



Control Number: 47161



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DOCKET NO. 47161

**APPLICATION KERR COUNTY WATER §
SYSTEMS, LLC FOR AUTHORITY TO §
CHANGE RATES §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

RECEIVED
2020 MAR 5
PUBLIC UTILITY COMMISSION
OF TEXAS
CLERK

REPORT CONTAINING REQUESTED INFORMATION

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Status Report. In support thereof, Staff shows the following:

I. BACKGROUND

On July 3, 2016, Kerr County Water Systems, LLC (KCWS) filed an application for a water rate/tariff change with an effective date of August 1, 2017. KCWS currently has approximately 88 connections. At the July 18, 2019 Open Meeting, the Commissioners requested clarifying information regarding the settlement. An Order Requesting Information was filed July 19, 2019, requesting additional information to be filed that can readily be admitted into evidence.

On September 3, 2019, an Order Requiring Status Reports was issued, requiring parties to file a status report every 30 days from the date of the order until the requested information is filed. This report contains the necessary information requested by the July 19, 2019 order. Therefore, this pleading is timely filed.

II. INFORMATION REQUESTED BY COMMISSION

Staff reviewed the Order Requesting Information, worked with KCWS, and examined information available on the interchange in order to finalize the supporting memos attached to this pleading. After reviewing the information, and as described in the attached memoranda of Leila Guerrero of the Commission’s Rate Regulation Division, Jolie Mathis with the Commission’s Infrastructure Division, and Heidi Graham, Director of the Water Utility Engineering Section of the Commission’s Infrastructure Division, Staff proposes the following positions:

1. Staff recommends that the Commission find that the amended stipulation is in the public interest; and
2. Approve the rates, revenue requirement, and the tariff provisions included in the stipulation.

There are numerous digital native files that accompany this pleading and which serve to support the various memoranda attached to this pleading.

III. CONCLUSION

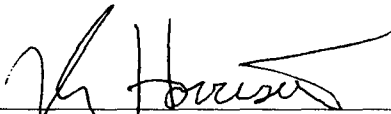
Staff respectfully requests that the Commission accept this pleading, the attached memoranda, and attached worksheets and digital native files as information intended to answer the Commission's questions raised in its July 19, 2019 order.

Dated: March 5, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

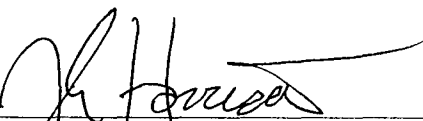


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DOCKET NO. 47161

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on March 5, 2020 in accordance with 16 TAC § 22.74.


John Harrison

Public Utility Commission of Texas

TO: John Harrison, Attorney
Legal Division

FROM: Leila Guerrero
Rate Regulation Division

DATE: March 5, 2020

SUBJECT: *Docket No. 47161: Application of Kerr County Water Systems, LLC for Authority to Change Rates*

Background

On July 7, 2017, Kerr County Water Systems, LLC (Kerr County or Applicant), which holds Certificate of Convenience and Necessity No. 13166, filed an application with the Public Utility Commission of Texas (Commission) for a water rate and tariff change with an effective date of August 6, 2017, in Kerr County, Texas. The increase affects approximately 88 connections. Kerr County filed its application under Texas Water Code (TWC) §§ 13.041, 13.042(e), 13.181 – 13.185, and 13.1871, and 16 Tex. Admin. Code §§ 24.25 – 24.33 (formerly 16 TAC §§ 24.21 – 24.26). The increase affects the Bumblebee Hills Water Systems, public water system number 1330092.

Response to Order Requesting Information and Recommendation

On July 19, 2019, the Commission issued an order requiring parties to file a response. Infrastructure Division witnesses Heidi Graham and Jolie Mathis have prepared responses to the first question included in that order. The response to the second question follows.

2. Commission Staff's memorandum in support of the settlement agreement contains rates that are different from the interim rates and those listed in the tariff attached to the settlement agreement. What are the correct agreed rates, and what is the agreed revenue requirement on which those rates are calculated? Please include documentation in native format of how the agreed rates are calculated based on the evidence in the record.

Response: Staff's memorandum in support of the settlement agreement filed on January 16, 2019 inadvertently included incorrect rates. Furthermore, the revenue requirement included in Staff's memorandum has changed as a result of the amended agreement filed in conjunction with these memos. The correct agreed rates are the interim rates as reflected in the calculations included in Attachment LG-1. The following information represents Staff's recommendation regarding the amended stipulation, revenue requirement, and rates.

Support of the Amended Stipulation

Staff respectfully requests that the Commission approve the amended stipulation, which includes an agreed net revenue requirement of \$72,942, net of other revenues of \$940. Staff Schedules I through V, which reflect the amended stipulation, are included in Attachment LG-2. Staff believes

that the agreed revenue requirement is within the range of reasonableness that would result from an evidentiary hearing. The stipulation also provides an opportunity to avoid the expense of the evidentiary hearing process. The rates resulting from this revenue requirement are provided in Attachment LG-1 and in the proposed tariff. Based on Staff’s review of the application, the responses to requests for information, and the 2017 Annual Report filed by the Applicant on June 1, 2018 in Project No. 47833, Staff recommends that the Commission find that a revenue requirement of \$72,942 is reasonable and necessary to provide water service, permits the Applicant a reasonable opportunity to earn a reasonable return on its invested capital used and useful in rendering service to the public over and above its reasonable and necessary operating expenses, and preserves the financial integrity of the Applicant in accordance with TWC §13.183.

