

Control Number: 47936



Item Number: 1

Addendum StartPage: 0

47936 1



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

2018 JAN 9 PM 7:16
PUBLIC UTILITY COMMISSION
FILING CLERK

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

Docket Number: _____

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

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

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

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

Table of Contents

Purpose of Application	2
1. Applicant Information.....	2
2. Location Information.....	3
3. Map Requirements.....	5
4. New System Information or Utilities Requesting a CCN for the First Time	5
5. Existing System Information	6
6. Financial Information	9
7. Notice Requirements.....	10
OATH.....	12
Notice for Publication.....	13
Notice to Neighboring Systems, Landowners and Cities	15
Notice to Customers of IOUs in Proposed Area	17

Historical Balance Sheets	19
Historical Income Statement.....	20
Historical Expenses Statement.....	21
Projected Balance Sheets	22
Projected Income Statement	23
Projected Expenses Statement.....	24
Projected Sources And Uses Of Cash Statements	25

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

Purpose of Application		
<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Water CCN# (s) <u>12887</u>	
<input type="checkbox"/> Amend	<input type="checkbox"/> Sewer CCN#(s) _____	

1. Applicant Information

Applicant	
Utility name: MSEC Enterprises, Inc.	
Certificate number: 12887	
Street address (City/ST/ZIP/Code): 7625 Highway 6, Navasota, TX 77868	
Mailing address(City/ST/ZIP/Code): P.O. Box 970, Navasota, TX 77868	
Utility Phone Number and Fax: (936) 825-5100	
Contact information	
Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.	
Name: Georgia N. Crump	Title: Attorney
Mailing address: 816 Congress Ave., Suite 1900, Austin, TX 78701	
Email: gcrump@lglawfirm.com	Phone and Fax: (512) 322-5832
List all counties in which service is proposed: Montgomery County, Texas	

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

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

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

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

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

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

2. Location Information

- A. Are there people already living in the proposed area? Yes No
If YES, are any currently receiving utility service? Yes No
If YES, from WHOM? Applicant is providing service within 1/4 mile of its existing CCN area, pursuant to TWC § 13.243 to one customer. Other residents and properties are served by private wells.

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

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

Yes No

If YES, provide the following: **See Attachment 2.B.**

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

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

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

Yes No

If YES, within the corporate limits of: _____

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

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

Yes No

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

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

Single. Area is currently not certificated to any provider, therefore, decertification is not being requested.

3. Map Requirements

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

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

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

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

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

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

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

i. If yes, please provide documentation of the denial of service and go to c.
 ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.

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

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

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

F. Date construction is scheduled to commence: _____

G. Date service is scheduled to commence: _____

5. Existing System Information

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

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

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

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

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

W Q 1 5 3 4 1 - 0 0 1

W Q -

W Q -

W Q -

W Q -

- iii. Date of last TCEQ water and/or sewer system inspection(s): 7/27/2016
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s). **See Attachment 5.A.iv.**
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates. **No violations found as to any Water facility.**

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

Name	Classes	License Number

- Attach additional sheet(s) if necessary -

- C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?
 - Yes
 - No

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

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

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	4,231	0	Residential	0	0
1" meter or larger	826	3	Commercial	7	0
Non-Metered	0	0	Industrial	0	0

TCEQ Water System			TCEQ Sewer System		
Other:			Other:	0	0
Total Water	5,057	3	Total Sewer	7	0

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

Sewer service is provided by on-site septic systems.

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

N/A

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

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

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

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

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

ii. Yes, Water

Purchased on a Regular Seasonal Emergency basis?

Water Source	% of Total Treatment
	0.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. Yes, Sewer treatment capacity

Purchased on a Regular Seasonal Emergency basis?

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

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

I. Ability to Provide Adequate Service. **See Attachment 5.1.**

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

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

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

There is no effect on the land, other than to enhance its use.

6. Financial Information

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

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

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

B. For existing water and/or sewer systems:

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

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

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

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

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

7. Notice Requirements

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

iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.

H. Notice to Customers:

Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.

