



Control Number: 47897



Item Number: 1

Addendum StartPage: 0

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47897

Randall B. Wilburn, P.E.
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December 21, 2017

Via Hand Delivery

Ms. Tammy Holguin Benter
Water Utility Regulation
Public Utility Commission of Texas
PO Box 13326
Austin, Texas 78711-3326

RECEIVED
2017 DEC 21 PM 2:16
PUBLIC UTILITY COMMISSION
FILING CLERK

Re:

Dear Tammy:

I have attached a pdf file and an Excel file for the Class B Rate/Tariff Change Application for Forest Glen Utility Company. Forest Glen is a sewer-only utility providing service off Potranco Road on the west side of San Antonio.

Please let me know if there is any additional information that you may need to facilitate the Commission's issuance of the change in rates and tariff.

Sincerely,

Randall B. Wilburn

Enclosure



PUBLIC UTILITY COMMISSION OF TEXAS

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

WATER UTILITY NAME: Forest Glen Utility Company
CCN No. 21070

ADDRESS OF UTILITY: 15720 Bandera Road, Suite 103
Street, P.O. Box and/or suite number
Helotes, Texas 78023
City and Zip Code

PHONE NUMBER: (210) 695-5490
area code

NAME OF PERSON TO CONTACT REGARDING THIS FILING:

NAME: Harry Hausman

PHONE: 210-695-5490

EMAIL ADDRESS: h.hausman@fgu.com

PUC CLASS SIZE. B C (circle one)

INCREASE (DECREASE) 267262.38 (From Sch. I-1, Line 33)
dollar amount

100% (From Sch. I-1, Line 34)
percent above (below) current revenue requirement

DESCRIBE OWNERSHIP OF COMPANY

S Corporation owned equally 1/3 by Earl Holdings LLC, Hausman Holdings, LTD and BVRT, LP

DATE OF LAST GENERAL RATE CASE FILING 08/01/12

DATE OF LAST NON-GENERAL RATE CHANGE* N/A

* (e.g. pass through rate change or temporary water rate provision)

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

*****Please read the "Class B Investor-Owned Utilities water and/or sewer Instructions for Rate/Tariff Change Application" completing these schedules.*****

These schedules are organized in a manner whereby the user can work through each section to:

- 1st Record historical test year data on Schedule I-1, Column D.
Enter your test year end on the table of contents.**
- 2nd Provide historical revenue information on Schedule 1-2.**
- 3rd Calculate operating expenses and make adjustments (Section II).**
- 4th Calculate return for rate making purposes (Section III).**
- 5th Calculate adjusted taxes other than income (Section IV).**
- 6th Calculate federal income taxes (Section V).**
- 8th Determine revenue requirements (Schedule I).**
- 9th Design proposed rates (Section VI).**

These schedules are intended to assist the utility in calculation of its new rates. The process consists of a number of relatively complex steps. Utilities are required to provide all the information necessary to support amounts included in the schedules and to cross-reference all information.

If the applicant does not use a schedule, it should be noted as "N/A", and an explanation provided.

UTILITY NAME: Forest Glen Utility Company
GENERAL WATER RATE/TARIFF CHANGE APPLICATION
SCHEDULES

**Complete all of the following schedules for your Class A or B utility
(if the schedule does not apply, include it marked "N/A")**

TABLE OF CONTENTS (Page 1 of 2)

FOR TEST YEAR ENDED: 12/31/2016
DATE SUBMITTED TO PUC: XXXXXX

	<u>Attachment Schedule</u>	<u>Items Checked</u>
SECTION I		
<u>REVENUES AND REVENUE REQUIREMENT</u>		
Revenue Requirement Summary	I-1	<input checked="" type="checkbox"/>
Historical Revenue Summary	I-2	<input checked="" type="checkbox"/>
<u>Include the appropriate schedules:</u>		
Metered Active Connections by Meter Size	I-3	<input checked="" type="checkbox"/>
Unmetered Active (Flat Rate) Customers	I-4	<input checked="" type="checkbox"/>
SECTION II		
<u>OPERATIONS AND EXPENSES</u>		
Water Production (no unmetered rates)	II-1(a)	<input checked="" type="checkbox"/>
Water Production (with unmetered rates)	II-1(b)	<input checked="" type="checkbox"/>
Other Revenues & Expenses passed through	II-3	<input checked="" type="checkbox"/>
Purchased Power	II-4	<input checked="" type="checkbox"/>
Other Volume Related Expenses	II-5	<input checked="" type="checkbox"/>
Payroll Cost Allocation	II-6	<input checked="" type="checkbox"/>
Materials	II-7	<input checked="" type="checkbox"/>
Contract Work	II-8	<input checked="" type="checkbox"/>
Transportation Expenses	II-9	<input checked="" type="checkbox"/>
Other Plant Maintenance	II-10	<input checked="" type="checkbox"/>
Employee Pensions/Benefits	II-11	<input checked="" type="checkbox"/>
Bad Debts/uncollectables	II-12	<input checked="" type="checkbox"/>
Office Services and Rentals	II-13	<input checked="" type="checkbox"/>
Office Supplies and Expense	II-14	<input checked="" type="checkbox"/>
Professional Services	II-15	<input checked="" type="checkbox"/>
Insurance	II-16	<input checked="" type="checkbox"/>
Rate Case Expense	II-17	<input checked="" type="checkbox"/>
Regulatory Commission Expense	II-18	<input checked="" type="checkbox"/>
Miscellaneous Expense	II-19	<input checked="" type="checkbox"/>

UTILITY NAME: <u>Forest Glen Utility Company</u> GENERAL WATER RATE/TARIFF CHANGE APPLICATION SCHEDULES TABLE OF CONTENTS (Page 2 of 2)

Sheet Protected, unable to check boxes	Attachment Schedule	Items Checked
SECTION III <u>RETURN AND RATE BASE</u>		
Requested Return	III-1	<input type="checkbox"/>
Rate Base	III-2	<input type="checkbox"/>
Utility Plant	III-3	<input type="checkbox"/>
Utility Plant reconciled to previous filing	III-3(a)	<input type="checkbox"/>
Developer Construction work in progress	III-4(a)	<input type="checkbox"/>
Materials and Supplies Inventory	III-4(b)	<input type="checkbox"/>
Working Cash	III-5	<input type="checkbox"/>
Notes Payable	III-6	<input type="checkbox"/>
Accumulated Depreciation	III-7	<input type="checkbox"/>
Advances for Construction	III-8(a)	<input type="checkbox"/>
Contributions in Aid of Construction	III-8(b)	<input type="checkbox"/>
Deferred Income Taxes	III-9(a)	<input type="checkbox"/>
Deferred Investment Tax Credits	III-9(b)	<input type="checkbox"/>
Deferred Assets	III-10(a)	<input type="checkbox"/>
SECTION IV <u>TAXES OTHER THAN INCOME</u>		
Property, Payroll and Other Taxes	IV(a)	<input type="checkbox"/>
Revenue Related Taxes	IV(b)	<input type="checkbox"/>
SECTION V <u>FEDERAL INCOME TAXES (FIT)</u>		
Income Taxes at Present Rates-effective rate	V	<input type="checkbox"/>
SECTION VI <u>RATE DESIGN</u>		
Rate Design Worksheet	VI	<input type="checkbox"/>

INSTRUCTIONS REV REQUIREMENT

UTILITY NAME: Forest Glen Utility Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION I - REVENUE REQUIREMENTS AND REVENUES

The purpose of Section I is to summarize the revenue requirement and provide revenues and meter information for the test year.

Instructions for Section I - Revenue Requirement and Revenues

Carefully complete the label for each workpaper. Your application docket number should be included on each page.

Schedule I-1 is a **SUMMARY**. Complete column D, historical test year information first using financial records, then work through the remainder of the sections and schedules other than the rate design, Schedule VI, to calculate the utility's changes to its historical test year in Column E. Column G provides the workpaper source for amounts in Columns E & F.

Schedule I-2 reports historical revenues collected and Schedules I-3 and I-4 report connection information. Use historical financial data and data from recent annual reports (PUC Rpt.) to complete the schedules.

Please complete Schedule II-3 prior to I-2.

Insert and reference additional workpapers as necessary. For example, you may wish to add schedules that apply to unique situations in your utility.

The schedules are based on NARUC chart of accounts and include sub-accounts as necessary for detail needed to determine reasonable and necessary expenditures.