Rate Design

Staff reviewed the proposed rate design in the application and adjusted it to reflect the agreed revenue requirement. Staff used the reported number of gallons billed, and the approximate number of customers. The agreed rates, as reflected on Attachment LG-1 and the tariff, are just and reasonable and produce the agreed revenue requirement as reflected in Attachment LG-1.

By stipulation, Kerr County and Commission Staff have resolved and settled the outstanding issues related to the rates Kerr County may charge for water services and enter into agreement on the rates below. Staff recommends that the effective date of the approved rates be established by the Commission final order in this case. Because the approved rate equals the interim rate, Staff recommends no refunds for the period beginning April 13, 2018 and ending with the effective date in the order, during which time the interim rates were charged. Kerr County and Commission Staff agree that the monthly charge for water service should be set at the rates shown below.

Water Rates for Bumblebee Hills Water Systems

Meter Size	Minimum Charge (includes 0 gallons)
5/8" or 3/4"	\$23.82
1"	\$59.55
1.5"	\$119.10
2"	\$190.56
3"	\$357.30
4"	\$595.50
Gallage Rate (per 1,000 gallons)	\$3.02

Conclusion

Based on this review, Staff recommends that the Commission:

1. Find that the amended stipulation is in the public interest; and
2. Approve the rates, revenue requirement, and the tariff provisions included in the stipulation.

Public Utility Commission of Texas

Memorandum in Support of Depreciation Schedule

TO: John Harrison, Attorney
Legal Division

FROM: Jolie Mathis, Engineering Specialist
Infrastructure Division

DATE: March 5, 2020

SUBJECT: *Docket No. 47161; Application of Kerr County Water Systems, LLC for Authority to Change Rates*

Background

On July 7, 2017, Kerr County Water Systems, LLC (Kerr County WS) Certificate of Convenience and Necessity (CCN) No. 13166, filed an application with the Public Utility Commission of Texas (Commission) for a water rate/tariff change with an effective date of August 6, 2017, in Kerr County, Texas. The increase affects approximately 88 connections. The application was filed under Texas Water Code (TWC) §§ 13.041, 13.042(e), 13.181 – 13.185, and 13.1871 and 16 Tex. Admin. Code (TAC) §§ 24.25 – 24.33, formerly 16 TAC §§ 24.21 - 24.26. The rate increase affects the Bumblebee Hills Water Systems public water system (PWS) No. 1330092.

On July 19th, 2019 the Commission issued an Order Requesting Information related to several issues. This memo will address the first issue below:

1. The settlement agreement reflects an increase in rate base from \$38,815 to \$281,975. What is the cause of the large increase in rate base? Where in the evidentiary record is there information on this issue? If the information is not in the record, please file thorough documentation of the items included in rate base that are related to this increase and explain the basis for their inclusion.

Plant in Service

The stipulation includes an adjustment to the Applicant's original cost of plant in service from \$38,815 to \$281,892. In Staff's original recommendation memo, the original cost of plant in service was \$281, 975. Upon further review, Staff found a calculation error and now recommends a total original cost of \$281,892. The original cost for the well and distribution system were derived from a trending study because the applicant did not have records available for these two assets and claimed zero original cost in the application. The trending cost study will be addressed in a memo prepared by Heidi Graham. Ms. Graham's memo indicates original cost total for the assets determined by trending for the well of \$8,088 and for the distribution system of \$234,614. These figures were added to the other requested plant in service as reflected on Schedule 1 below. Based on the revised original cost of \$281,892, Staff adjusted the accumulated depreciation requested in

the application from \$15,585 to \$200,735 reflected in Schedule 1 below. With Staff's adjustments to the original cost of plant in service and accumulated depreciation, the net plant increased from \$23,230 to \$81,157. Schedule 2 below reflects the summary of Staff changes to the original cost and accumulated depreciation requested in the application.

Schedule 1

Utility Name: Kerr County Water Systems
 Docket Number: 47161
 SOAH Docket Number: 473-18-1228.WS
 Date Referenced: 31-Dec-16

Description	Acquired Date	Claimed Economic Life, yrs	Claimed Original Cost	% Used & Useful	Ver./Est. Original Cost	Economic Life, yrs	Actual Deprec. Life	Annual Deprec.	Accum. Deprec.	Net Plant
Land	1-Jan-08	n/a		100%	0	n/a	n/a	n/a	n/a	0
Well	20-Apr-79		8088	100%	8,088	50	37.70	\$162	6,098	1,990
Pumps:										
Booster,<5HP	4-Apr-13	5	1594	100%	1,594	5	3.74	\$319	1,193	401
Booster,>5HP	18-Oct-13	10	1318	100%	1,318	10	3.20	\$132	422	896
Well,<5HP	26-Sep-11	10	10171	100%	10,171	10	5.26	\$1,017	5,355	4,816
Well,>5HP	12-Aug-10	10	4000	100%	4,000	10	6.39	\$400	2,555	1,445
Tanks:										
Storage	20-Apr-79	50	2659	100%	2,659	50	37.70	\$53	2,005	654
Storage Tanks	20-Apr-79	50	4000	100%	4,000	50	37.70	\$80	3,016	984
PWS Lock down lids	20-Apr-79	50	375	100%	375	50	37.70	\$8	283	92
Pressure Tanks	31-Dec-15	50	12414	100%	12,414	50	1.00	\$248	249	12,165
Water Pump	1-Jan-09	5	2659	100%	2,659	5	8.00	--	2,659	0
Distribution	20-Apr-79	50	234614	100%	234,614	50	37.70	\$4,692	176,900	57,714
			\$281,892		\$281,892			\$7,111	\$200,735	\$81,157

