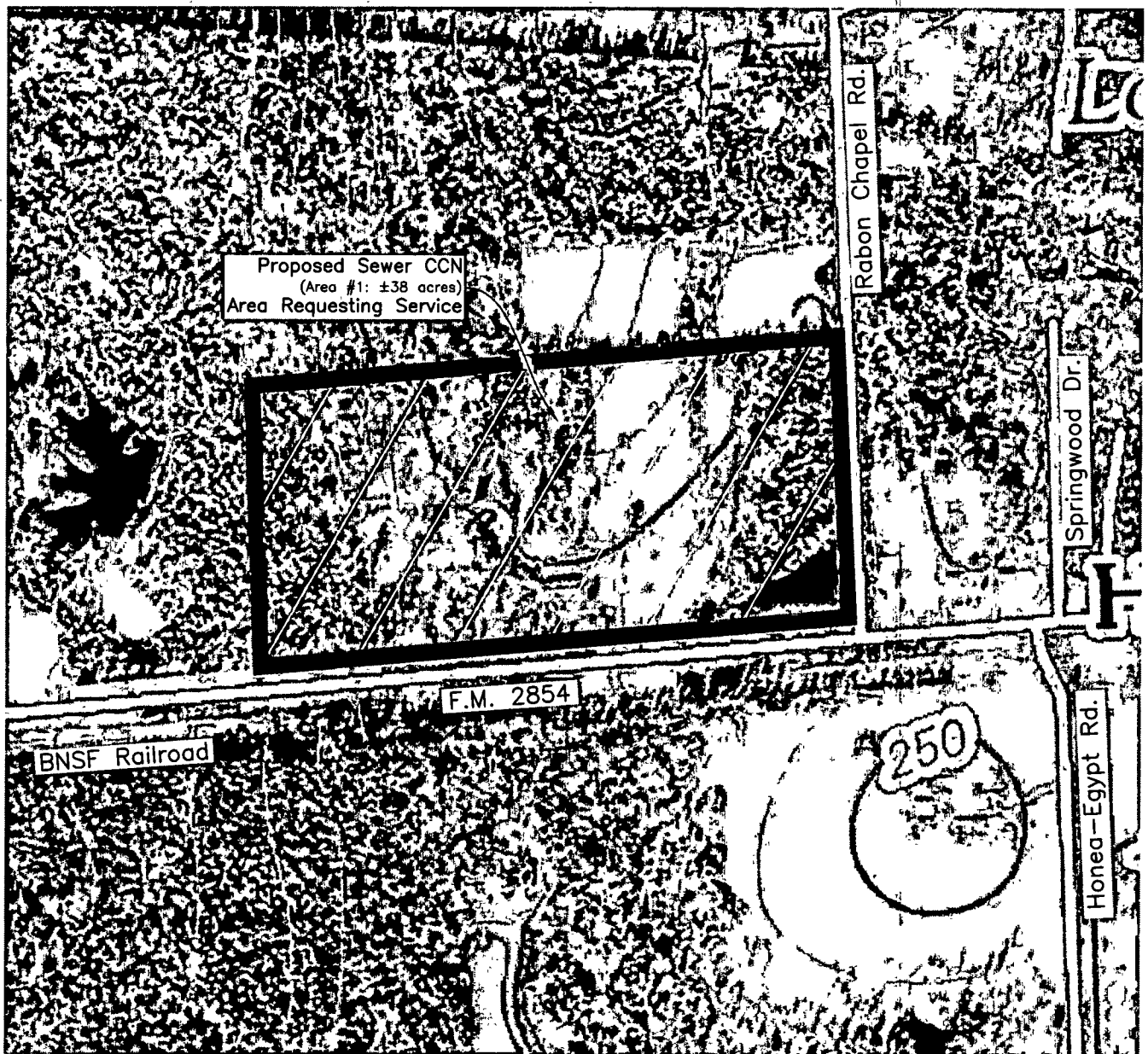


EXHIBIT "A"
GENERAL LOCATION MAP
Sewer CCN Application
Small-Scale Map
MSEC Enterprises, Inc.
CCN 20984