I. The commission may require the applicant to deliver notice to other affected persons or agencies.

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


OATH

STATE OF TEXAS
COUNTY OF MONTGOMERY

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

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

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

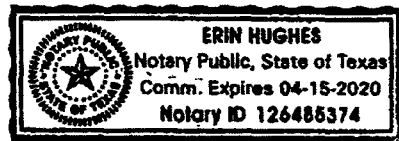

AFFIANT

(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, This day 9th of January 20 18

SEAL




NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Erin Hughes
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 4-15-2020

Notice for Publication

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

Montgomery COUNTY(IES), TEXAS

Name of Applicant MSEC Enterprises, Inc. has filed an application for a CCN to obtain or amend CCN No. (s) 12887 ~~and to decertify a portion(s) of~~ _____ with the _____
(Name of Decertified Utility)

Public Utility commission of Texas to provide Water
(specify 1) water or 2) sewer or 3) water & sewer)

utility service in Montgomery County
_____ (ies).

The proposed utility service area is located approximately 7 miles West
[direction] of downtown Conroe, Texas, [City or Town] Texas, and is generally bounded on the north by Lake Forest Falls Subdivision; on the east by Old Tx. Hwy 105; on the south by FM 2854; and on the west by McCaleb Road.

The total area being requested includes approximately 79 acres and 1 current customers.

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

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

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

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

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

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

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

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

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

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

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

Notice to Neighboring Systems, Landowners and Cities

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

Montgomery COUNTY(IES), TEXAS

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

(Address)

City State Zip

Name of Applicant MSEC Enterprises, Inc. has filed an application for a CCN to obtain or amend CCN No. (s) 12887 ~~and to decertify a portion(s) of~~ _____ with the
(Name of Decertified Utility)

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

The proposed utility service area is located approximately 7 miles West
[direction] of downtown Conroe, Texas , [City or Town] Texas, and is generally bounded on the north by Lake Forest Falls Subdivision ; on the east by Old Tx. Hwy 105 ; on the south by FM 2854 ; and on the west by McCaleb Road.

See enclosed map of the proposed service area.

The total area being requested includes approximately 79 acres and 1 current customers.

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

Persons who wish to intervene or comment should write the:

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

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

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

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

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

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

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

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

Notice to Customers of IOUs in Proposed Area

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO
 PROVIDE WATER/SEWER UTILITY SERVICE IN
Montgomery COUNTY(IES), TEXAS

Dear Customer: _____ Date Notice Mailed _____ 20 _____

Name of Applicant MSEC Enterprises, Inc. has filed an application for a
 CCN to obtain or amend CCN No. (s) 12887 ~~and to~~
~~decertify a portion(s) of~~ _____ with the

 (Name of Decertified Utility)

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

The proposed utility service area is located approximately 7 miles west
 [direction] of downtown Conroe ,[City or Town] Texas.

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

The current utility rates which were first effective on September 1 20 17

Monthly Flat Rate of \$ _____ Per connection

-OR-

Monthly Base Rate Including per 0 gallons
 connection for:

<u>3/4" and 5/8" meter</u>	<u>\$ 33.00</u>
<u>1" meter</u>	<u>\$ 56.00</u>
<u>1 1/2" meter</u>	<u>\$ 200.00</u>
<u>2" meter</u>	<u>\$ 320.00</u>

Other \$ 3" meter \$375.00

Gallonage charge of \$ 3.25 Per 1,000
 Gallons above minimum (same for all meters sizes)

Miscellaneous Fees

Regulatory Assessment

Tap Fee (Average Actual Cost)

Reconnecting fee:

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

Late fee

Returned Check charge

Customer Deposit (\$50.00 max)

Meter test fee

(Actual Cost not Exceed \$25.00)

Other Fees

	1%
Tap Fee (Average Actual Cost)	\$ 1,200.00
Reconnecting fee:	\$
- Non Payment (\$25.00 max)	\$ 25.00
- Transfer	\$ 25.00
- Customer's request	\$ 25.00
Late fee	\$5.00 or 10%
Returned Check charge	\$ 25.00
Customer Deposit (\$50.00 max)	\$ 50.00
Meter test fee	\$ 25.00
Other Fees	\$ 3.05

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

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

Persons who wish to intervene or comment should write the:

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

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

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

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

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

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

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

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

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

ATTACHMENT 1.B.