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY PUC Docket No. _____ Test Year End: <u>12/31/2016</u>						
A	B	C	D	E	F=D+E	G
			Historical Test Year	K & M Changes	Adjusted Test Year	
Line No.	Acct. No.	Account Name				Reference/ Instructions
		Volume related expenses:				
1	610	Purchased water	-	-	-	Schedule II-3
	615	Power Expense-production only	10,704	6,327	17,031	Schedule II-4
	618	Other volume related expenses	8,413	4,459	12,872	Schedule II-5
		Total volume related exp.	19,117	10,786	29,903	Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor	-	-	-	Schedule II-6, Line 1
6	620	Materials	-	-	-	Schedule II-7
	631-636	Contract work	31,000	4,519	35,519	Schedule II-8
8	650	Transportation expenses	-	-	-	Schedule II-9
	664	Other plant maintenance	-	-	-	Schedule II-10
10		Total non-volume related exp.	31,000	4,519	35,519	Add Lines 5-9
		Admin. & general expenses:				
	601-2	Office salaries	-	-	-	Schedule II-6, line 2
	601-3	Mgmt. salaries	-	-	-	Schedule II-6, line 3
	604	Employee pensions & benefits	-	-	-	Schedule II-11
	615	Purchased power-Office only	-	-	-	Schedule II-4
	670	Bad debt expense	-	-	-	Schedule II-12
	676	Office services & rentals	-	-	-	Schedule II-13
	677	Office supplies & expenses	2,590	1,295	3,885	Schedule II-14
	678	Professional services	22,127	6,638	28,765	Schedule II-15
	684	Insurance	2,466	1,307	3,773	Schedule II-16
20	666	Regulatory (rate case) expense	-	-	-	Schedule II-17
	667	Regulatory expense (other)	1,544	818	2,362	Schedule II-18
	675	Miscellaneous expenses	-	-	-	Schedule II-19
23		Total admin. & general expense	28,727	10,058	38,785	Add Lines 11-22
24		Total operating Expenses	78,844	25,363	104,207	Lines 4 + 10 + 23
25	403	Depreciation	68,679	6,740	75,419	Sch III-3, Col E, Line 50
	408	Taxes Other than Income	-	-	-	Sch IV(b), Line 8
	409/10	Income Tax Expense	15,809	-	15,809	Schedule V, Line 7
28		TOTAL EXPENSES	163,332	32,103	195,435	
29		TOTAL HISTORIC REVENUE	-			Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN	(163,332)			Line 29 less Line 28
31		REQUESTED RETURN			71,827	Schedule III-1, Line 3
32		TOTAL REVENUE REQUIREMENT			267,262	Line 28 plus Line 31
33		INCREASE		(to notice)	267,262	and 30
34		PERCENTAGE INCREASE			100%	33
35		LESS: OTHER REVENUES			-	Line 8
36		Revenue for Rate Design		(to VI, line 1)	267,262	Line 32 minus Line 35

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE FOR TEST YEAR ENDED: <u>12/31/2016</u> I-2 HISTORICAL REVENUE SUMMARY				
Line No.	NARUC A/C	Description	Historical Test Year	
1.	461	Metered connections base rate revenue		From financial records
2.	461	Metered connection gallonage rate revenue		From financial records
3.	460	Unmetered (Flat rate) revenue	-	From financial records
4.		Total Metered & Flat Rate Revenue	-	
5.		Plus: Total Other Revenues	-	From II-3, Column B, line 7
6.		Total Historic Test Year Revenues per income statement and Annual Report*	-	Line 4 plus line 5

(to I-1, Column D, line 29)

*Provide all calculations and explanations for any differences between the applicant's annual report and this schedule.

These numbers match FGU's 2016 Tax Returns

Line 5, Other Revenues are Builder Fees paid to FGU and are included in the price of the lots sold. These fees are used to cover the shortfalls collected in Rates that result from fewer than required connected customers to cover costs and to provide for WWTP repairs and expansions. These Other Revenues are reported as taxable income. See Note on Schedule II-3 for additional details.

UTILITY NAME: Forest Glen Utility Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

I-3 METERED ACTIVE CONNECTIONS BY METER SIZE (There are no metered connections)

FOR TEST YEAR ENDED: 12/31/2016

A	B	C	D	E	F		G	H
		Number of Connections						
Line No.	Meter Size	End of Prior Year 2015	Test Year Additions (2016)	End of Test Year 2016	Average		Meter Ratios	Meter Equivalencies End of TY
		PUC report Sch. 9		(C+D)	(C + E) /2			(E x G)
1.	5/8" x 3/4"	0		0	0		1.0	0
2.	3/4"						1.5	
3.	1"						2.5	
4.	1 1/2"						5.0	
5.	2"						8.0	
6.								
7.								
8.								
9.	Total	0	0	0	0			0
10	Average	0	0	0	0			0

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
I-4 UNMETERED (FLAT RATE) ACTIVE CONNECTIONS
 FOR TEST YEAR ENDED: 12/31/2016

A	B	C	D	E	F	
		Number of Active Connections				
Line No.	Flat Rate Unit	End of Prior Year	Test Year Additions	End of Year	Average	
		PUC report Sch. 9		(C + D)	(C + E) / 2	% Increase
1.	2016	98	51	149	123.5	52%
2.	2017	149	79	228	188.5	53%
3.	2018	228	79	307	267.5	35%
4.	2019	307	59	366	336.5	19%
5.	Total	366	268	.	.	

There will be an 53% increase in the number of homes in 2017, from 149 to 228.
 Build out is expected in 2019 at 360 homes.

INSTRUCTIONS - OPERATIONS AND MAINTENANCE

UTILITY NAME: Forest Glen Utility Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION II - OPERATIONS AND MAINTENANCE

The purpose of Section II is to report expense information and allow for the known and measurable changes to operating expenses to determine the revenue requirement in Schedule I-1.

Instructions for Section II

Compile financial and source information to determine known and measurable changes to the test year expenses. Provide copies of source documents, such as increased utility bill notices, to verify the applicant's proposed known and measurable changes. Show calculations and explanations for all known and measurable changes on all schedules, where applicable. Attach extra workpapers if needed.

Working through Schedules II-4 through II-19, complete each and transfer test year amounts to column G of Schedule I-1. Depreciation expense, other taxes, FIT and return will be determined using later schedules. Wait until those schedules are complete, and then transfer the amounts to Schedule I-1.

Insert and reference additional workpapers as necessary. For example, the applicant may use additional schedules that address unique aspects of the utility.

UTILITY NAME: Forest Glen Utility Company
SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION
 FOR TEST YEAR ENDED: 12/31/2016

SCHEDULE II-1(a): WATER PRODUCTION:
(COMPANIES WITH METERED RATE CUSTOMERS)

Line No.	Water Production (1,000 Gallons)	A	B	C= A+B	D
		Test Year	K & M Changes	Adjusted Test Year	Reference
1	Total water pumped	N/A	N/A	N/A	PUC Annual Report
2	Total water purchased	N/A	N/A	N/A	PUC Annual Report
3	Total water produced	N/A	N/A	N/A	Line 1 + line 2
4	Total water sold	N/A	N/A	N/A	PUC Annual Report
5	Total accounted for non-revenue water*	N/A	N/A	N/A	
6	Total unaccounted for water	N/A	N/A	N/A	Lines 3 less 4 less 5
7	Percentage	N/A	N/A	N/A	Line 6 divided by Line 3

* Describe the tracking technique for calculating line 5 and provide the records reflecting the calculation.

Known and measurable calculations and explanations:

SCHEDULE II-1(b) WATER PRODUCTION
(COMPANIES WITH UNMETERED (FLAT) RATE CUSTOMERS)

Line No.	Description	A	B	C=A+B	D
		Test Year	K & M Change	Adjusted Test Year	Reference
1	Water Purchased (1,000 gallons)	N/A	N/A	N/A	PUC report Sch. D-1
2	Water Pumped (1,000 gallons)	N/A	N/A	N/A	PUC report Sch. D-1
3	Total production (1,000 gallons)	N/A	N/A	N/A	Lines 13 + 14

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-3 OTHER REVENUES & EXPENSES PASSED THROUGH FOR TEST YEAR ENDED: <u>12/31/2016</u>
--

II-3(a) Purchased Water or Other Pass Through Expenses

Line No.	A	B	C	D	D
	Purchased from:	Units purchased (in _____) (e.g. 1,000 gal, AC - FT)	Price Per Unit	Total Calculated Cost (B x C)	Actual Cost paid per financial records
1.	N/A	N/A	N/A	N/A	N/A
2.					
3.					
4.	Total *	N/A	N/A	N/A	N/A

* Must agree with Schedule II-1(a), Line 2, column A, or provide a reconciliation.

II-3(b) Other revenues collected from customers

Line No.	A	B	C	D
	Item passed thru or type of other revenue	Test year historical revenues collected		Test year revenues netted against COS
1.	Tap Fees*	\$ -		
2.	Late Fees			
3.	Meter Test Fees			
4.	Reconnect Fees			
5.	Purchased Water Fees			
6.	Groundwater Conservation District Fees			
7.	Other (attach detail**)	\$ -		0
8.	Total Other Revenues	\$ -		0

(to Sch. I-2, line 5)

(to Sch. I-1, line 35)

* Tap fees should be reported on Sch. III-8-CIAC, Line 1.