J. Dale Browne, Jr.

DATE: 09/22/16
DRAWN BY: ARD
DESIGNED BY: JOB



McCLURE & BROWNE
ENGINEERING/SURVEYING, INC.
1008 Woodcreek Drive, Suite 103
College Station, Texas 77845
(979) 693-3838
Firm Reg. No. F-458

Scale: 1" = ±500'

EXHIBIT "B"
DETAILED MAP
Sewer CCN Application
Large-Scale Map
MSEC Enterprises, Inc.
CCN 20984

Page 1 of 1
10260095-003-01

ATTACHMENT 3.B.i.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

**3.B.i. Map showing only the proposed area by metes and bounds
survey**

Attached

ATTACHMENT 3.B.ii.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

3.B.ii. Digital Data Map

Attached to Original Filed Copy

ATTACHMENT 3.C.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

3.C. Written Description of the Proposed Service Area

See Metes and Bounds Description

Attached

EXHIBIT "A"

METES AND BOUNDS DESCRIPTION

Of 37.916 Acres or 1,651,640 Square Feet of land being part of that certain 40 Acre tract of land conveyed from John W. Post to Tillman Jay Maclaskey, etux by a deed dated March 14, 1994 and recorded in Clerk's File No. 9414553, of the Deed Records of Montgomery County, Texas (M.C.D.R.) lying in the R.G. HAMLET SURVEY, Abstract 281, near Montgomery, Montgomery County, Texas, said 37.916 Acre tract is more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod set at the intersection of the West Right-of-Way of RABON CHAPEL ROAD (an 80' R.O.W.) and the North Right-of-Way of FM 2854 (a 130' R.O.W.), same being the West line of the BENNETTE THREADOR SURVEY, Abstract 69, from which a TXDOT concrete R.O.W. post (Controlling Monument) bears North 84 deg. 04 min. 05 sec. East, 891.23 feet;

THENCE South 84 deg. 04 min. 05 sec. West, along the North Right-of-Way of said FM 2854, a distance of 1871.98 feet to a 5/8 inch iron rod with cap set at a point corner, from which a 1/2 inch iron rod bears North 03 deg. 02 min. 52 sec. West, 6.43 feet and a TXDOT concrete R.O.W. post (Controlling Monument) bears South 84 deg. 04 min. 05 sec. West, 1262.99 feet;

THENCE North 03 deg. 02 min. 52 sec. West, along the East line of that certain 123.13 Acre tract of land conveyed from Annie Belle Gibbs to Charlotte Gibbs Thomas by a deed dated March 8, 1999 and recorded in Clerk's File No. 99017428, M.C.D.R., same being the East line of the PETER CARTWRIGHT SURVEY, Abstract 124, a distance of 885.00 feet to a 2 1/2 inch iron pipe found at a point for corner;

THENCE North 84 deg. 01 min. 48 sec. East, along the South line of that certain 69 1/3 Acre tract of land conveyed from Ray Preston Clopton, Successor Trustee of the Robert W. Clopton Testamentary Trust to Ray Preston Clopton, etal by a deed dated February 11, 2010 and recorded in Clerk's File No. 2010017900. M.C.D.R., a distance of 1862.71 feet to a 5/8 inch iron rod with cap set at a point corner;

THENCE South 03 deg. 39 min. 01 sec. East, along the West Right-of-Way of said RABON CHAPEL ROAD, same being the West line of said BENNETTE THREADOR SURVEY, Abstract 69, a distance of 885.82 feet to the POINT OF BEGINNING, containing within these calls 37.916 Acres or 1,651,640 Square Feet of land as depicted by a plat prepared by Donald K. Hall, R.P.L.S. No. 4070 dated September 19, 2013.

WITNESS MY HAND AND SEAL THIS THE 19th DAY OF September, 2013.


Donald K. Hall Registered Professional Land Surveyor No. 4070



14306 Summerwood Lakes Drive
Houston, Texas 77044-5078



Phone: (281) 225-8876
Fax : (281) 225-8877
JOB No.: 913#1261

ATTACHMENT 5.A.iv.

MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas

Response to Question 5.A.iv.