MSEC Enterprises, Inc.'s Application to Amend Water CCN 12887

Response to Question 1.B.

- i. Certificate Account Status – See Attachment 1.B.i.
- ii. Charter Number – 79558
- iii. Stockholders and Shares – Mid-South Electric Cooperative Association, a member-owned electric cooperative corporation, owns 100% of all outstanding shares of Applicant MSEC Enterprises, Inc.
- iv. Organizational Chart – See Attachment 1.B.iv.
- v. List of Directors and Titles of each:
 - 1. Paul Malek, Chairman of the Board
 - 2. Russell Watson
 - 3. Jack Shepherd
 - 4. Dennis McWhorter
 - 5. Robert D. “Danny” Pierce
 - 6. Gary Baker
 - 7. Steve Driver

List of Officers

 - 1. Paul Malek, Chairman of the Board
 - 2. Kerry Kelton, President and Chief Executive Officer
 - 3. Troy Morris, First Vice-President
 - 4. Mike McDougald, Second Vice-President
 - 5. Erin Hughes, Secretary
- vi. Affiliated Organizations:
 - a. MSEC Services, Inc., a wholly owned subsidiary of Applicant, not an active entity
 - b. Mid-South Electric Cooperative Association, parent of Applicant, providing electric service to Applicant



Franchise Tax Account Status

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

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

MSEC ENTERPRISES, INC.