** If the utility provides other than residential retail service (wholesale, industrial, etc), provide a work paper with the detail of this account by NARUC sub account number.

FGU charges the Builder's \$2,950 per lot at closing as a connection fee. This is declared as income, not CIAC. The sewer lines that are contributed are declared as CIAC. These funds are used to pay for the costs of operating the WWT system that are not covered by rates until the number of customers and the rates have been established for normal operations as well as necessary plant expansion and repairs. There will be a total of 366 customers at build out. At the close of 2015 there were 96 customers. At the close of 2016 there will be approximately 168 customers. Between 70 and 90 homes are sold each year. Build out should occur by the end of 2018 or first quarter 2017 at which point the builder fee will cease and FGU will need to be operating with all costs of services recovered in monthly sewer charges.

UTILITY NAME: <u>Forest Glen Utility Company</u> II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE PURCHASED POWER FOR TEST YEAR ENDED: <u>12/31/2016</u>

This page is supplemental information. It is required to complete Schedule I-1.

References below refer to Schedule I-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
2.	615.1	Purchased Power (electric) -production

II-4(a) Volume related expenses (Electric used for production of water/sewer)

List the amount spent on purchased power (electricity) for the last two record periods and actual for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

* A large item is more than 10% of the test year account balance and more than \$1,000.

	Year	Amount
	_____	\$ _____
	2015	\$ <u>4,377.00</u>
Test Year	2016	\$ <u>10,704.00</u>
K & M Change		\$ <u>6,327.00</u> (to I-1, Column E, Line 2)
Adjusted Test year		\$ <u>17,031.00</u> (to I-1, Column F, Line 2)

Explanation and calculations of known and measurable change:

The increase in power from year 2015 to 2016 is directly attributable to increase in the number of customers (occupied homes) in the new subdivision. They same number of homes or more is expected to increase in 2017.

II-4(b) Office related expenses (Electric used for production of water/sewer)

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
14	615.2	Purchased Power (electric) Expense for office

Volume related expenses

List the amount spent on purchased power (electricity) for the last two record periods and actual for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items. If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

	Year	Amount
	N/A	\$ N/A
	_____	\$ _____
a. Test Year	2016	\$ _____
b. K & M Change		\$ _____ (to I-1, Column E, Line 14)
c. Adjusted Test year (a. + b.)		\$ _____ (to I-1, Column F, Line 14)

Explanation and calculations of known and measurable change:

There is no office electric charge

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-5 OTHER RELATED VOLUME EXPENSES
 12/31/2016
 FOR THE TEST YEAR ENDED:

This page is supplemental information. It is required to complete Schedule I-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
3.	618	Other volume related expenses

Other volume related expenses

List the amount spent on other volume related expenses for the last two record periods and actual for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

* A large item is more than 10% of the test year account balance and more than \$1,000.

	Year	Amount	
	2015	\$ 11,513	
Chlorine	2016	\$ 3,886.00	
Filters	2016	2,015.00	
Pump and Haul	2016	\$ 2,512.00	
Other	2016	\$ -	
a. Test Year	2016	\$ 8,413.00	
b. K & M Change		\$ 4,458.89	(to I-1, Column E, Line 3)
c. Adjusted Test year (a.+l		\$ 12,871.89	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

Chlorine, Filters and Pump and haul are directly related to volume. The number of customers is increasing by 53%. Hence the costs should increase by 53%.

Chlorine		
&		
Chemical		Pump
s	Filters	Haul
	195	133
	735	303
	867	173
		525

236	300	
263	188	
265	580	
234	266	
254	72	
263		
262		
312		
3886	2015	2512

UTILITY NAME <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-6 ALLOCATION OF PAYROLL EXPENSES 12/31/201 6 FOR THE ADJUSTED TEST YEAR

SOME SALARIES MUST BE CAPITALIZED IN THIS REPORT IF EMPLOYEES INSTALL PLANT IN SERVICE
II-6(a) PAYROLL COSTS:

		A	B	C	D	E	F	G	H
Line	Employee	Test Year	Capitalized	Expensed	1st	7,001 to	9,001 to	over	Total
No.	Name	Payroll	Payroll	Payroll	7000 or new limit (FUTA max)	9000 or new limit (SUTA max)	118500 or new limit (or FICA max)	118500 or new limit	Payroll
1.	N/A								
2.	N/A								
3.	N/A								
4.									
5.									
6.									
7.									
8.									
9.	Total								
10.	Percentage Capitalized	Line 9, column F divided by line 9, column E=							

II-6(b) ALLOCATION OF PAYROLL TO EXPENSE:

Line 'Total Payroll Expenses' should equal the total from 'Expensed Payroll' (Column C, Line 9) above

Line No	Acct No	Account Name	Test Yr Expense	
1.	601-1	Employee labor	0	to Schedule I-1, Line 5.
2.	601-2	Office salaries	0	to Schedule I-1, Line 11
3.	601-3	Management salaries	-	to Schedule I-1, Line 12
4.		Total Payroll Expenses	-	(should equal II-6(a), Column C, Line 9.)

*Attach a brief summary of the utility's capitalization policy and explain any changes in capitalization rates of more the 5% per year
 ** Attach an explanation and calculation for K&M salary changes from test year

There are no employees, all contract labor

UTILITY NAME: Forest Glen Utility Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-7 MATERIALSFOR THE TEST YEAR ENDED: 12/31/2016

**This page is supplemental information. It is required to complete Schedule I-1.
References below refer to Schedule I-1.**

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
6.	620	Materials

II-7(a) Materials

List the amount spent on materials for the last two record periods and for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items in the list below. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	Year	Amount
	<u>2015</u>	\$ <u>11,513.00</u>
a. Test Year	<u>2016</u>	\$ <u>24,665.00</u>
b. K & M Change		\$ _____ (to I-1, Column E, Line 6)
c. Adjusted Test year (a. + b.)		\$ <u>N/A</u> (to I-1, Column F, Line 6)

* A large item is more than 10% of the test year account balance and more than \$1,000.00

Expensed materials may not be included in rate base in materials and supplies inventories.

Explanation and calculations of known and measurable change:

II-7(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-8 CONTRACT WORK FOR THE TEST YEAR ENDED: <u>12/31/2016</u>

This page is supplemental information. It is required to complete Schedule I-1.

References below refer to Schedule I-1.

Line No.	Account No.	Account Name
7.	631, 635, 636	Contract work (non-capitalized engineering, testing, other)

II-7(a) Contract work

List the amount spent on contract work for the last two record periods and for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase.

Year	Amount
_____	\$ _____
_____	\$ _____
<u>2015</u>	<u>\$ 26,481.00</u>
a. Test Year <u>2016</u>	<u>\$ 31,000.00</u>
b. K & M Change	<u>\$ 4,519.00</u> (to I-1, Column E, Line 7)
c. Adjusted Test year (a. + b.)	<u>\$ 35,519.00</u> (to I-1, Column F, Line 7)

* A large item is more than 10% of the test year account balance more than \$1,000.

Explanation and calculations of known and measurable change:

We expect to see a 53 % increase in customers and throughput. Contract maintenance is not directly volumetric, however there is a sunstantial increase in the plant capacity and the frequency of maintenance is a function of volumetric throughput. Therefore we expect to see an increase of 31%

II-8(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: Forest Glen Utility Company SCHEDULES - CLASS B RATE/TARIFF CHANGE II-9 TRANSPORTATION FOR THE TEST YEAR ENDED 12/31/2016

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

Line No.	Account No.	Account Name
8.	650	Transportation expense

II-9(a) Transportation expense

List the type of vehicles used by the utility and allocate the percent used for business purposes. For example, is there one vehicle used solely for the utility, or is it used for non-business activities too? Is there a vehicle involved that is part of the Company's Plant in Service and thus is already depreciated?

Vehicle expenses reported using a cost per unit (say 34 cents per mile) have the depreciation factor included. A vehicle which is part of the Plant in Service should show only actual operating and maintenance expenses (oil, gas, repairs, maintenance) excluding insurance. The purpose of this supplemental page is to ensure that vehicle expense will be recorded properly and that vehicle depreciation is not listed twice or totally omitted.

Year	Amount
_____	\$ _____
_____	\$ _____
a. Test Year _____	\$ N/A _____
b. K & M Change	\$ _____ (to I-1, Column E, Line 8)
c. Adjusted Test year (a. + b.)	\$ N/A _____ (to I-1, Column F, Line 8)

Explanation and calculations of known and measurable change:

Vehicle expenses are included in the Contract Work costs.

II-9(b) Large Items*:

Description	Amount	Date in service

* A large item is more than 10% of the test year account balance and more than \$1,000.