Inspection Report Letters

Montgomery Trace Water System
PWS # 1700638 – no violations reported
see attached Inspection Report dated 2016-07-11

Stillwater Estates Water System
PWS #1700677 – No recent inspection letters

Crown Ranch Water System
PWS #1700781 - No recent inspection Letters

MSEC Wastewater Treatment Plant
Montgomery Independent School District
WQ #14638-001 – Inspection Report March 1, 2016

Attached

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 1, 2016

CERTIFIED MAIL 7014 0510 0001 2633 8241
RETURN RECEIPT REQUESTED

Jon Blakley, Operations Supervisor
MSEC Enterprises, Inc.
P.O. Box 1268
Montgomery, TX 77356

Re: Notice of Violation for Compliance Evaluation Investigation at: MSEC Wastewater Treatment Plant, 16550 FM 2854, Montgomery, Montgomery County, Texas
TCEQ ID No.: WQ0014638-001, EPA ID No.: TX0128121

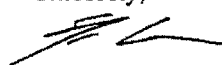
Dear Mr. Blakley:

On October 14, 2015, Mr. Dustin Roberts of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable water quality requirements. Enclosed is a summary which lists the investigation findings. During the investigation, one concern was noted which was an alleged noncompliance. Through subsequent corrective action, and written documentation, the noncompliance has been resolved as a Resolved Violation. No further action is required.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. Self-reported violations may be subject to enforcement, including penalties, upon review by the Enforcement Division.

If you or members of your staff have any questions, please feel free to contact Mr. Dustin Roberts in the Houston Region Office at (713) 767-3631.

Sincerely,


Elizabeth Sears
Team Leader
Water Quality Management

EWS/DAR/ci

Enclosure(s): Summary of Investigation Findings

cc: John Wright, Environmental Reporting and Compliance Manager, Hays Utility North, P.O. Box 1268, Montgomery, TX 77356

Thomas Barnett, Water/WW Compliance Officer, Mid-South Synergy, P.O. Box 1266, Montgomery, TX 77356

TCEQ Region 12 • 5425 Polk St., Ste. H • Houston, Texas 77023-1452 • 713-767-3500 • Fax 713-767-3520

Austin Headquarters: 512-239-1000 • tceq.texas.gov • How is our customer service? tceq.texas.gov/customersurvey

Attachment 5.A.iv.

printed on recycled paper using vegetable-based ink

000036

Summary of Investigation Findings

MSEC WWTP

Investigation #

1308287
Investigation Date: 10/14/2015

, MONTGOMERY COUNTY,

Additional ID(s): WQ0014638001
TX0128121

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 594670

30 TAC Chapter 305.125(1)

Alleged Violation:

Investigation: 1308287

Comment Date: 02/04/2016

Failed to maintain compliance with the permitted effluent limits. Specifically, the grab sample collected during the investigation was not compliant with the single grab minimum limit of 6 standard units for pH. The result of the pH analysis was 2.92 standard units.

Recommended Corrective Action: Compliance with the permitted effluent limits must be maintained. Submit documentation describing the action taken to prevent the recurrence of pH violations.

Resolution: Documentation was received on February 3, 2016, indicating compliance with pH permit limits.

EXIT INTERVIEW FORM: Potential Violations and/or Records Requested				
Regulated Entity/Site Name	Montgomery Trace Water System		TCEQ Add. ID No. RN No (optional)	1700638
Investigation Type	CCI	Contact Made In-House (Y/N)	Y	Purpose of Investigation
Regulated Entity Contact	Jonathan Blakley		Telephone No.	936-825-5100
Title	Crew Leader		E-mail:	
			Date E- mailed:	

NOTICE: The information provided in this Note is intended to provide clarity to issues that have arisen to the date of this Note during the investigation process between the agency and the company and does not represent agency findings related to violations. Any potential or alleged violations discovered after the date of this Note will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in this investigation's final report.

Issue		For Records Request, identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues, include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type	Rule Citation (if known)	Description of Issue
			At this time no violations have been cited.

Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity, therefore, signature not required.	
Investigator Name (Signed & Printed)	Date
Destiny Blanning	7/11/16
Regulated Entity Representative Name (Signed & Printed)	Date

If you have questions about any information on this form, please contact your local TCEQ Regional Office. Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512/239-3282.

ATTACHMENT 5.A.v.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

5.A.v. Deficiency Response

**None as to any Water Facility, as no violations were found
as to any Water Facility**

**Sewer Plant Violation Response/Resolution contained in Inspection Report dated
March 1, 2016 NOV indicating compliance and no further action required.**

See page 2, Attachment 5.A.iv.