Texas Taxpayer Number 32000001266

Mailing Address PO BOX 970 NAVASOTA, TX 77868-0970

**Right to Transact Business in
Texas** ACTIVE

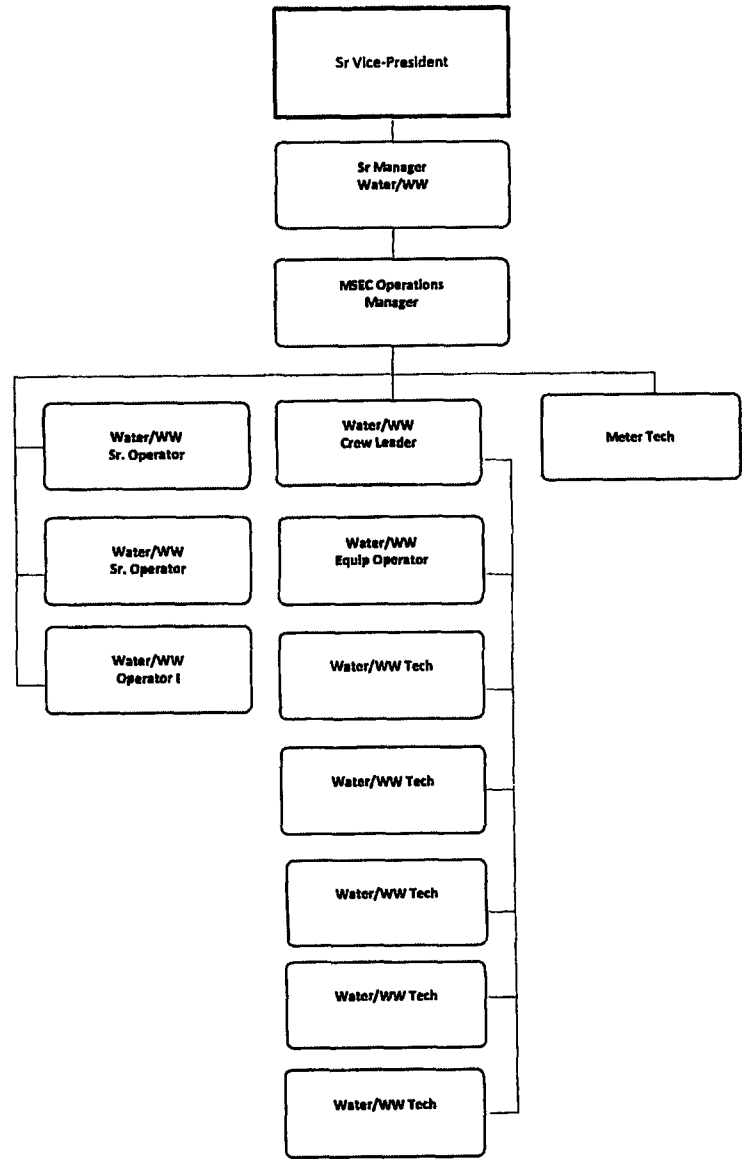
State of Formation TX

Effective SOS Registration Date 07/10/1997

Texas SOS File Number 0145205000

Registered Agent Name KERRY KELTON

Registered Office Street Address 7625 HIGHWAY 6 NAVASOTA, TX 77868



ATTACHMENT 2.B.

MSEC Enterprises, Inc.'s Application to Amend Water CCN 12887

Response to Question 2.B.

The requested service area is within ¼ mile of MSEC's current CCN area. It is a narrow strip of land along FM 2854 in Montgomery County, just east of the intersection of FM 2854 with McCaleb Road. Within the proposed area, MSEC is currently serving the Genesis Senior Care facility, 14290 FM 2854.

The Genesis Senior Care facility currently has 15 beds, and has requested additional service to a planned expansion. **See Attachment 2.B.iv.**

Montgomery County Emergency Service District (E.S.D.) #3 has requested that its Fire Station #32 located at 13959 F.M. 2854, be included within MSEC's CCN area, in order to enhance its capabilities as a fire department, to obtain better quality of drinking water, and to bring fire protection services to the area. **See Attachment 2.B.iv.** The fire station is currently served by a small well.

The proposed area will be served by MSEC's Montgomery Trace system, PWS 1700638.

Genesis Senior Care
15593 Crown Oaks Drive
Montgomery Texas, 773616

May 4, 2017


MSEC Enterprises, Inc.
P.O. Box 970
Navasota, Texas 77868

RE: Request Water Service to 14290 FM 2854 Montgomery Texas, 77316

Jon,

Thank you for meeting with me last week to discuss the future expansion of Genesis Senior Care facility on our property along 2854. During our discussion, you informed me that our property resides outside of the current MSEC Enterprises Inc. CCN service territory. We are requesting MSEC Enterprises to expand the CCN and provide water service to our property at 14290 FM 2854 Montgomery, Texas 77316. Having a consistent source of water as well as pressure would be greatly appreciated.

Thank you,

A handwritten signature in black ink, appearing to read "Robert Stone", with a horizontal line extending to the right.