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-10 OTHER PLANT MAINTENANCE

FOR THE TEST YEAR ENDED: 12/31/2016

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
9.	664	Other plant maintenance

II-10(a) Other plant maintenance

List the amount spent on other plant maintenance for the last two record periods and estimated for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>
	<u> </u>	\$ <u> </u>
	<u>2015</u>	\$ <u> -</u>
a. Test Year	<u>2016</u>	\$ <u> -</u>
b. K & M Change		\$ <u> -</u> (to I-1, Column E, Line 9)
c. Adjusted Test year (a. + b.)		\$ <u> -</u> (to I-1, Column F, Line 9)

* A large item is more than 10% of the test year account balance more than \$1,000.

Explanation and calculations of known and measurable change:

There is no Other Maintenance

II-10(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-11 EMPLOYEE PENSIONS AND BENEFITS
 FOR THE TEST YEAR ENDED: 12/31/2016

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

Line No.	Account No.	Account Name
13.	604	Employee pensions and benefits

Employee pensions and benefits

List the amount spent on Employee's pensions and benefits for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all items by category. For example, Pensions includes such items as ESOPs and IRAs. The "Other" column includes such items as dental, vision, life insurance, etc. Also include the number of employees covered and charged to account 674 and indicate the cost per employee. As applicable, provide information on any qualified pensions offered to employees and documentation, such as actuarial studies, discussing net pension costs as well as current funding status of the utility's projected benefit obligation. If the Test Year amount is higher than previous years, indicate the reason for the anticipated change:

List types of Pensions & Benefits:

<u>N/A</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Cost per Employee:

-

<u>N/A</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Number of Employees covered:

-

Cost per Employee:

-

List types of Pensions & Benefits:

<u>N/A</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Number of Employees covered:

0.00

Cost per Employee:

-

*(use % on Sch 11-6(a), line 10)

There are no employees. All work is by contractor.

UTILITY NAME <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-12 BAD DEBTS FOR THE TEST YEAR ENDED: <u>12/31/2016</u>

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

Line No.	Account No.	Account Name
15.	670	Bad Debts

II-12 Bad debts/Uncollectibles

List the recorded amount the company was unable to collect for the last two years, and estimate the uncollectible amount for the Test Year. If the the Test Year is higher than previous years, indicate the reason for the anticipated increase.

	Year	Amount	
	<u>2013</u>	\$ <u>N/A</u>	
	<u>2014</u>	\$ <u>N/A</u>	
a. Test Year	<u>2015</u>	\$ <u>-</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 15)
c. Adjusted Test year (a. + b.)		\$ <u>-</u>	(to I-1, Column F, Line 15)

Explanation and calculations of known and measurable change:

II-12(b) Large Items*:

Description	Amount	Date in service

* A large item is more than 10% of the test year account balance and more than \$1,000.

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-13 OFFICE SERVICES AND RENTALS

FOR THE TEST YEAR ENDED: 9/30/2016

**This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.**

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
16.	678	Office services & rentals

II-13(a) Office services and rentals

List the amount spent on office services and rentals for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>	
	<u> </u>	\$ <u> </u>	
	<u> </u>	\$ <u> </u>	
a. Test Year	<u> </u>	\$ <u> </u>	-
b. K & M Change		\$ <u> </u>	- (to I-1, Column E, Line 16)
c. Adjusted Test year (a. + b.)		\$ <u> </u>	- (to I-1, Column F, Line 16)

**Explanation and calculations of known and measurable change:
 Office rental costs are included in Professional Services, Schedule II-15**

Office rental is included in Contract Expense

*** A large item is more than 10% of the test year account balance and more than \$1,000.**

II-13(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-14 OFFICE SUPPLIES

FOR THE TEST YEAR ENDED: 12/31/2016

**This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.**

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
17.	681	Office supplies & expenses

II-14(a) Office supplies & expenses

List the amount spent on office supplies and expenses for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>	
		\$	
	<u>2015</u>	\$	<u>551.00</u>
a. Test Year	<u>2016</u>	\$	<u>2,590.00</u>
b. K & M Change		\$	<u>1,295.00</u> (to I-1, Column E, Line 17)
c. Adjusted Test year (a. + b.)		\$	<u>3,885.00</u> (to I-1, Column F, Line 17)

Explanation and calculations of known and measurable change:

The number of customers is increasing by 53%. Hence the costs should increase by 53%.

* A large item is more than 10% of the test year account balance and more than \$1,000.

II-14(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-15 PROFESSIONAL SERVICES

FOR THE TEST YEAR ENDED: 12/31/2016

**This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.**

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
18.	682	Professional services

II-15(a) Professional services

List the amount spent on professional services for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items*. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>	
		\$	
	<u>2015</u>	\$	<u>25,532.00</u>
a. Test Year	<u>2016</u>	\$	<u>22,127.00</u>
b. K & M Change		\$	<u>6,638.10</u> (to I-1, Column E, Line 18)
c. Adjusted Test year (a. + b.)		\$	<u>28,765.10</u> (to I-1, Column F, Line 18)

Explanation and calculations of known and measurable change:

Expect Professional Services costs to rise by 30 % due to scheduled plant expansion in 2017.
 Accounting, Legal and Management expenses

*** A large item is more than 10% of the test year account balance
 and more than \$1,000.**

II-15(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-16 INSURANCE
 FOR THE TEST YEAR ENDED: 12/31/2016

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

Line No.	Account No.	Account Name
19.	684	Insurance

Insurance

List the amount spent on insurance for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items*. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

Year	Amount	
	\$	
2015	\$ 2,487.00	
a. Test Year 2016	\$ 2,466.00	
b. K & M Change	\$ 1,306.98	(to I-1, Column E, Line 19)
c. Adjusted Test year (a. + b.)	\$ 3,772.98	(to I-1, Column F, Line 19)

Types of insurance:

2016 Year	\$ 2,466.00 Total amount	2016 Period Covered	General Liability Type	Arch Insurance Company Company
	\$			
Year	Total amount	Period Covered	Type	Company
	\$			
Year	Total amount	Period Covered	Type	Company
	\$			
Year	Total amount	Period Covered	Type	Company

Explanation and calculations of known and measurable change:

Insurance increase due to expected 53% increase revenues and operations.

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-17 REGULATORY EXPENSE

FOR THE TEST YEAR ENDED: 12/31/2016

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
20.	666	Regulatory (Rate Case) Expense

II-17(a) Regulatory commission expense

List the amount spent on rate case expense for the last two years and for the Test Year. Typically, the commission separates rate case expense from the revenue requirement and allows recovery through a surcharge. The known and measurable adjustment would decrease this expense to zero in this case. In any event, if the applicant does not file every year, the expense must be amortized over the time between filings and only one year's worth should be charged to customers. Record Commission filing fees or fees to consultants, attorneys, etc. in formal and informal rate cases, complaints, or other dealings with the Commission, which are not reported under Professional Services. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>	
	<u> </u>	\$ <u> </u>	
	<u> </u>	\$ <u> </u>	
a. Test Year	<u>N/A</u>	\$ <u> </u>	-
b. K & M Change		\$ <u> </u>	-
			(to I-1, Column E, Line 20 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ <u> </u>	-
			(to I-1, Column F, Line 20 - see instructions above)

Explanation and calculations of known and measurable change:

* A large item is more than 10% of the test year account balance and more than \$1,000 .

II-17(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-18 REGULATORY EXPENSE FOR THE TEST YEAR ENDED: <u>12/31/2016</u>

**This page is supplemental information. It is required to complete Schedule I-1.
References below refer to Schedule I-1.**

Line No.	Account No.	Account Name
21.	667	Regulatory commission expense

II-18(a) Regulatory commission expense

List the amount spent on regulatory commission expense for the two record periods and for the Test Year. Include TCEQ inspection fees or permit fees, and other regulatory expense. Do not include the regulatory assessment; this is a pass through expense. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	Year	Amount	
	\$	\$	
	<u>2015</u>	<u>1,468.00</u>	
a. Test Year	<u>2016</u>	<u>1,544.00</u>	
b. K & M Change	\$	<u>818.32</u>	(to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test year (a. + b.)	\$	<u>2,362.32</u>	(to I-1, Column F, Line 21 - see instructions above)

Explanation and calculations of known and measurable change:

Expect to the regulatory expenses to increase from WWTP discharge permit revisions.

* A large item is more than 10% of the test year account balance and more than \$1,000.

II-18 (b) Large Items:

Description	Amount	Date in service

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-19 MISCELLANEOUS EXPENSE
 FOR THE TEST YEAR ENDED: 12/31/2016

**This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.**

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
22.	675	Miscellaneous

II-19 (a) Miscellaneous expense

List the amount spent on general miscellaneous for the last two record periods and for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	Year	Amount
		\$ _____
	2015	\$ _____ -
a. Test Year	2016	\$ _____ -
b. K & M Change		\$ _____ - (to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ _____ - (to I-1, Column F, Line 22 - see instructions above)

Explanation and calculations of known and measurable change:
Expect miscellaneous expenses to increase due to 81% increase in # of customers.
Misc Expenses are included in Sched II-18

*** A large item is more than 10% of the test year account balance.**

II-19 (b) Large Items:

Description	Amount	Date in service

SECTION III RATE BASE INSTRUCT

UTILITY NAME: Forest Glen Utility Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION III RATE BASE INSTRUCTIONS

Section III provides working tables to allow the calculation of rate base and return on rate base.