Schedule 2

ACCOUNT TITLES	COMPANY AMOUNT (a)	STAFF ADJUST (b)=(c)-(a)	STAFF AMOUNT (c)
PLANT IN SERVICE/ORIGINAL COST	\$38,815	\$243,077	\$281,892
LESS: ACCUMULATED DEPRECIATION	\$15,585	\$185,150	\$200,735
	0		0
NET PLANT	\$23,230	\$57,487	\$81,157

Public Utility Commission of Texas

Memorandum in Support of Trending Study

TO: John Harrison, Attorney
Legal Division

FROM: Heidi Graham, Director
Water Utility Engineering Section
Infrastructure Division

DATE: March 5, 2020

SUBJECT: **Docket No. 47161**; *Application of Kerr County Water Systems, LLC for Authority to Change Rates*

Background

On July 7, 2017, Kerr County Water Systems, LLC (Kerr County WS) Certificate of Convenience and Necessity (CCN) No. 13166, filed an application with the Public Utility Commission of Texas (Commission) for a water rate/tariff change with an effective date of August 6, 2017, in Kerr County, Texas. The increase affects approximately 88 connections. The application was filed under Texas Water Code (TWC) §§ 13.041, 13.042(e), 13.181 – 13.185, and 13.1871 and 16 Tex. Admin. Code (TAC) §§ 24.25 – 24.33. The rate increase affects the Bumblebee Hills Water Systems public water system (PWS) No. 1330092.

On July 19th, 2019 the Commission issued an order requesting information for two issues. This memo will address the first issue:

1. The settlement agreement reflects an increase in rate base from \$38,815 to \$281,975. What is the cause of the large increase in rate base? Where in the evidentiary record is there information on this issue? If the information is not in the record, please file thorough documentation of the items included in rate base that are related to this increase and explain the basis for their inclusion.

Plant in Service and Rate Base

16 TAC § 24.41(c)(2)(B)(i) allows plant and equipment, for which the cost has been estimated by a trending study, to be included in the cost of service, when there are no historical records for verification purposes. Staff prepared a trending study to estimate the original cost of the well and distribution system using the Handy Whitman Index, Water Utility Construction Cost Trend Tables. Kerr County WS provided the original well drillers log to establish the installation date of the well. Staff assumed that the distribution system was constructed soon after the well was completed and therefore used the same date to establish the installation date of the distribution system. Kerr County WS also provided estimates for the current cost of drilling the well and construction of the distribution system from the Vlasek Pump Company to be used as the current replacement costs in the trending study. The results of the trending study are in the table below.

The trended original cost of the well is \$8,088 and the trended original cost of the distribution system is \$234,614.

Docket 47161
 Kerr County Water Systems, LLC
 Trending Study using Handy Whitman Index
 Bumblebee Hills Subdivision

Asset Type	Date of Estimate	Current Replacement Cost	Date Installed	Staff's Install Trending Value from Handy Whitman Index	Staff's Current Date Value per Date of Replacement Cost from Handy Whitman Index	Staff's Calculation of Multiplier	Staff's Trended Original Asset Cost
Wells	2/27/2018	\$20,699	4/20/1979	177	453	0.391	\$8,088
Distribution System	2/27/2018	\$413,018	4/20/1979	192	338	0.568	\$234,614
		\$433,717					\$242,702

ATTACHMENT LG – 1
SOAH DOCKET NO. 473-18-1228.WS
PUC DOCKET NO. 47161

Rates and Revenue Reconciliation

Settled Revenue Requirement		\$72,865.70		
Settled Rates Generate		\$72,945.30		
Fixed Revenue				Variable Revenue
0.583864348				0.416135652
\$42,590.16				\$30,355.14
No. of Meters		Multiplier	Equivalents	Annual Gallons Billed
5/8"	66	1.00	66	10,051,370.00
3/4"	5	1.50	8	Annual Gallons Billed/1000
1"	11	2.50	28	10,051.37
1 1/2"	0	5.00		
2"	6	8.00	48	
3"	0	15.00		
Total	88		149	
Minimum Monthly Charge	5/8"	\$23.82	Gallons Rate/1,000 gallons	\$3.02
	3/4"	\$35.73		
	1"	\$59.55		
	1 1/2"	\$119.10		
	2"	\$190.56		
	3"	\$357.30		

Utility Name: Kerr County Water Systems
 Docket Number: 47161
 SOAH Docket Number: 473-18-1228.WS
 Date Referenced: 31-Dec-16

Contributions in Aid of
Construction:

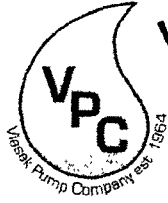
Description	Acquired Date	Claimed Economic Life, yrs	Claimed Original Cost	% Used & Useful	Ver./Est. Original Cost	Economic Life, yrs	Actual Deprec. Life	Annual Deprec.	Accum. Deprec.	Net Plant*	Developer \$	Customer \$
Land	1-Jan-08	n/a		100%	0	n/a	n/a	n/a	n/a	0		
Well	20-Apr-79		8088	100%	8,088	50	37.70	\$162	6,098	1,990		
Pumps:												
Booster,<5HP	4-Apr-13	5	1594	100%	1,594	5	3.74	\$319	1,193	401		
Booster,>5HP	18-Oct-13	10	1318	100%	1,318	10	3.20	\$132	422	896		
Well,<5HP	26-Sep-11	10	10171	100%	10,171	10	5.26	\$1,017	5,355	4,816		
Well,>5HP	12-Aug-10	10	4000	100%	4,000	10	6.39	\$400	2,555	1,445		
Tanks:												
Storage	20-Apr-79	50	2659	100%	2,659	50	37.70	\$53	2,005	654		
Storage Tanks	20-Apr-79	50	4000	100%	4,000	50	37.70	\$80	3,016	984		
PWS Lock down lids	20-Apr-79	50	375	100%	375	50	37.70	\$8	283	92		
Pressure Tanks	31-Dec-15	50	12414	100%	12,414	50	1.00	\$248	249	12,165		
Water Pump	1-Jan-09	5	2659	100%	2,659	5	8.00	--	2,659	0		
Distribution	20-Apr-79	50	234614	100%	234,614	50	37.70	\$4,692	176,900	57,714		
			\$281,892		\$281,892			\$7,111	\$200,735	\$81,157	\$0	\$0

Trended

Trended

Docket 47161
 Kerr County Water Systems, LLC
 Trending Study using Handy Whitman Index
 Bumblebee Hills Subdivision

Asset Type	Date of Estimate	Current Replacement Cost	Date Installed	Staff's Install Trending Value from Handy Whitman Index	Staff's Current Date Value per Date of Replacement Cost from Handy Whitman Index	Staff's Calculation of Multiplier	Staff's Trended Original Asset Cost
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Distribution System	2/27/2018	\$413,018	4/20/1979	192	338	0.568	\$234,614
		\$433,717					\$242,702



Vasek Pump Company

PO Box 326
Hunt, TX 78024

Date	Estimate #
2/27/2018	3860

Name / Address

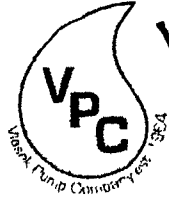
Bumble Bee Hills Water System
Greg Grennen

Estimate				Job Site	
Item	Description	Qty	Cost	Total	
	Distribution system:				
3	S40 Pipe (per foot) - 3"	22,000	3.00	66,000.00T	
3/4	S40 Pipe (per foot) - 3/4"	8,800	0.56	4,928.00T	
2	S40 Pipe (per foot) - 2"	80	1.18	94.40T	
Rocksaw	Rocksaw	22,000	10.00	220,000.00T	
3/4	Water meter - 5/8" x 3/4"	77	150.00	11,550.00T	
1	Water Meter - 1"	5	280.00	1,400.00T	
2	Water meter - 2"	6	600.00	3,600.00T	
2	Brass Ball Valve - 2"	6	119.98	719.88T	
1	Brass Ball Valve - 1"	7	29.54	206.78T	
3/4	Brass Ball Valve - 3/4"	77	27.78	2,139.06T	
MB 12	Meter Box 12"x17"	77	50.00	3,850.00T	
MB 16	Meter Box 16" X 20"	9	60.00	540.00T	
Two Man	Four Man Labor	320	225.00	72,000.00	
	This is a ball park estimate of your system with todays prices. Labor is subject to change with digging conditions it may have taken longer that 2 months- maybe 6 months.				
			Subtotal	\$387,028.12	
			Sales Tax (8.25%)	\$25,989.82	
			Total	\$413,017.94	

All Bids are subject to change after a period of 90 days
We look forward in working with you.
Have a Blessed Day!

Phone #

(830) 238-4877



Vlasek Pump Company

PO Box 326
Hunt, TX 78024

Date	Estimate #
2/27/2018	3861

Name / Address

Bumble Bee Hills Water System
Greg Grennen

Estimate				Job Site	
Item	Description	Qty	Cost	Total	
Well	Drilling Well Estimate with todays prices.				
Well	Well depth 556	556	31.00	17,236.00T	
Well	Top Hole completion Well	1	500.00	500.00T	
PERMIT	Permit -	1	1,500.00	1,500.00	
			Subtotal	\$19,236.00	
			Sales Tax (8.25%)	\$1,463.22	
			Total	\$20,699.22	

All Bids are subject to change after a period of 90 days
We look forward in working with you.
Have a Blessed Day!

Phone #

(830) 238-4877

BBills Well

original copy by
red mail to the
Department of Water Resources
Box 13087
Austin, Texas 78711

State of Texas
WATER WELL REPORT

For TDWR use only
Well No. _____
Located on map _____
Received: _____

OWNER Bill Vlasek Address P. O. Box 444, Hunt, TX 78024
(Name) (Street or RFD) (City) (State) (Zip)

LOCATION OF WELL: Kerr 6 miles in West direction from Ingram
County (N.E., S.W., etc.) (Town)

(F-M 39 West)

Driller must complete the legal description to the right
distance and direction from two intersecting sec-
tion or survey lines, or he must locate and identify the
well on an official Quarter- or Half-Scale Texas County
Geological Highway Map and attach the map to this form.

Legal description:
Section No. _____ Block No. _____ Township _____
Abstract No. _____ Survey Name _____
Distance and direction from two intersecting section or survey lines _____

X

X See attached map.