Robert Stone
Owner GSC
Office 936.444.7595



Montgomery County E.S.D. #3

4711 Honca Egypt Road
Montgomery Texas. 77316
Website: www.mcesd3.org

Phone (936) 588-2222
Fax: 1-866-591-9701
Email mail@mcesd3.org

May 01, 2017

MSEC Enterprises, Inc.
P.O. Box 970
Navasota, Texas 77868

RE: Request Water Service to 13959 F.M. 2854 M.C.E.S.D. # 3 Fire Station # 32

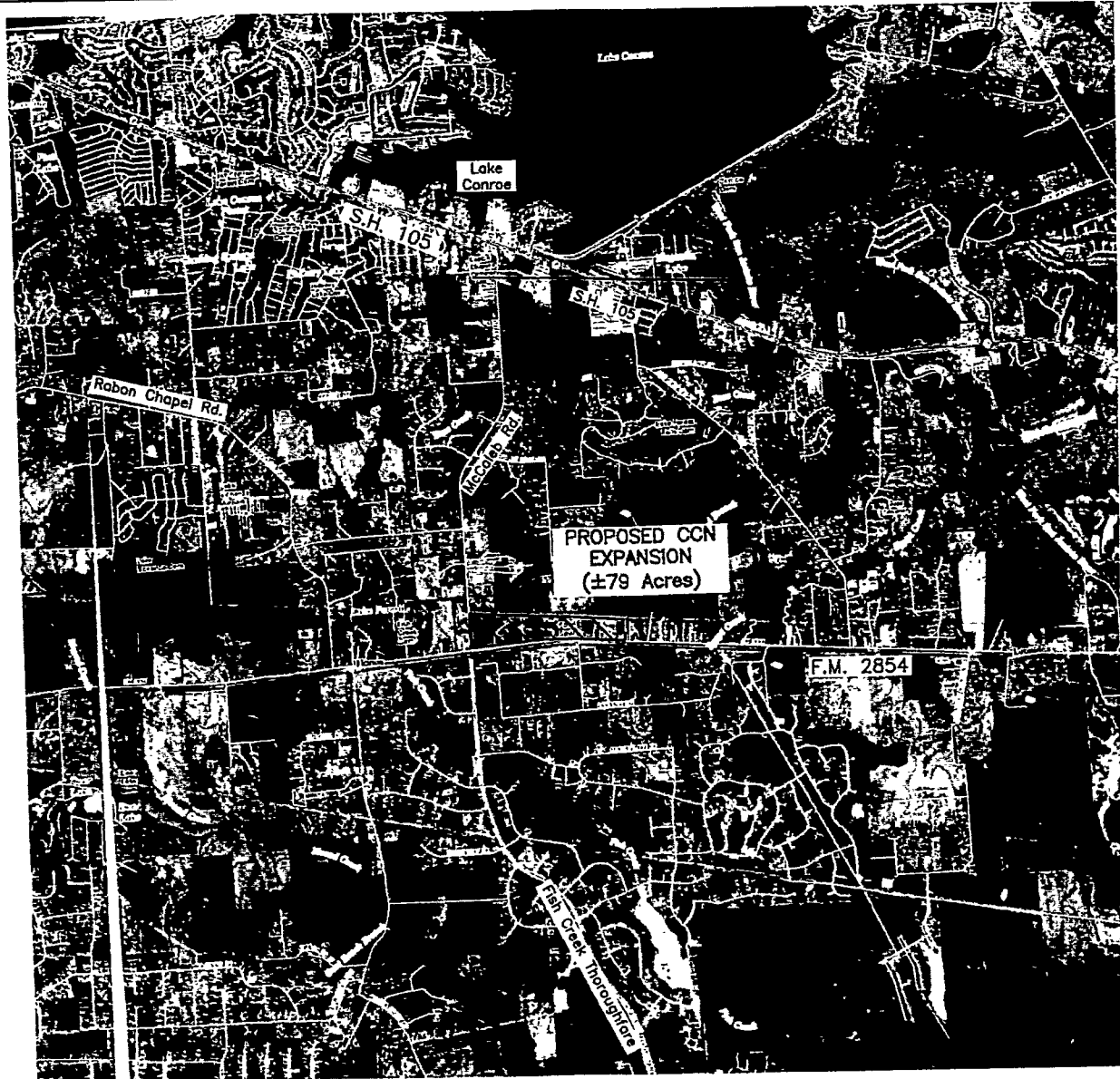
John,

We are respectfully requesting your water service and your CCN of MSEC include our facility at 13959 F.M. 2854. This would greatly enhance our capabilities as a Fire Department and would provide better water cover to the citizens in the area. We not only look forward to better quality of drinking water, but Fire Hydrants for fire protection to the area residence. This is also a savings to the area home owners in the form of lower fire insurance premiums.

Sincerely,

A handwritten signature in cursive script that reads "Leonard Mikeska". The signature is written in black ink and is positioned above a horizontal line.