Instructions for Section III

- 1 Complete Schedules III-3 through III-9 as they apply to your company.**
- 2 Transfer resulting year end balances (last line of each table) to Schedule III-2.**
- 3 Complete Schedule III-1**

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE III-1 REQUESTED RETURN FOR THE TEST YEAR ENDED: <u>12/31/2016</u>

RETURN ON RATE BASE:

Line No.	Description	Amount
1	Test year end rate base (from III-2, Line 16)	599,061
2	Requested ROR (Col G, Line 7 below)	11.99%
3	Return on rate base (Line 1 x Line 2)	71,827

Rate of Return:

A	B	C	D	E	F	G
Line No.	Description	Amount	Percentage	Rate	Reference	Weighted Average Rate
			Amount from previous column divided by Line 6, Column C			$G=(E \times F)$
4.	Equity (Rate base less Line 5, Column D)	599,060.70	100%	11.99%	Col E = Requested return on equity	11.99%
5	Long Term Debt and Advances from associated companies from Schedule III-6	0	-	0.00%	Col E = From Sch III-6, Column H, Line 9	0.00%
6.	Total capitalization (Rate Base Sch III-2, Line 16)	599,060.70				
7	Return on rate base Col G, Line 6 rounded to nearest 0.01%)				Line 4 + Line 5	11.99%

To Line 2 above

* ROE = Return on Equity

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-2 RATE BASE SUMMARY
 FOR THE TEST YEAR ENDED: 12/31/2016

Line No.	Description	Amount	Reference
1	Additions:		(From)
2.	Utility plant (Original Cost)	2,026,113	Schedule III-3, Line 50, Col D
3.	Construction work in progress	-	Schedule III-4, Line 5
4.	Materials and supplies	-	Schedule III-4, Line 8
5.	Working cash (capital)	8,684	Schedule III-5, Line 2
6.	Prepayments	-	Schedule III-4, line 8
7.	Other Additions	-	Add schedule
8.	TOTAL ADDITIONS (Add Lines 2 through 6)	2,034,797	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	78,942	Schedule III-3, Col F, Line 50
10.	Advances for construction	-	Schedule III-8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	1,356,794	Schedule III-8(b), Col G, Line 6
12.	Accumulated deferred income taxes	-	Schedule III-9(a), Line 3
13.	Accumulated deferred investment tax credits	-	Schedule III-9(b), Line 3
14.	Other Deductions	-	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	1,435,736	
16.	RATE BASE (Line 8, less Line 15)	599,061	

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION 0											Schedule III-3 <u>See Schedule III-3 PIS Dep Sched</u> (Provide a schedule for each PWS system) Add schedules as needed, provide a summary also		
Line No	[A]	[B]	[C]	[D.1]	[D.2]	[D]=[D.1] - [D.2]	Depreciation			[E] = [D]/[C]	[F]	[G] = [D]-[F]	
	Item	Date of Installation	Service Life (yrs) **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Time in Service			Annual (\$)	Accumulated (\$)(Reserve)	Net Book Value (\$)	
							Years in Service	Months	Days				
1	303 Land and land rights												
2	307 Wells		50										
	Well Pumps:												
3	311 5 hp or less		5										
4	311 Greater than 5 hp		10										
	Booster Pumps:												
5	311 5 hp or less		5										
6	311 Greater than 5 hp		10										
7	320 Chlorinators		10										
	Structures:												
8	304 Wood		15										
9	304 Masonry		30										
10	305 Storage Tanks		50										
11	311 Pressure Tanks		50										
12	331 Distribution System (mains and lines)		50										
13	334 Meters and Service (taps not covered by fees)		20										
14	340 Office Equipment		10										
15	341 Vehicles		5										
16	343 Shop Tools		15										
17	345 Heavy Equipment		10										
18	348 Fencing		20										
	Other: (Please list)												
19													
20													
50	Total												

Add detailed workpapers if necessary to support this Schedule.

¹Any amount paid for an item that was not incurred by the utility, such as by a customer, is deducted from the original cost. The adjusted original cost amount here, Column D-2, labeled "Adjusted Original Cost for Customer CIAC". Column D-2 will then be depreciated and the net book value will be calculated (Column G). For an item with the entire amount of its original cost paid for by customer(s), Columns D-2, E, F and G would be zero. See Schedule III-8 for developer CIAC.

See Schedule III-3 PIS Dep Sched

UTILITY NAME: Forest Glen Utility SCHEDULE 1 - CLASS B RATE TARIFF CHANGE III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION											Schedule III-3	
											(Provide a schedule for each PWS system) Add schedules as needed; provide a summary also	
Line No.	[A] Item	[B] Date of Installation	[C] Service Life (yrs) **	[D 1] Original Cost when installed \$	[D 2] Customer CIP Amount	[D] - [D 1] - [D 2] Adjusted Original Cost for Customer CIP \$	Depreciation			[F] - [D][F] Annual (\$)	[F] Accumulated (\$) (Reserve)	[G] - [D][F] Net Book Value (\$)
							Time in Service					
							Years in Service	Months	Days			
1	303 Land and land rights			80,000	-	80,000				-	-	80,000
	<u>WASTEWATER INFRASTRUCTURE</u>											
2	INFRASTRUCTURE PER HARR)	1-2-2014	50	213,735	-	213,735	2	11	29	4,275	8,550	205,185
3	INFRASTRUCTURE UNIT 2A	1-2-2014	50	96,480	-	96,480	2	11	29	1,930	3,860	92,620
4	INFRASTRUCTURE UNIT 2B	1-2-2014	50	112,017	-	112,017	2	11	29	2,240	4,481	107,536
5	INFRASTRUCTURE UNIT 3	1-2-2014	50	213,668	-	213,668	2	11	29	4,273	8,546	205,122
6	INFRASTRUCTURE UNIT 4	7-24-2015	50	484,391	-	484,391	1	5	7	9,688	4,037	480,354
7	INFRASTRUCTURE UNIT 5	7-24-2015	50	155,463	-	155,463	1	5	7	3,109	1,296	154,167
8	INFRASTRUCTURE UNIT 6	1-2-2016	50	112,748	-	112,748		11	29	2,255	940	111,808
9	<u>WASTEWATER INFRASTRUCTURE</u>			1,388,502	-	1,388,502				27,770	31,708	1,356,794
	<u>Group WASTEWATER SYSTEM EQUIP</u>											
10	WASTEWATER EQUIPMENT	1-2-2014	20	340,390	-	340,390	1	11	29	17,020	34,038	306,352
11	FG Pump	7-20-2015	5	3,861	-	3,861		5	11	772		3,839
12	FG Pump	8-4-2015	5	7,291	-	7,291		4	27	1,458	608	6,683
13	FG WASTEWATER SYSTEM	8-7-2015	5	175	-	175		4	24	35	15	160
14	FG PUMP	7-29-2015	5	426	-	426		5	2	85	36	391
15	FG GENERATOR	8-25-2015	15	11,148	-	11,148		4	6	743	248	10,900
16	FG PIPE	9-3-2015	50	349	-	349		3	27	7	2	347
17	FG TRANSFORMER	9-4-2015	25	943	-	943		3	26	38	13	930
18	FG AUTO DIALER	9-15-2015	5	1,023	-	1,023		3	15	205	51	972
19	FG PUMP	9-17-2015	5	179	-	179		3	13	36	9	170
20	FG FLOATS	11-24-2015	5	745	-	745		1	6	149	12	733
21	PG SHED FOR TOOLS	12-1-2015	30	227	-	227			30	8	1	226
22	FG GRINDERS	5-27-2015	10	2,007	-	2,007		6	3	201	117	1,890
23	FG ADDER	7-14-2015	30	120	-	120		5	17	4	2	118
24	METERS	5-26-2015	10	736	-	736		6	4	74	43	693
24	Transfer Switch	7-31-2015	15	1,666	-	1,666		10		111	65	1,601
25	Misc. Equipment	12-31-2015	10	7,285	-	7,285		9		729	425	6,860
26	Tank Meter	1-11-2016	10	1,488	-	1,488		8	20	149	87	1,401
27	Generator	2-9-2016	15	6,367	-	6,367		8	21	424	248	6,119
28	Propane Tank	2-15-2016	30	2,038	-	2,038		8	15	68	40	1,998
29	Install New 480V Elec System and Meter	4-26-2016	15	7,472	-	7,472		5	5	498	291	7,181
30	Upgrade WWTP Series 3000 MBBR	4-26-2016	25	68,485	-	68,485		5	5	2,739	1,598	66,887
31	New Pumps for Expansion	4-29-2016	5	47,892	-	47,892		5	5	9,578	5,588	42,304
32	Utility Shed	3-23-2016	30	227	-	227		6	7	8	5	222
33	Relief Valve	4-8-2016	10	1,189	-	1,189		9	23	119	70	1,119
34	Pump House Lightline	4-19-2016	10	385	-	385		5	11	39	23	362
35	Conduit Ramp	5-5-2016	15	178	-	178		4	25	12	7	171
36	Mini Storage Unit	6-14-2016	30	1,743	-	1,743		9	16	58	34	1,709
37	Chlorinator Pump	7-28-2016	20	1,052	-	1,052		2	2	53	31	1,021
38	Engine	8-22-2016	20	3,142	-	3,142		1	8	157	92	3,050
39	Lift Pump Station	8-30-2016	5	8,053	-	8,053		1	1	1,611	940	7,113
40	Pump Manifold	9-30-2016	5	7,909	-	7,909		3	1	1,582	923	6,986
41	New Pumps for Expansion	12-1-2016	10	21,420	-	21,420		1	1	2,142	1,250	20,170
42												
43												
44												
45												
46												
47												
48												
49												
	<u>WASTEWATER SYSTEM EQUIP</u>			557,611	-	557,611				40,909	47,234	510,377
	<u>Grand Total</u>			2,026,113	-	2,026,113				68,679	78,942	1,947,170