TYPE OF WORK (Check):		4) PROPOSED USE (Check):		5) DRILLING METHOD (Check):	
<input checked="" type="checkbox"/> New Well	<input type="checkbox"/> Deepening	<input checked="" type="checkbox"/> Domestic	<input type="checkbox"/> Industrial	<input type="checkbox"/> Mud Rotary	<input type="checkbox"/> Air Hammer
<input type="checkbox"/> Reconditioning	<input type="checkbox"/> Plugging	<input type="checkbox"/> Irrigation	<input type="checkbox"/> Test Well	<input checked="" type="checkbox"/> Air Rotary	<input type="checkbox"/> Cable Tool
		<input type="checkbox"/> Other _____		<input type="checkbox"/> Driven	<input type="checkbox"/> Bored
				<input type="checkbox"/> Jetted	<input type="checkbox"/> Other _____

WELL LOG:	DIAMETER OF HOLE			7) BOREHOLE COMPLETION:	
	Dis. (in.)	From (ft.)	To (ft.)	<input type="checkbox"/> Open Hole	<input checked="" type="checkbox"/> Straight Wall
Date drilled	<u>4/20/79</u>	Surface	<u>550</u>	<input type="checkbox"/> Gravel Packed	<input type="checkbox"/> Underreamed
				If Gravel Packed give interval ... from _____ ft. to _____ ft.	

From (ft.)	To (ft.)	Description and color of formation material	New or Used	Steel, Plastic, etc. Perf., Slotted, etc. Screen Mgf., if commercial	Setting (ft.)		Casing Screen
					From	To	
	30	Caliche brown limestone w/yellow clay					
	45	Brown limestone w/yellow clay					
	160	Med. grey shale					
	205	Brown limestone	7	Steel	492	above ground	40
	255	Firm med. grey shale					
	280	Med. grey shale w/grey limestone ledges					
	330	Med. grey shale w/grey limestone ledges & gyp					
	355	Med. grey shale w/limestone ledges					
	380	Grey limestone, streaks grey shale, brown limestone					
	405	Grey sandstone					

8) CASING, BLANK PIPE, AND WELL SCREEN DATA:	CEMENTING DATA
	cemented from <u>492</u> ft. to <u>surface</u> ft.
	Method used <u>Pressure</u>
	Manufactured by <u>Texas Acidizers</u> (Company or Individual)

9) WATER LEVEL:	Static level <u>300</u> ft. below land surface	Date <u>4/26/79</u>
	Artesian flow _____ gpm.	Date _____

10) PACKERS:	Type	Depth

11) TYPE PUMP:			
<input type="checkbox"/> Turbin	<input type="checkbox"/> Jet	<input type="checkbox"/> Submersible	<input type="checkbox"/> Cylinder
<input type="checkbox"/> Other _____			
Depth to pump bowls, cylinder, jet, etc., _____ ft.			

WATER QUALITY:
Did you knowingly penetrate any strata which contained undesirable water? Yes No
If yes, submit "REPORT OF UNDESIRABLE WATER" 160'
Type of water GOOD Depth of strata _____
Was a chemical analysis made? Yes No

12) WELL TESTS:				
<input type="checkbox"/> Type Test	<input type="checkbox"/> Pump	<input type="checkbox"/> Bailer	<input checked="" type="checkbox"/> Jetted	<input type="checkbox"/> Estimated
Yield: <u>200</u> gpm with _____ ft. drawdown after _____ hrs.				

I hereby certify that this well was drilled by me (or under my supervision) and that each and all of the statements herein are true to the best of my knowledge and belief.

ME Charlie A. Kuhn Water Well Drillers Registration No. 1430
(Type or Print)
DRESS P. O. Box 21, Bulverde, TX. 78163
(Street or RFD) (City) (State) (Zip)
Drilled by HILL COUNTRY WATER, INC.
(Water Well Driller) (Company Name)

Please attach electric log, chemical analysis, and other pertinent information, if available.

Bill Vlasek Well

Send original copy by certified mail to the Texas Department of Water Resources, P. O. Box 13087, Austin, Texas 78711

State of Texas
WATER WELL REPORT

For TDWR Use only:
Well No. _____
Located on map _____
Received _____

1) OWNER: **Bill Vlasek** (Name) Address: **P. O. Box 444, Hunt, TX 78024** (Street or RFD) (City) (State) (Zip)

2) LOCATION OF WELL: County **Kerr** **6** miles in **West** direction from **Ingram** (Town)

(N.E., S.W., etc.)

Driller must complete the legal description to the right with distance and direction from two intersecting section or survey lines, or he must locate and identify the well on an official Quarter- or Half-Section Texas County General Highway Map and attach the map to this form.

Legal description: Section No. _____ Block No. _____ Township _____
Abstract No. _____ Survey Name _____
Distance and direction from two intersecting section or survey lines _____

See attached map.