Leonard Mikeska
Fire Chief
Montgomery Co. E.S.D. # 3



DATE: 12/05/2017
DRAWN BY: JLR
DESIGNED BY: JLR



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



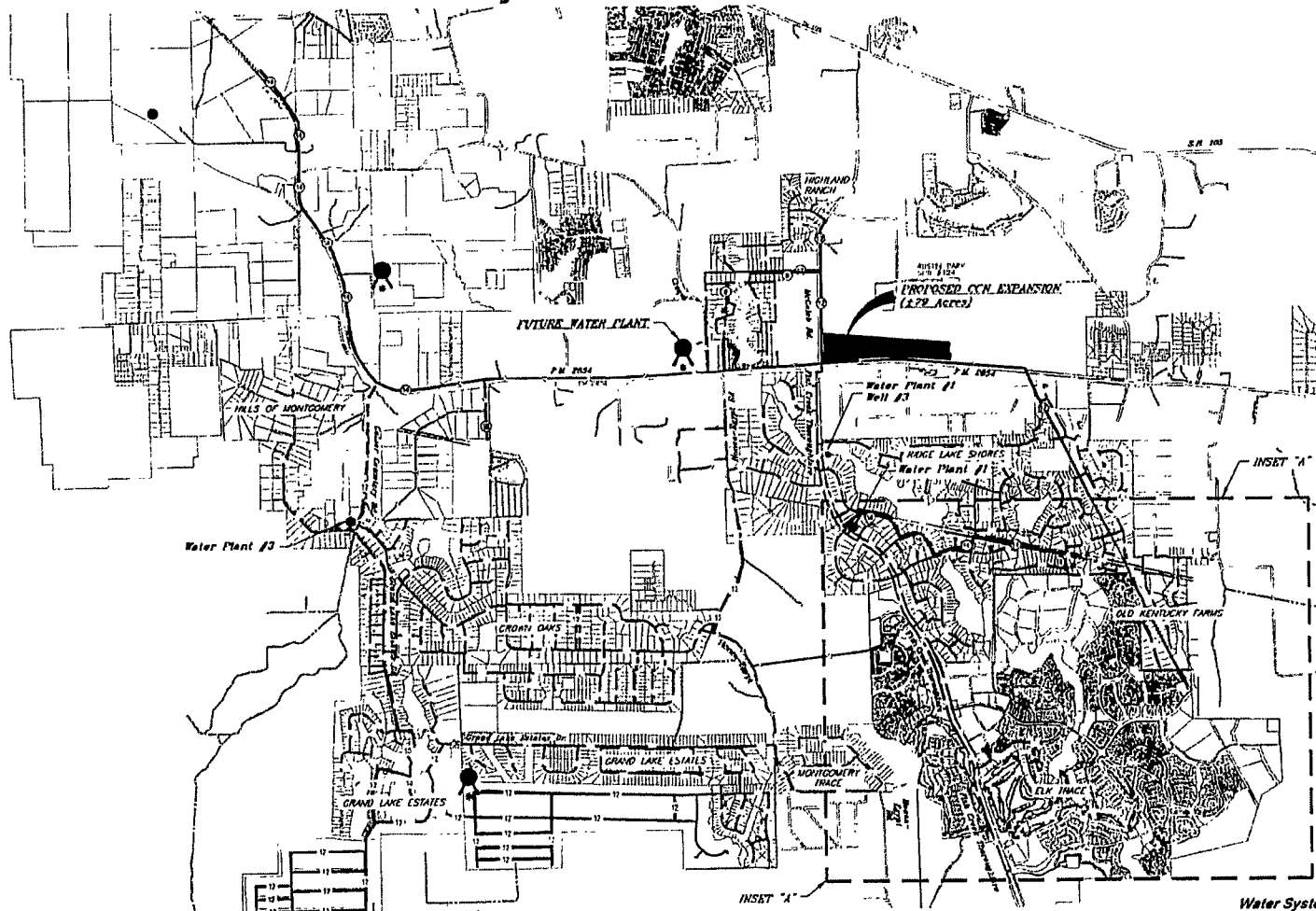
Scale: 1" = ±5,000'

EXHIBIT "A"
GENERAL LOCATION MAP
Water CCN Application
Small-Scale Map
MSEC Enterprises, Inc.
CCN 12887

MSEC ENTERPRISES, INC.