To Sch I-1
Line 27

To Sch III-2
Line 9

Note: Book Value and Depreciation for PUC is different than Value for Tax accounting. The values used herein are based on the PUC Accounting System

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS <u>B</u> RATE/TARIFF CHANGE III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE FOR TEST YEAR ENDED: <u>12/31/2016</u>
--

ORIGINAL COST DATA

A	B	C	D
Line No.	Description	Amount	Amount
1.	Beginning Gross Plant balance - (from previous rate case)	Must match previous rate case	\$ -
2.	Plant additions after previous rate case		
3.	WWTP	\$ 557,610.64	
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)		\$ 557,610.64
12.	Test year plant retirements after previous rate case:		
13.		\$ -	
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.	Total retirements (add line 13 through 20, Col C)		\$ -
22.	Ending balance (line 1 + line 11 - line 21)	Equals as III-3, Column D, line 50	\$ 557,610.64

Please provide a full explanation of any adjustments to accounts from the prior period.

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
**III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS,
 MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS**
 FOR THE TEST YEAR ENDED: 12/31/2016

*****DO NOT include construction work in progress in rate base, unless the utility meets the requirements of PUC Subst. Rule 24.31C(4).**

III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS:

A	B	C
Line No.	Description	Test Year Amount
1.	Beginning balance	-
2.	Test year costs added	-
3.	Test year construction costs completed	-
4.	Ending balance	-
5.	Average balance - test year (line 1 plus line 4, divided by 2)	-

Typically zero, to Schedule III-2, Line 3

		Materials & Supplies inventory	Prepaid Expenses
6.	Sum of 12 test year month end balances	0	0
7.	One month prior to the test year, month end balance	0	0
8.	13 Month Average balance (line 6 plus line 7, divided by 13)	0	0

To III-2, Line 4.

To III-2, Line 6.

*****DO NOT include construction work in progress in rate base, unless the utility meets the requirements of PUC Subst. Rule 24.31C(4).**

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES FOR CLASS B RATE/TARIFF CHANGE III-5 WORKING CASH ALLOWANCE CALCULATIONS FOR THE TEST YEAR ENDED: <u>12/31/2016</u>
--

1. No working cash allowance is permitted when a utility bills its customers in advance and provides service to flat rate customers only. Sewer connections count for the purposes of this schedule.
2. A utility which has all metered customers and bills monthly shall divide its annual Operating and Maintenance (O&M) expenses (excluding all taxes and depreciation) by 12 if it is a Class B utility, or by 8 if it is a Class C utility filing a Class B package to calculate working cash allowance. An example follows:

	Class B	Class C
1. Annual Expenses	\$70,000	\$70,000
2. Taxes and depreciation	(10,000)	(10,000)
3. Net Expenses (Line 1 - Line 2)	60,000	60,000
4. Working Cash (Line 3 / line 5)	\$5,000	\$7,500
5. Divisor	12	8

A	B	Water	Sewer	Water	Sewer
Line No	Description	Class B		Class C	
1	Annual O & M Expenses		\$ 104,207.29		
2	Working Cash (Line 3 / Line 5)		\$ 8,683.94		
3	Divisor	12	12	8	8

From Sch I-1, line 25

To Sch III-2, line 5

UTILITY NAME: Forest Glen Utility Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

III-6 LONG TERM DEBT/ NOTES PAYABLE – WATER AND SEWERFOR THE YEAR ENDED: 12/31/2016

List the following information concerning debt and equity of the utility and attach copies of notes payable used. Round all percentages to two (2) decimal places.
If debt from affiliated interests is allocated to the utility, provide workpapers demonstrating and justifying the allocation.

	(A) Long Term Debt Name of Bank/Lender	(B) Date of Issue	(C) Date of Maturity	(D) Original Amount of Loan	(E) Outstanding or Unpaid Balance- End of Test Year	(F) Interest Rate	(G)=Col E, Line 20 x Col F, Line 20 Weighted Average
1	Part 1 - Debt	N/A	0	0	0	0.00%	0
2							
3							
4							
5							
6							
7							
8							
9	Total				0		0

TO SCD III-1
Column G,
Line 5

List short term debt, if any:

Earl Holdings LLC \$ 32,910.00

Hausman Holdings, LTD \$ 32,910.00

Total \$ 65,820.00

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE III-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE FOR THE TEST YEAR ENDED: <u>12/31/2016</u>
--

ACCUMULATED DEPRECIATION:

Line No.	Description	Dollar Amount
1.	Ending-Prior Rate Case (Docket No. _____)	
2	Ending balance per Sch III-3, Column F, Line 50	78,942.36
	Describe accounting adjustments made between the prior rate case and the current rate case:	

Must match previous rate case.

There was no previous Rate Case. Only the initial flat rate set when the FGU CCN was created in 2012

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-8 ADVANCES FOR CONSTRUCTION AND
CONTRIBUTIONS IN AID OF CONSTRUCTION
 FOR THE TEST YEAR ENDED: 12/31/2016

III-8(a) ADVANCES FOR CONSTRUCTION:

Line No.	A Item	B Date of Installation	C Total Cost	D Amount of Advance	E Repayments made to developer	F (F)=(D)-(E) base Value Sch III-2)	G Rate (to Amount to be refunded in the future*
1.	Sewer Tap		\$ -	\$ -	\$ -	\$ -	
2.	Sewer Treatment Fees (Connection Fee)			\$ -	\$ -	\$ -	
3.							
4.							
5.							
6.	Total		\$ -	\$ -	\$ -	\$ -	\$ -

*If any advances or CIAC from developers or customers are refundable, please provide the potential date of refunding, if known

III-8(b) DEVELOPER CONTRIBUTIONS IN AID OF CONSTRUCTION*:

Line No.	A Item	B Date of Installation or Contribution	C Total Cost	D Amount of Developer Contribution	E Annual amortization	F Accumulated Amortization	G (G)=(D) - (F) Rate Base Value (to Sch III-2)
1.	Sewer Line		\$ 2,026,112.64	\$ 1,388,502.00	\$ 27,770.04	\$ 31,708.48	\$ 1,356,793.52
2.							\$ -
3.							\$ -
4.							\$ -
5.							\$ -
6.	Total	\$ -	\$ 2,026,112.64	\$ 1,388,502.00	\$ 27,770.04	\$ 31,708.48	\$ 1,356,793.52

*Customer CIAC is entered directly on III-3

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE III-9 DEFERRED INCOME TAXES AND DEFERRED INVESTMENT TAX CREDITS FOR THE TEST YEAR ENDED: <u>12/31/2016</u>
--

To the extent that new line items have been included within the calculation of ADIT since the last rate filing, provide a complete description of the underlying issues that give rise to the new category of ADIT.

III-9(a) ACCUMULATED DEFERRED INCOME TAXES:

Line No.	Description	Test Year Amount
1.	Beginning balance	N/A
2.	Test year amount	
3.	Ending balance	0

III-9(b) ACCUMULATED DEFERRED INVESTMENT TAX CREDITS:

Line No.	Description	Test Year Amount
1.	Beginning balance	N/A
2.	Test year amortization	
3.	Ending balance	

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-10 OTHER DEFERRED ASSETS
 FOR THE TEST YEAR ENDED: 12/31/2016

III-10(a) : Other Deferred Assets

Line No.	Description	Test Year Amount
1.	N/A	N/A
2.	N/A	N/A
3.	N/A	N/A

III-10(b) ACCUMULATED AMORTIZATION ON OTHER DEFERRED ASSETS

Line No.	Description	Test Year Amount	Total Accum Amort End of test year
1.	N/A	N/A	N/A
2.	N/A	N/A	N/A
3.	N/A	N/A	N/A

SECTION IV OTHER TAX INSTRUCT

UTILITY NAME: Forest Glen Utility Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section IV is used to report taxes other than income for proposed revenues.