ATTACHMENT 5.B.

MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas

5.B. Applicant's certified water and sewer operators

Attached

Attachment 5.B
CERTIFIED OPERATORS

MSEC ENTERPRISES APPLICATION
TO AMEND CCN 20984

	A	B	C	D	E	F	G
1	Operator	Water Lic	Water Lic No	WW Lic	WW Lic No	CSI Lic No	BPAT Lic No
2	Dale DeLatte	B GW	WG0008537	B	WW0004715	-	-
3	Dan Cunningham	C GW	WG0013167	B	WW0050925	-	-
4	Dustin Gatlin	C GW	WG0015666	D	WW0051831	CI0009863	-
5	Jimmy Hutson	B GW	WG0015614	B	WW0052886	CI0009853	-
6	Jonathan Blakley	A	WO0030326	B	WW0052623	CI0003408	BP0016666
7	Josh Turknett	B GW	WG0015232	C	WW0052624	CI0009395	BP0015029
8	Larry Baldwin	B GW	WG0015439	-	-	CI0007073	-
9	Neil Fox	A	WO0035519	C	WW0054526	-	-
10	Thomas Barnett	C GW	WG0015490	C	WW0053970	-	-
11	Trey Krause	D	WO0038016	-	-	-	-
12	Victoriano Zarate	C GW	WG0015880	D	WW0050131	CI0009673	-

ATTACHMENT 5.G.

MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas

Response to Question 5.G.

5.G. Effect of Granting a Certificate Amendment.

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- i. the applicant,
 - ii. any retail public utility of the same kind already serving the proximate area; and
 - iii. any landowner(s) in the requested area.
-
- i. Effect on Applicant: The Amendment if granted will expand Applicant's customer base, spread the costs of operation among the customers currently connected to the existing wastewater treatment plant, and increase flow to the plant thereby increasing its operation and reducing costs.
 - ii. Effect on Retail Public Utility in the proximate area: There is no other sewer provider in the proximate area.
 - iii. Effect on any landowner in the area: The effect on Mid-South Synergy, the only landowner in the requested area, will be to allow the continued commercial development of the Property with the availability of sanitary sewer and avoidance of adding commercial septic or aerobic treatment to the area. The extension of a sewer line from the existing wastewater treatment plant to the Property will make sewer service available to similarly situated landowners like Mid-South Synergy for development along FM 2854 as well as making sewer service available for individual landowners located along the route of the sewer line.

ATTACHMENT 5.I.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas

Response to Question 5.I.

5.I. Ability to Provide Adequate Service

I. Ability to Provide Adequate Service.

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration:

- i. the current and projected density; and
- ii. the land use of the requested area.

Applicant has an existing wastewater treatment plant located at 16550 FM 2854 approximately 1.00 mile to the east of the Property. Applicant's existing plant is operating under capacity and can accommodate the addition of the number of employees anticipated by the addition of the Property. Current and projected density to be achieved by connecting the proposed service area will allow the plant to operate more efficiently. The only expansion or development in the area known to Applicant at this time is the Mid-South project. Connecting the Operations Center will benefit the operation of the wastewater treatment plant and allow the Property to be used for the commercial Operations Center without adding septic or aerobic surface treatment in the service area.

ATTACHMENT 6.B.i.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

6.B.i. Profit and Loss Statement and Current Balance Sheet

For Year Ending December 31, 2015

Attached

**MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION
d/b/a MID-SOUTH SYNERGY AND SUBSIDIARIES**

NAVASOTA, TEXAS

**CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING AND ACCOMPANYING
INFORMATION**

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION
d/b/a MID-SOUTH SYNERGY AND SUBSIDIARIES
NAVASOTA, TEXAS**

**CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING AND ACCOMPANYING
INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1054

Independent Auditor's Report on Consolidated Financial Statements

**Board of Directors
Mid-South Electric Cooperative Association
d/b/a Mid-South Synergy and Subsidiaries
Navasota, Texas**

We have audited the accompanying consolidated balance sheets of Mid-South Electric Cooperative Association d/b/a Mid-South Synergy and Subsidiaries (the Cooperative), as of December 31, 2015 and 2014, and the related consolidated statements of income and patronage capital and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mid-South Electric Cooperative Association d/b/a Mid-South Synergy and Subsidiaries at December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