3) TYPE OF WORK (Check):
 New Well Deepening Reconditioning Plugging

4) PROPOSED USE (Check):
 Domestic Industrial Public Supply Irrigation Test Well Other _____

5) DRILLING METHOD (Check):
 Mud Rotary Air Hammer Driven Bored Air Rotary Cable Tool Jetted Other _____

6) WELL LOG: Date drilled **4/20/79**

DIAMETER OF HOLE		
Dis. (in.)	From (ft.)	To (ft.)
6 3/8	Surface	550

7) BOREHOLE COMPLETION:
 Open Hole Straight Wall Underreamed
 Gravel Packed Other _____
 If Gravel Packed give interval . . . from _____ ft. to _____

8) CASING, BLANK PIPE, AND WELL SCREEN DATA:

From (ft.)	To (ft.)	Description and color of formation material	New or Used (in.)	Steel, Plastic, etc. Perf., Slotted, etc. Screen Mfg., if commercial	Setting (ft.)
					From To
0	30	Caliche brown limestone w/yellow clay			
30	45	Brown limestone w/yellow clay			
45	180	Med. grey shale			
180	205	Brown limestone	7	N Steel	492 above ground
205	255	Firm med. grey shale			
255	280	Med. grey shale w/grey limestone ledges			
280	330	Med. grey shale w/grey limestone ledges & gyp			
330	355	Med. grey shale w/limestone ledges			
355	380	Grey limestone, streaks grey shale, brown limestone			
380	405	Grey sandstone			
405	430	Grey limestone, red limestone, streaks red clay			
430	485	Brown limestone, red limestone, fine red sand			
485	490	Coarse red sand			
490	550	Coarse red sand w/red limestone ledges			

CEMENTING DATA
 Cemented from **492** ft. to **surface** ft.
 Method used **Pressure**
 Cemented by **Texas Acidizers** (Company or Individual)

9) WATER LEVEL:
 Static level **300** ft. below land surface Date **4/26/79**
 Artesian flow _____ gpm. Date _____

10) PACKERS: Type _____ Depth _____

11) TYPE PUMP:
 Turbin Jet Submersible Cylinder
 Other _____
 Depth to pump bowls, cylinder, jet, etc., _____ ft.

13) WATER QUALITY:
 Did you knowingly penetrate any strata which contained undesirable _____

14) WELL TESTS: _____

(Use reverse side if necessary)

ATTACHMENT LG – 2
SOAH DOCKET NO. 473-18-1228.WS
PUC DOCKET NO. 47161

Staff Schedules I-V

SOAH DOCKET NO. 473-18-1228.WS
PUC DOCKET NO. 47161
COMPANY NAME Kerr County
TEST YEAR END 31-Dec-16

Staff Schedule I
Revenue Requirement

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Staff Adjustments To Company Request	Staff Adjusted Total
REVENUE REQUIREMENT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Operations and Maintenance	\$ 57,181	\$ -	\$ 57,181	\$ 2,239	\$ 59,420
Depreciation and Amortization Expense	\$ 5,896	\$ -	\$ 5,896	\$ 1,215	\$ 7,111
Taxes Other Than Income	\$ 5,269	\$ (5,269)	\$ -	\$ -	\$ -
Federal Income Taxes	\$ 24,690	\$ 1	\$ 24,691	\$ (23,523)	\$ 1,168
Return on Invested Capital	\$ -	\$ 3,518	\$ 3,518	\$ 2,666	\$ 6,183
TOTAL	\$ 93,036	\$ (1,750)	\$ 91,286	\$ (17,404)	\$ 73,882
Other Revenues - Taps, Recon, late fee, Etc.		\$ (940)	\$ (940)		\$ (940)
Revenue Requirement Used to Set Rates	\$ 93,036	\$ (2,690)	\$ 90,346	\$ (17,404)	\$ 72,942

SOAH DOCKET NO. 473-18-1228.WS
PUC DOCKET NO. 47161
COMPANY NAME Kerr County
TEST YEAR END 31-Dec-16

Staff Schedule II
O&M Expense

Acct. No.	ACCOUNT	Test Year	Company	Company	Staff	Staff
		Total	Adjustments To Test Year	Requested Test Year Total	Adjustments To Company Request	Adjusted Total
		(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
610	PURCHASED WATER			\$ -		\$ -
615	POWER EXPENSE-PRODUCTION ONLY	\$ 5,315.00		\$ 5,315.00	\$ 1,418.00	\$ 6,733.00
618	OTHER VOLUME RELATED EXPENSES			\$ -		\$ -
601-1	EMPLOYEE LABOR			\$ -		\$ -
620	MATERIALS	\$ 7,645.00		\$ 7,645.00		\$ 7,645.00
631-636	CONTRACT WORK	\$ 29,827.00		\$ 29,827.00	\$ 6,860.00	\$ 36,687.00
650	TRANSPORTATION EXPENSES	\$ -		\$ -		\$ -
664	OTHER PLANT MAINTENANCE			\$ -		\$ -
601-2	OFFICE SALARIES			\$ -		\$ -
601-3	MANAGEMENT SALARIES			\$ -		\$ -
604	EMPLOYEE PENSIONS & BENEFITS			\$ -		\$ -
615	PURCHASED POWER-OFFICE ONLY			\$ -		\$ -
670	BAD DEBT EXPENSE	\$ -		\$ -		\$ -
676	OFFICE SERVICES & RENTALS	\$ -		\$ -		\$ -
677	OFFICE SUPPLIES & EXPENSES	\$ 2,488.00		\$ 2,488.00		\$ 2,488.00
678	PROFESSIONAL SERVICES	\$ -		\$ -		\$ -
684	INSURANCE	\$ 8,990.00		\$ 8,990.00	\$ (6,039.00)	\$ 2,951.00
666	REGULATORY EXPENSE (RATE CASE)			\$ -		\$ -
667	REGULATORY EXPENSE (OTHER)			\$ -		\$ -
675	MISCELLANEOUS	\$ 2,916.00		\$ 2,916.00		\$ 2,916.00
TOTAL		\$ 57,181.00	\$ -	\$ 57,181.00	\$ 2,239.00	\$ 59,420.00