Instructions for Section IV

Follow the instructions included with individual schedules under the heading reference.

UTILITY NAME: Forest Glen Utility Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV(a) ESTIMATE OF TAXES OTHER THAN INCOME
 FOR THE TEST YEAR ENDED: 12/31/2016

PROPERTY TAXES:

A	B	C	D	E
Line No.	Description	Amount	Amount	Reference
1	Property taxes paid in in test year		0	per property tax bills
2	Utility plant added in test year	557,611		Schedule III-3(a), Line 11
3	Utility plant retirements in test year	-		Schedule III-3(a), Line 21
4	Net additions	557,611		Line 2 minus line 3
5	Net Property tax rate	0.562%		Line 1 / beginning of test year gross plant balance from III-3 (a), Col. D, Line 1
6	Test year property tax on additions		3133.771797	Line 4 times Line 5
7	Adjusted Test year property tax expense		3,134	Line 1 + Line 6
8	Known and measurable change	3,134	3,134	Line 7 minus Line 1

PAYROLL TAXES (BASED ON ADJUSTED TEST YEAR NUMBERS):

A	B	C	D	E	F	G
Line No.	Tax Type	Wage Level	Tax Rate	Taxable Wages	Reference	Tax
					SCHEDULE II-6	(D x E)
9	FICA	wages to _____	%		Column D+E+F Line 9	
10	Medicare	wages to _____	%		Column H Line 9	
11	Added Medicare (Affordable Care Act)	wages to _____	%			
12	Federal unemployment	wages to _____	%		Column D Line 9	
13	State unemployment	wages to _____	%		Column D+E Line 9	
14	Total (add Lines 11 through 14)					
15	Less: Capitalized	Use % on Sch II-6(a), line 10	%			
16	Test year Payroll Tax Expense	Line 13 less 14				
17	Known and measurable change				(Line 13 minus Line 14)	

OTHER TAXES:

A	I	J	K	L
Line No.	Description	Test year	K & M change	Adjusted Test Year
18	Other taxes & licenses			
19				-
20				
21	Total Other Taxes (Line 18 + Line 19 + Line 20)			-
22	Total this page - taxes other than income (Line 7) + (Col G, Line 16) + (Col L, Line 21)			
23	Sch IV(a), Total known and measurable change (Line 8 plus line 17, Column G plus line 21, Column K)			

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE IV(b) REVENUE RELATED TAXES AND EXPENSES FOR THE TEST YEAR ENDED: <u>12/31/2016</u>						
A		B	C	D	E	F=B+C+D+E
Line		Texas Margins Tax	City Franchise Taxes	Bad Debt Expense	Other Revenue Related	Totals
1	Test year expense	-	-	-	-	-
2	Test year effective rate (test year tax expense/historic test year revenues-Sch I-1)	#DIV/0!				#DIV/0!
3	Gross up factor (1.0 divided by (1.0 minus Line (example below)					#DIV/0!
4	Change in revenue requirement (Sch I-1, line 33)					267,262
5	Adjusted revenue requirement (Line 3 x Line 4)					#DIV/0!
6	Adjusted expense (Line 3 times Line 4)					#DIV/0!

SECTION V FEDERAL INCOME TAX

SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section V calculated federal income tax at present rates.

Instructions for Section V

Complete SCHEDULE V per instructions found in the reference column.

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE FOR THE TEST YEAR ENDED: <u>12/31/2016</u>

A	B	C	D
Line		Amount	Reference
1	Requested Return	\$ 71,827.38	Schedule III-1, Line 3 or II-1, line 34
2	Less: Synchronized Interest	\$ -	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return	\$ 71,827.38	Line 1 minus Line 2
4	Income taxes at proposed rates	\$ 12,956.84	Line 17 below
5	Effective tax rate	18.04%	Line 4 divided by Line 3
6	Total gross up factor	122%	1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax	\$ 15,808.74	Line 4 times line 6

To Sch I-1, Line 27

FEDERAL INCOME TAX CALCULATION:

Line No.	Tax Rate	Taxable Income	Tax Rate	Tax
		(Portion of Taxable Income in Level)		(C x D)
12	1st 50,000 of taxable income	50,000	15%	
13	Next 25,000 of taxable income	25,000	25%	
14	Next 25,000 of taxable income	25,000	34%	
15	Next 235,000 of taxable income	235,000	39%	
16	Over 335,000 of taxable income		34%	
17	Total before gross up		To Line 4	

UTILITY NAME: <u>Forest Glen Utility Company</u> VI RATE DESIGN INSTRUCTIONS SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section VI is used for rate design.

Instructions for Section VI:

Sheet VI-1 designs rates based on the requested revenue requirement. Complete the schedule using the referenced lines from other schedules. The schedule is for a simple base (customer charge) rate and one gallonage rate per each 1,000 gallons. If a different rate structure is requested, all calculations supporting the proposed rates must be included. Rates and resulting revenues for each class of customer and each rate tier included in the proposed tariff must be specified. If a different fixed/variable expense split is proposed, attached explanations of why the split is appropriate, and include any calculations not included on Schedule VI.

UTILITY NAME: <u>Forest Glen Utility Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE Schedule VI-1 RATE DESIGN FOR THE TEST YEAR ENDED: <u>12/31/2016</u>					
Line No.	A	B	C		
		Reference			
	DETERMINATION OF FIXED COSTS				
1.	Gross revenues to be recovered:	Sch I-1, Line 36			267,262
	Less variable costs:				
2.	Purchased water - Account 610	Sch I-1, Col. F, line 1			-
3.	Purchased power - Account 615	Sch I-1, Col. F, line 2			17,031
4.	Other volume related - Account 618	Sch I-1, Col. F, line 3			12,872
5.	Other volume related or allocated (attach schedule)				
6.					
7.					
8.					
9.					
10.	FIXED COSTS (Line 1 minus Lines 2-9)				237,359
11.	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE				100.00%
12.	TO BE RECOVERED THROUGH BASE SERVICE CHARGE				
	RECAP:				
13.	RECOVERED THROUGH BASE SERVICE CHARGE	Line 10			237,359
14.	RECOVERED THROUGH VOLUMETRIC RATE	Line 1 - Line 10			29,903
	TOTAL	Equals Line 1			267,262
	TO BE RECOVERED THROUGH BASE SERVICE CHARGE				
15.	TOTAL METER EQUIVALENTS	Sch I-4, Col FH, line 5			228
16.	CHARGE PER 5/8" X 3/4" METER	Line 13 / Line 15			1,041.05
	TO BE RECOVERED THROUGH VOLUMETRIC RATE				
17.	TOTAL SEWER SALES IN 1,000 GALS	Sch II-1(a), Col C, line 4			6,311
18.	VOLUMETRIC RATE (CHARGE PER 1,000 GALS)	Line 14 / Line 17			\$ 4.7383
	PROPOSED RATES:				
19.	FOR ALL SEWER RECEIVED PER 1,000 gallons	Line 18 or attach calc			\$ 4.74
	BASE SERVICE CHARGE (PER CONNECTION)				1,041.05
	Meter size	Line 16	Equivalency	Base Rate/size	
20.	5/8 X 3/4"	1,041.05	X 1.0 =	1,041.05	1,041.05
21.	3/4"		X 1.5 =		
22.	1"		X 2.5 =		
23.	1 1/2"		X 5.0 =		
24.	2"		X 8.0 =		
25.	3"		X 15.0 =		
26.	4"		X 25.0 =		

If the utility is setting a tiered rate, calculations for all tiers must be provided with total collections for all tiers compared to the revenue requirement requested.

With 168 customers the monthly sewer bill would be \$123. This is not affordable or competitive. At build out, there will be 366 customers and the Base Service Charge will be \$56.37 per month. FGU is requesting to postpone \$125,000 in recovered rates for 2017 and place that amount into a balancing account earning interest at 7%. It is FGU's intent to recover the \$125,000 plus interest beginning in 2020 over a five year period through a surcharge.

FGU is proposing a flat fixed rate per month. This will reduce accounting and management costs. The amount of variable costs is less than 15% of the total costs and the impact on customers will be diminimus.

FGU is proposing a flat fixed rate per month. This will reduce accounting and management costs. The amount of variable costs is less than 15% of the total costs and the impact on customers will be diminishes.

	Year	2017	2018	2019	2020	
10.93	Revenue Fixed	\$ 131,040	\$ 188,760	\$ 246,480	\$ 285,480	
	Postponed Shortfall	136,222	78,502	20,782	(18,218)	217,290
55.73	# Cust	168	242	316	366	
	Monthly Bill	65.00	65.00	65.00	65.00	
	Annual	131,040	188,760	246,480	285,480	
	\$	24.55				
		86.75				
	Monthly					

TREATMENT INFORMATION - SEWER

Table VIII.