April 15, 2016

MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION
d/b/a MID-SOUTH SYNERGY AND SUBSIDIARIES

Schedule 1
(Continued)

CONSOLIDATING INFORMATION
BALANCE SHEET
DECEMBER 31, 2015

ASSETS

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Totals
UTILITY PLANT AT COST					
Electric Plant in Service	\$ 4,028,755				
Construction Work in Progress	159,231				
Capital Lease Assets	34,292,560				
Other Property and Equipment	\$ 38,480,546				
	6,370,627				
	\$ 32,109,919				
Less: Accumulated Provision for Depreciation and Amortization					
OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE					
Investments in Associated Organizations	\$ 25,542				
Investments in Affiliated Company	367,073				
Other Investments - Restricted					
Notes Receivable - Affiliated Companies					
	\$ 392,615				
CURRENT ASSETS					
Cash - General	\$ 395,898				
Accounts Receivable (Less Allowance for Uncollectibles of \$87,705)	653,881				
Accounts Receivable - Affiliated Companies	282,545				
Unbilled Revenue	217,000				
Interest Receivable					
Materials and Supplies					
Other Current and Accrued Assets					
	\$ 1,549,324				
OTHER ASSETS					
Deferred Debits	\$ 17,287				
TOTAL ASSETS	\$ 34,069,145				

**MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION
d/b/a MID-SOUTH SYNERGY AND SUBSIDIARIES**

Schedule 1
(Concluded)

**CONSOLIDATING INFORMATION
BALANCE SHEET
DECEMBER 31, 2015**

EQUITIES AND LIABILITIES

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Totals
EQUITIES					
Memberships					
Patronage Capital					
Other Equities					
	\$				
		9,937,140			
	\$	<u>9,937,140</u>			
LONG-TERM DEBT					
CoBank Notes Payable Less Current Maturities	\$	17,281,514			
CFC Notes Payable Less Current Maturities					
Notes Payable - Mid-South Electric Cooperative, Inc.		84,580			
Capital Lease Obligations Less Current Maturities		303,493			
Short Term Line of Credit (to be refinanced within one year)	\$	<u>17,669,587</u>			
	\$		530,000		
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt					
Current Maturities of Capital Lease Obligations					
Accounts Payable - Purchased Power					
Accounts Payable - Other		1,438,250			
Customer Deposits		33,700			
Accrued Taxes		7,777			
Accrued Employee Compensated Absences					
Accrued Interest					
Current Tax Liability - State		66,944			
Power Cost Recovery - Overcollected		17,538			
Unbilled Power Cost					
Other Current and Accrued Liabilities					
Due to Affiliated Companies		3,235,220			
	\$	<u>5,329,429</u>			
OTHER LIABILITIES					
Deferred Credits	\$	120,073			
Deferred Income Tax Liability	\$	1,012,916			
	\$	<u>1,132,989</u>			
TOTAL EQUITIES AND LIABILITIES	\$	<u>34,069,145</u>			

MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION
d/b/a MID-SOUTH SYNERGY AND SUBSIDIARIES

Schedule 2
(Continued)

CONSOLIDATING INFORMATION
STATEMENT OF INCOME AND PATRONAGE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Totals
OPERATING REVENUES					
Residential					
Commercial and Industrial					
Public Street and Highway Lighting					
Rent from Electric Property					
Unbilled Revenue		217,000			
Power Cost Recovery Revenue					
Other Operating Revenues		489,886			
Tap and Connect Fees		708,195			
Sales (Net of Cost of Goods Sold of \$68,865)		3,813,021			
Total Operating Revenues	\$	\$ 5,228,102			
OPERATING EXPENSES					
Purchased Power					
Distribution - Operation					
Distribution - Maintenance					
Customer Accounts					
Customer Service and Information		59,088			
Sales					
Payroll and Contract Labor			148,865		
Repairs and Maintenance			1,588,787		
Administrative and General			1,090,690		
Depreciation and Amortization			952,932		
Bad Debt Expense			2,116		
Other Interest					
Other Deductions			5		
Total Operating Expenses		\$ 3,842,483			
OPERATING MARGINS - BEFORE					
FIXED CHARGES					
	\$	\$ 1,385,619			
FIXED CHARGES:					
Interest on Long-Term Debt	\$	\$ 664,262			
Total Fixed Charges	\$	\$ 664,262			

MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION
d/b/a MID-SOUTH SYNERGY AND SUBSIDIARIES

Schedule 2
(Concluded)

CONSOLIDATING INFORMATION
STATEMENT OF INCOME AND PATRONAGE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Totals
OPERATING MARGINS - AFTER FIXED CHARGES					
G&T Capital Credits	\$	721,357			
Other Capital Credits	\$				
Total Capital Credits	\$	98,167			
	\$	98,167			
NET OPERATING MARGINS	\$	819,524			
NON-OPERATING MARGINS					
Interest Income	\$				
Affiliated Company Income (Loss)		(2,223)			
Other Non-Operating Income (Loss)		(10,000)			
Net Non-Operating Margins (Loss)	\$	(12,223)			
NET MARGINS (LOSSES) BEFORE INCOME TAX EXPENSE	\$	807,301			
PROVISION FOR FEDERAL AND STATE INCOME TAX EXPENSE (BENEFIT)		288,442			
NET MARGIN (LOSS)	\$	518,859			
PATRONAGE CAPITAL - BEGINNING OF PERIOD		9,418,281			
Capital Credits Retired					
Prior Year Non-Operating Gains, Transferred to Other Equities					
PATRONAGE CAPITAL - END OF PERIOD	\$	9,937,140			

MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION
vs
MID-SOUTH SYNERGY AND SUBSIDIARIES

Schedule 3

CONSOLIDATING INFORMATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Margin (Loss)					
Adjustments to Reconcile Net Margins to Net Cash Provided by (Used in) Operating Activities					
Depreciation		\$ 518,859			
Investment in Affiliated Company					
Capital Credits		952,932			
Accounts Receivable		2,223			
Unbilled Revenue		73,625			
Inventories and Prepaid Expenses		644,734			
Current Income Tax Asset		(217,000)			
Deferred Charges		75,060			
Unbilled Power Costs		(8,993)			
Power Cost Recovery		21,378			
Payables and Accrued Expenses					
Deferred Tax Liabilities		2,325,503			
Deferred Credits		272,971			
Net Cash Provided by (Used in) Operating Activities		<u>(7,437)</u>			
		\$ 4,653,455			
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to Utility Plant and Other Property and Equipment					
Plant Removal Costs (in Excess) of Less than Salvage					
Investments in Associated Organizations					
Other Investments					
Net Cash Provided by (Used in) Investing Activities		\$ (5,499,183)			
		<u>(98,167)</u>			
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments on Long-Term Debt - CoBank					
Payments on Long-Term Debt - CFC					
Payments on Capital Lease Obligations					
Advances on Long-Term Debt - CoBank					
Advances on Long-Term Debt - CFC					
Net Repayments on Short-Term Debt - CoBank					
Patronage Capital Retirements					
Memberships					
Net Cash Provided by Financing Activities		<u>\$ 987,350</u>			
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
		\$ 43,455			
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR					
		<u>352,443</u>			
CASH AND CASH EQUIVALENTS - END OF YEAR		<u>\$ 395,898</u>			
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION					
Cash Paid During the Year for					
Interest					
Income Taxes					
		\$ 769,062			
		<u>\$ 0</u>			

NON-CASH INVESTING AND FINANCING ACTIVITIES

The Cooperative entered into multiple capital leases for the year ended December 31, 2015. The leases increased capital lease obligation by \$1,039,408 and increased capital lease assets by the same amount.