SOAH DOCKET NO. 473-18-1228.WS
PUC DOCKET NO. 47161
COMPANY NAME Kerr County
TEST YEAR END 31-Dec-16

Staff Schedule III
Invested Capital

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Staff Adjustments To Company Request	Staff Adjusted Total
	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
INVESTED CAPITAL					
Plant in Service	\$ 38,815	\$ -	\$ 38,815	\$ 243,077	\$ 281,892
Accumulated Depreciation	\$ (15,585)		\$ (15,585)	\$ (185,150)	\$ (200,735)
Net Plant in Service	\$ 23,230	\$ -	\$ 23,230	\$ 57,927	\$ 81,157
Working Cash Allowance	\$ 7,148		\$ 7,148	\$ 280	\$ 7,428
Materials and Supplies			\$ -		
Prepayments			\$ -		
Customer Advances Construction			\$ -		
Contribution in Aid of Construction			\$ -		
Customer Deposits			\$ -		
Regulatory Assets			\$ -		
Accumulated DFIT			\$ -		
Regulatory Liabilities			\$ -		
TOTAL INVESTED CAPITAL (RATE BASE)	\$ 30,377	\$ -	\$ 30,377	\$ 58,207	\$ 88,585
RATE OF RETURN			11.58%		6.98%
RETURN ON INVESTED CAPITAL		\$ 3,518	\$ 3,518	\$ 2,666	\$ 6,183

SOAH DOCKET NO. 473-18-1228.WS
PUC DOCKET NO. 47161
COMPANY NAME Kerr County
TEST YEAR END 31-Dec-16

Staff Schedule IIIA
Water Plant In Service
(Original Cost to Install or Construct)

WATER PLANT IN SERVICE (Original Cost to Install or Construct)		Test Year	Company	Company	Staff	Staff
Acct. No.	ACCOUNT	Total	Adjustments To Test Year	Requested Test Year Total	To Company Request	Adjusted Total
		(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
303	LAND AND LAND RIGHTS			\$ -		\$ -
307	WELLS			\$ -	\$ 8,088.00	\$ 8,088.00
	WELL PUMPS:					
311	5 HP OR LESS			\$ -	\$ 10,171.00	\$ 10,171.00
311	GREATER THAN 5 HP	\$ 10,171.00		\$ 10,171.00	\$ (10,171.00)	\$ -
311	GREATER THAN 5 HP	\$ 4,000.00		\$ 4,000.00		\$ 4,000.00
	BOOSTER PUMPS:					
311	5 HP OR LESS	\$ 1,594.00		\$ 1,594.00		\$ 1,594.00
311	GREATER THAN 5 HP	\$ 1,318.00		\$ 1,318.00		\$ 1,318.00
320	CHLORINATORS			\$ -		\$ -
	STRUCTURES:					
304	WOOD			\$ -		\$ -
304	MASONRY			\$ -		\$ -
305	STORAGE	\$ 2,659.00		\$ 2,659.00		\$ 2,659.00
305	STORAGE TANKS	\$ 4,000.00		\$ 4,000.00		\$ 4,000.00
311	PRESSURE TANKS	\$ 12,414.00		\$ 12,414.00		\$ 12,414.00
311	WATER PUMP	\$ 2,659.00		\$ 2,659.00		\$ 2,659.00
331	DISTRIBUTION SYSTEM			\$ -	\$ 234,614.00	\$ 234,614.00
334	METERS AND SERVICE			\$ -		\$ -
340	OFFICE EQUIPMENT			\$ -		\$ -
341	VEHICLES			\$ -		\$ -
343	SHOP TOOLS			\$ -		\$ -
345	HEAVY EQUIPMENT			\$ -		\$ -
348	FENCING			\$ -		\$ -
	PWS LOCKDOWN LIDS			\$ -	\$ 375.00	\$ 375.00
	TOTAL	\$ 38,815.00	\$ -	\$ 38,815.00	\$ 243,077.00	\$ 281,892.00