Water Systems Master Plan

PROJECT 436
 Clark Ranch Water Plant #1
 and Plant #2 (1,600 gpm) and
 12" Transmission Line
 (R/W)
 (201 - 20100)



Legend

- MB - All Buildings
- MB - Building & Terrain
- MB - Street
- MB - Utility-Tree Abandonment
- MB - Water Construction
- Existing/Proposed Pipe 42/36
- Existing Transmission Line 42/36
- Master Plan Water Line 42/36
- Master Plan Raw Water Transmission Line 42/36
- Future Improvement 42/36
- Future Improvement 42/36 (if C.C.N. is approved)
- Proposed Elevated Storage Tank
- Proposed Water P/W
- Proposed Pressure Reducing Valve Assembly

NOTES
 1. The Master Plan is subject to approval based on development within the area.

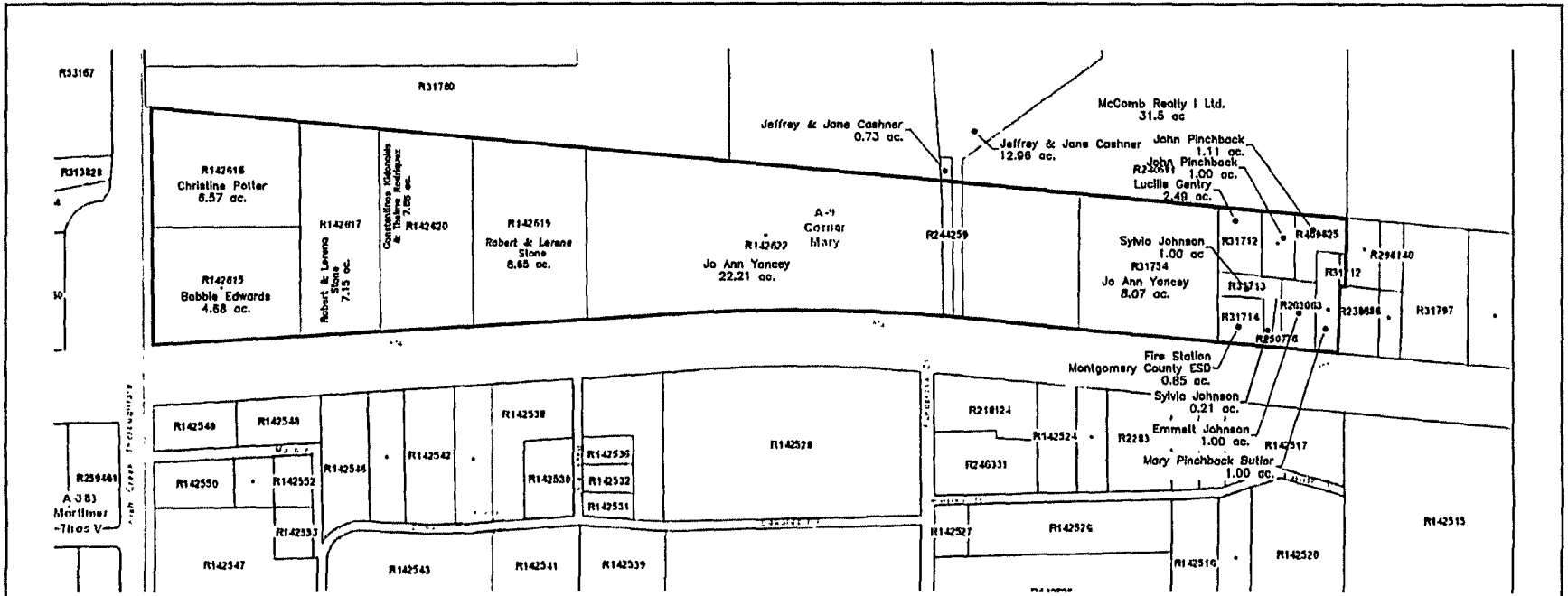


Water System Improvement Plan

McCLURE & BROWNE ENGINEERING/SURVEYING, INC.
 1001 Woodcreek Drive, Suite 103
 College Station, Texas 77843
 (979) 693-3838
 Fax: (979) 693-7454
 Firm Reg. No. T-458