2015

MSEC Enterprises Net Income	\$	819,522.94
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MSEC ENTERPRISES, INC
BALANCE SHEET
as of December 31, 2015

ASSETS

UTILITY PLANT AT COST

Construction Work in Progress	\$4,028,755
Capital Lease Assets	61,508
Other Property and Equipment	34,390,283
	<u>\$38,480,546</u>
Less: Accumulated Provision for Depreciation and Amortization	6,370,627
	<u>\$32,109,919</u>

OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE

Investments in Associated Organizations	\$25,542
Investments in Affiliated Company	367,073
	<u>\$392,615</u>

CURRENT ASSETS

Cash - General	\$395,897.81
Accounts Receivable (Less allowance for uncollectibles of \$0)	682,166
Accounts Receivable from Mid-South	136,807
Intercompany Tax Receivable	117,454
Unbilled Revenue	217,000
Other Current and Accrued Assets	0
	<u>\$1,549,324</u>

OTHER ASSETS

Deferred Debits	\$17,287
Deferred Income Tax Asset	0
	<u>\$17,287</u>

TOTAL ASSETS

\$34,069,144

MSEC ENTERPRISES, INC
BALANCE SHEET
as of December 31, 2015

EQUITIES AND LIABILITIES

EQUITIES \$9,937,140

LONG-TERM DEBT

CoBank Notes Payable	\$17,585,007
Capital Lease Obligations	84,580
	<u>\$17,669,587</u>

CURRENT LIABILITIES

CoBank Short-Term Loan	\$530,000
Accounts Payable	3,240,694
Customer Deposits	33,700
Accrued Interest	66,944
Current Tax Liability - State	17,538
Other Current and Accrued Liabilities	7,777
Due to Affiliated Companies	1,432,777
	<u>\$5,329,430</u>

OTHER LIABILITIES

Deferred Credits	\$120,072
Deferred Income Tax Liability	1,012,916
	<u>\$1,132,988</u>

TOTAL EQUITIES AND LIABILITIES

\$34,069,144

ATTACHMENT 6.B.ii.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

6.B.ii. Proposed Rate Schedule or Tariff

Attached

SECTION 1.0 - RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
3/4" or 1"	\$40.00 (Includes 0 gallons) (residential)	\$3.25 per 1000 gallons
1"	\$100.00 (Includes 0 gallons) (commercial)	\$3.25 per 1000 gallons
1 1/2"	\$200.00 (Includes 0 gallons)	\$3.50 per 1000 gallons
2"	\$275.00 (Includes 0 gallons)	\$3.50 per 1000 gallons
(Standard Commercial - small business)		
3"	\$500.00 (Includes 0 gallons)	\$3.50 per 1000 gallons
(Non-Standard Commercial)		

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

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) _____

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE \$1300.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY
35032-C, CCN 20971, JANUARY 9, 2006
APPROVED TARIFF BY LM/LM

SECTION 1.0 - RATE SCHEDULE

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- | | | |
|----|---|---------|
| a) | Non payment of bill (Maximum \$25.00) | \$25.00 |
| b) | Customer's request that service be disconnected | \$30.00 |

TRANSFER FEE \$25.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%

TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$25.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY
35032-C, CCN 20971, JANUARY 9, 2006
APPROVED TARIFF BY LM/LM

ATTACHMENT 7.G.i.