Total number of gallons treated (total master reading for the year)	[A]	6,310,850	gallons
Total number of gallons treated by another source for sale to customers (if any)	[B]	0	gallons
Total number of gallons treated [C] = [A] + [B]	[C]	6,310,850	gallons
Source of Purchased Treatment		[1]	

X.A, Line [B]

EOY	Avg # Customers	GPD per EDU	Total GPD	GPY
2015	98	140	13,720	5,007,800
2016	123.5	140	17,290	6,310,850
2017	188.5	140	26,390	9,632,350
2018	267.5	140	37,450	13,669,250

Check

-->	127	140	17,780	6,489,700
				540,808
				18,027
				11,266.84

Total Est Monthly Gallonage based on GPD
4,200

Table VIII.

reated (total master reading for the year)	[A]	6,310,850	gallons
ther source for sale to customers (if any)	[B]	0	gallons
l number of gallons treated [C] = [A] + [B]	[C]	6,310,850	gallons

Source of Purchased Treatment		[1]	
-------------------------------	--	-----	--

ole IX.A., Line [B] and Table X.A, Line [B]

1. Balance Sheet

Name of Utility: Forest Glen Utility Company

Line #		End of Year 12/31/2016	End of Prior Year 12/31/2015
	<u>ASSETS</u>		
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service	\$ 1,987,931	\$ 1,724,777
2	TOTAL UTILITY PLANT	\$ 1,987,931	\$ 1,724,777
3	108 Less: Accumulated Amortization		
4	110 Less: Accumulated Depreciation	\$ (364,830)	\$ (65,446)
5	NET UTILITY PLANT	\$ 1,623,101	\$ 1,659,330
6	<u>CURRENT ASSETS</u>		
7	131-135 Cash	\$ 67,326	\$ 32,697
8	141-143 Accounts Receivable	\$ -	\$ 2,099
9	151 Plant Materials and Supplies (not previously expensed)	\$ -	\$ -
10	171-174 Other Current Assets	\$ -	\$ -
11	TOTAL CURRENT ASSETS	\$ 67,326	\$ 34,795
12	<u>TOTAL ASSETS*</u>	\$ 1,690,427	\$ 1,694,126
	<u>LIABILITIES & EQUITY</u>		
	<u>EQUITY</u>		
13	201 Common Stock	\$ 500	\$ 500
14	211 Other paid in capital	\$ 866,295	\$ 371,076
15	215 Retained Earnings	\$ (227,969)	\$ 10,970
16	218 Proprietary Capital	\$ -	\$ -
17	TOTAL STOCKHOLDERS' EQUITY	\$ 638,826	\$ 382,546
	<u>LONG-TERM DEBT</u>		
18	224 Long-term debt (more than 1 year)		\$ -
	<u>CURRENT LIABILITIES (less than 1 year)</u>		
19	231 Accounts Payable	\$ -	\$ 662
20	232 Notes Payable	\$ -	\$ 65,933
21	241.0 Other Current Liabilities		\$ -
	TOTAL CURRENT LIABILITIES	\$ -	\$ 66,595
	<u>OTHER LIABILITIES and DEFERRED CREDITS</u>		
22	253 Other Deferred Credits	\$ -	\$ -
23	271-272 Net Contributions in Aid of Constructio	\$ 1,296,728	\$ 1,244,985
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS	\$ 1,296,728	\$ 1,244,985
25	<u>TOTAL LIABILITIES & EQUITY*</u>	\$ 1,935,554	\$ 1,694,126

Add NARUC accounts as needed, and if not shown above.

*Total assets (Line 12) must equal liabilities plus equity (Line 25).

2. Statements of Income

Name of Utility: Forest Glen Utility Company

Line #	Report Calendar Year	2016	Water	Sewer	Total
			Report Year	Report Year	Report Year
			none	2016	2016
			A	B	C=A+B
1	<u>Total Revenue:</u>		none	\$ 261,371	\$ 261,371
	<u>Operating Expenses:</u>				
2	601 O & M Salaried Labor	none			
3	604 Employee Benefits	none			
4	631, 635, 636 O & M Contract labor	none	\$ 31,000	\$ 31,000	
5	620 Operating/Maint Supplies	none	\$ 33,078	\$ 33,069	
6	610 Purchased Water	none			
7	615 Purchased Power	none	\$ 10,704	\$ 10,704	
8	635 Testing Expense	none	\$ 12,008	\$ 12,008	
9	618 Chemicals	none			
10	656-659 Insurance	none	\$ 2,466	\$ 2,467	
11	601 General Office Salaries	none			
12	675 General Office Expenses	none	\$ 2,590	\$ 2,579	
13	632 Contract Accounting	none	\$ 6,748	\$ 6,748	
14	633 Legal	none	\$ 8,403	\$ 8,403	
15	634 Management	none	\$ 6,976	\$ 6,977	
16	666 Amortization- Rate Case Expense	none			
17	403 Depreciation Expense	none	\$ 168,804	\$ 168,804	
18	667-675 Other Misc. Expenses	none	\$ 1,544	\$ 1,545	
	<u>Taxes:</u>				
19	409 Federal Income Taxes	none			
20	409.0 State Franchise Taxes/Reg Assess.	none	\$ 1,109	\$ 1,110	
21	408 All Other Taxes	none	\$ 12	\$ 12	
22	<u>Total Expenses</u>	none	\$ 285,442	\$ 285,426	
23	<u>Net Operating Income</u>	none	\$ (24,071)	\$ (24,055)	
24	421, 433 Non-Operating Income	none			
	<u>Non-Operating Deductions:</u>				
25	426 Other	none			
26	427 Interest	none	\$ 2,879	\$ 2,879	
27	Net Income	none	\$ (26,950)	\$ (26,934)	

2. Statements of Income

Name of Utility: Forest Glen Utility Company

Line #	Report Calendar Year	2016	Water	Sewer	Total
			Report Year	Report Year	Report Year
			none	2015	2015
			A	B	C=A+B
1	Total Revenue:		none	\$ 194,144	\$ 194,144
	Operating Expenses:				
2	601 O & M Salaried Labor		none		
3	604 Employee Benefits		none		
4	631, 635, 636 O & M Contract labor		none	\$ 26,481	\$ 26,481
5	620 Operating/Maint Supplies		none	\$ 11,513	\$ 11,513
6	610 Purchased Water		none		\$ -
7	615 Purchased Power		none	\$ 4,377	\$ 4,377
8	635 Testing Expense		none	\$ 6,078	\$ 6,078
9	618 Chemicals		none		\$ -
10	656-659 Insurance		none	\$ 2,487	\$ 2,487
11	601 General Office Salaries		none		\$ -
12	675 General Office Expenses		none	\$ 551	\$ 551
13	632 Contract Accounting		none	\$ 5,041	\$ 5,041
14	633 Legal		none	\$ 9,902	\$ 9,902
15	634 Management		none	\$ 10,589	\$ 10,589
16	666 Amortization- Rate Case Expense		none		\$ -
17	403 Depreciation Expense		none	\$ 17,823	\$ 17,823
18	667-675 Other Misc. Expenses		none	\$ 1,468	\$ 1,468
	Taxes:				\$ -
19	409 Federal Income Taxes		none		\$ -
20	409.0 State Franchise Taxes/Reg Assess.		none	\$ -	\$ -
21	408 All Other Taxes		none	\$ -	\$ -
22	Total Expenses		none	\$ 96,310	\$ 96,310
23	Net Operating Income		none	\$ 97,834	\$ 97,834
24	421, 433 Non-Operating Income		none		
	Non-Operating Deductions:				
25	426 Other		none		
26	427 Interest		none	\$ -	\$ -
27	Net Income		none	\$ 97,834	\$ 97,834

Questions

SCHEDULE I-1 REV REQUIREMENT	Line 25	Depreciation	Why grab "Sch III-3, Col E, Line 50" This column = the full year Depreciation , instead of a prorated year Depreciation (as you would on your Mgt Books)
			<div><div>Full Year annual Depreciation</div><div>Full Year prorated Depreciation</div><div>Depreciation Delta</div></div>
			<div><div>#REF!</div><div>#REF!</div></div>

Items In Order

FGU Plant Additions 2016

april	pressure relief valves	\$2,000
april	value for storage tanks	\$800
april	carosco	\$550
april	Electric to 480 pumps.meterloop/ well pump	\$2,250
april	well easements	\$1,000
april	remove sewer to do conversion	\$17,500
april	Mis items we need to improve plant	\$12,000
april	pay off upgrade reuse system	\$21,861
april	switching old well to 480	\$845
april	new meter	\$1,991
april	pay off conversion payable	\$49,835
June	final payment of well	\$57,000
June	fencing new well n propane	\$800
December	new reuse pumps/plus elec unit 7 to 10	\$50,000

Additions for remainder of 2016

\$218,432