SOAH DOCKET NO. 473-18-1228.WS
PUC DOCKET NO. 47161
COMPANY NAME Kerr County
TEST YEAR END 31-Dec-16

Staff Schedule IIIB
Depreciation Expense

Acct. No.	ACCOUNT	Test Year	Company	Company	Staff	Staff
		Total	Adjustments To Test Year	Requested Test Year Total	Adjustments To Company Request	Adjusted Total
		(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
303	LAND AND LAND RIGHTS			\$ -		\$ -
307	WELLS			\$ -	\$ 162.00	\$ 162.00
	WELL PUMPS:					
311	5 HP OR LESS			\$ -	\$ 1,017.00	\$ 1,017.00
311	GREATER THAN 5 HP	\$ 1,017.10		\$ 1,017.10	\$ (1,017.10)	\$ -
311	GREATER THAN 5 HP	\$ 400.00		\$ 400.00		\$ 400.00
	BOOSTER PUMPS:					
311	5 HP OR LESS	\$ 318.80		\$ 318.80	\$ 0.20	\$ 319.00
311	GREATER THAN 5 HP	\$ 263.60		\$ 263.60	\$ (131.60)	\$ 132.00
320	CHLORINATORS			\$ -		\$ -
	STRUCTURES:					
304	WOOD			\$ -		\$ -
304	MASONRY			\$ -		\$ -
305	STORAGE	\$ 88.63		\$ 88.63	\$ (35.63)	\$ 53.00
305	STORAGE TANKS	\$ 80.00		\$ 80.00		\$ 80.00
311	PRESSURE TANKS	\$ 248.28		\$ 248.28	\$ -	\$ 248.28
311	WATER PUMP	\$ 531.80		\$ 531.80	\$ (531.80)	\$ -
331	DISTRIBUTION SYSTEM	\$ 2,948.11		\$ 2,948.11	\$ 1,743.89	\$ 4,692.00
334	METERS AND SERVICE			\$ -		\$ -
340	OFFICE EQUIPMENT			\$ -		\$ -
341	VEHICLES			\$ -		\$ -
343	SHOP TOOLS			\$ -		\$ -
345	HEAVY EQUIPMENT			\$ -		\$ -
348	FENCING			\$ -		\$ -
	PWS LOCKDOWN LIDS			\$ -	\$ 8.00	\$ 8.00
	TOTAL	\$ 5,896.32	\$ -	\$ 5,896.32	\$ 1,214.96	\$ 7,111.28

SOAH DOCKET NO. 473-18-1228.WS
PUC DOCKET NO. 47161
COMPANY NAME Kerr County
TEST YEAR END 31-Dec-16

Staff Schedule IV
Taxes Other Than FIT

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Staff Adjustments To Company Request	Staff Adjusted Total
TAXES OTHER THAN FIT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Non-Revenue Related					
Ad Valorem Taxes	\$ 5,269	\$ (5,269)	\$ -		\$ -
Total Property	\$ 5,269	\$ (5,269)	\$ -		\$ -
Payroll Taxes					
FICA				\$ -	\$ -
MEDICARE				\$ -	\$ -
MEDICARE-Affordable Care Act				\$ -	\$ -
FUTA				\$ -	\$ -
SUTA				\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -
LESS Capitalized				\$ -	\$ -
Total Payroll			\$ -	\$ -	\$ -
Other Taxes					
Other taxes and Licenses			\$ -		\$ -
Total Other Taxes	\$ -		\$ -	\$ -	\$ -
TOTAL TAXES OTHER THAN INCOME	\$ 5,269	\$ (5,269)	\$ -	\$ -	\$ -

SOAH DOCKET NO. 473-18-1228.WS
PUC DOCKET NO. 47161
COMPANY NAME Kerr County
TEST YEAR END 31-Dec-16

Staff Schedule V
Federal Income Taxes

	Test Year Total	Company Requested Test Year Total	Staff Adjustments To Company Request	Staff Adjusted Total
	(a)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
FEDERAL INCOME TAXES				
Return	Total	\$ 3,517.68	\$ 2,665.52	\$ 6,183.20
Less				
Interest Included in Return		\$ -		\$ 1,789.41
Plus				
Other Adjustments				
TAXABLE COMPONENT OF RETURN		\$ 3,517.68	\$ 876.12	\$ 4,393.79
TAX RATE		87.530%		21%
TAX FACTOR (1/(1-TR))*(TR)		7.019246190858E+00		0.265822785
FEDERAL INCOME TAX BEFORE ADJUSTMENTS		\$ 24,691.43	\$ (23,523.46)	\$ 1,167.97
LESS				
Adjustments		\$ -		
TOTAL FEDERAL INCOME TAXES		\$ 24,691.43	\$ (23,523.46)	\$ 1,167.97

Attachment INT-X

		Tax Rate	Taxable Wages	Staff Adjusted Total	
				(e)=(c)*(d)	
PAYROLL TAXES					
FICA	All Wages	6.20%	\$ -	\$ -	(Base limit of \$127,200)
MEDICARE	All Wages	1.45%	\$ -	\$ -	
MEDICARE-Affordable Care Act		0.00%	\$ -	\$ -	
FUTA	Wages to \$7000	0.60%		\$ -	
SUTA	Wages to \$9000	1.50%		\$ -	
TOTAL TAXES				\$ -	
LESS:	Capitalized Wages	16.29%		\$ -	
TOTAL PAYROLL				\$ -	

SOAH DOCKET NO. 473-18-1228.WS
PUC DOCKET NO. 47161
COMPANY NAME Kerr County Water Systems, LLC
TEST YEAR END 31-Dec-16

Attachment LG-1

Revenue reconciliation

Settled Revenue Requirement			\$72,942.00	
Settled Rates Generate			\$72,945.30	
Fixed Revenue			Variable Revenue	
0.583864348			0.416135652	
\$42,590.16			\$30,355.14	
No. of Meters		Multiplier	Equivalents	Annual Gallons Billed:
5/8" or 3/4"	71	1.00	66	10,051,370.00
1"	11	2.50	28	Annual Gallons Billed/1000: 10,051.37
1 1/2"	0	5.00		
2"	6	8.00	48	
3"	0	15.00		
Total		88	142	
Minimum Monthly Charge		5/8" or 3/4"	\$25.08	Gallonage Rate/1,000 gallons
		1"	\$62.71	\$3.02
		1 1/2"	\$125.41	
		2"	\$200.66	
		3"	\$376.24	