**MSEC Enterprises, Inc.'s Application to Amend
Sewer CCN 20984**

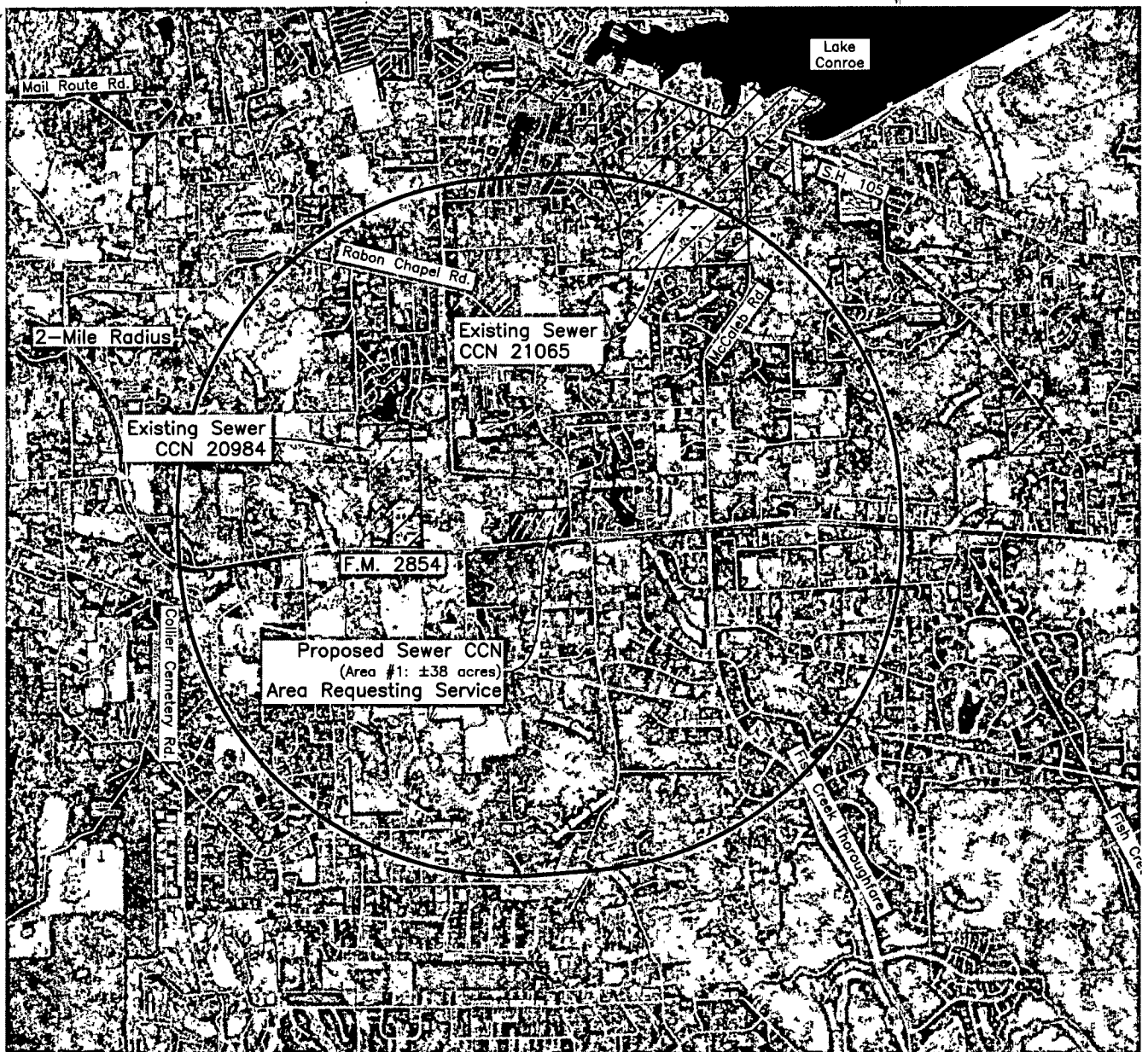
MID-SOUTH SYNERGY EXPANSION

Submitted September 2016

**Affecting: 37.916 acres of land, more or less, out of the R.G. HAMLET SURVEY,
Abstract 281, Montgomery County, Texas**

7.G.i. Systems within 2 Miles of Requested Service Area

Attached

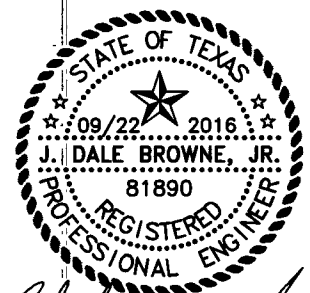


Existing Sewer CCN Area within 2-miles of the Proposed Sewer CCN Area

CCN 21065 - Aqua Texas Inc.
c/o Aqua Texas
2211 Louetta Road
Spring, Texas 77388

Groundwater Conservation District
Lone Star Groundwater Conservation District
655 Conroe Park North Drive
Conroe, Texas 77303

County
Montgomery County
501 North Thompson, Suite 401
Conroe, Texas 77301

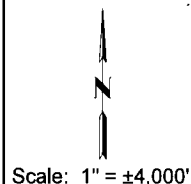


J. Dale Browne, Jr.

DATE: 09/22/16
DRAWN BY: ARD
DESIGNED BY: JDB



McCLURE & BROWNE
ENGINEERING/SURVEYING, INC.
1008 Woodcreek Drive, Suite 103
College Station, Texas 77845
(979) 693-3838
Firm Reg. No. F-458



Scale: 1" = ±4,000'

EXHIBIT "C"
EXISTING SEWER CCN
AREAS WITHIN 2-MILES
Sewer CCN Application
MSEC Enterprises, Inc.
CCN 20984

Page 1 of 1

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