Attachment 3.D.1



FM 2854 PROPERTY OWNERS

CCN EXPANSION EAST
MONTGOMERY TRACE WATER SYSTEM

McCLURE & BROWNE ENGINEERING/SURVEYING, INC.
1008 Woodhouse Drive, Suite 103, Calgary Station, TX 77843
(713) 633-3639 Fax: (713) 633-2554
Plan No. 17-426

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



Attachment 5.A.iv COPY

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 27, 2016

Mr. Kerry Kelton, CEO
MSEC Enterprises Inc.
PO Box 970
Navasota, Texas 77868-0970

Re: Comprehensive Compliance Investigation at:
Montgomery Trace Water System, 407 Fish Creek Thoroughfare, Montgomery,
Montgomery County, Texas
Regulated Entity No.: 101376903, TCEQ ID No.: 1700638, Investigation No.: 1343596

Dear Mr. Kelton:

On July 7, 2016, Ms. Destiny Winning of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Destiny Winning in the Houston Region Office at (713) 767-3650.

Sincerely,

A handwritten signature in cursive script that reads "Latrichia Spikes".

Latrichia Spikes, Team Leader
Public Water Supply
Houston Region Office

LS/DW/ra

cc: Mr. Jonathan Blakley, Operations Manager, P.O. Box 1266, Montgomery, Texas 77356

Mr. Thomas Barnett, Compliance Officer, P.O. Box 1266, Montgomery, Texas 77356

Montgomery County Environmental Health Services

CERTIFIED OPERATORS

Operator	Water		Wastewater		Other		
	Level	Lic No.	Level	Lic No.	CSI Lic No.	BPAT Lic No.	LII Lic No.
Adam Reinke	D	WO0041577	-	-	-	-	-
Dale DeLatte	B GW	WG0008537	B	WW0004715	-	-	-
Dillan Coleman	D	WO0040598	-	-	-	-	-
Dustin Gatlin	C GW	WG0015666	C	WW0054436	CI0009863	-	-
Jimmy Hutson	B GW	WG0015614	B	WW0052886	CI0009853	-	-
Jonathan Blakley	A	WO0030326	B	WW0052623	CI0003408	BP0016666	-
Josh Turknnett	B GW	WG0015232	C	WW0052624	CI0009395	BP0015029	LI0022215
Larry Baldwin	B GW	WG0015439	-	-	CI0007073	-	-
Neil Fox	A	WO0035519	C	WW0054526	-	-	-
Thomas Barnett	C GW	WG0015490	C	WW0053970	-	-	-
Victoriano Zarate	C GW	WG0015880	C	WW0056565	CI0009673	-	-

CSI = Customer Service Inspector

BPAT = Backflow Prevention Assembly Technician

LII = Licensed Irrigator Installer

ATTACHMENT 5.G.

MSEC Enterprises, Inc.'s Application to Amend Water CCN 12887

Response to Question 5.G.

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

- i. The applicant;**
- ii. Any retail public utility of the same kind already serving the proximate area;
and**
- iii. Any landowners in the requested area.**

As noted above in response to Question 2.B., the applicant is currently serving one customer in the area, and has received a request for additional service from this customer and one additional customer. The proposed area is adjacent to MSEC's existing CCN area, and extension of additional service into the proposed area will be relatively easy to accomplish. The inclusion of the proposed area into MSEC's CCN will provide MSEC with the ability to make further capital improvements in the area, knowing that it will have the exclusive right to serve the area once it is within the CCN.

There are no other retail public utilities already serving the proximate area. The area surrounding the proposed CCN area is uncertificated, but is developing. MSEC expects that developers of additional areas adjacent to the proposed area will soon be asking MSEC to further extend its service area and facilities in order to provide service.

There is one residence in the requested area that is currently on a private well. MSEC anticipates that the resident will continue to use the well, but MSEC's facilities will be available for that resident to become a customer in the future.



December 6, 2017

Mr. Troy Morris
Sr. Vice President of Water and Wastewater
MSEC Enterprises
P.O. Box 970
Navasota, Texas 77868

Re.: MSEC Water CCN Expansion Capacity Letter
MBESI No. 10260008

Dear Troy:

Per your request, McClure & Browne has assessed the ability of MSEC Enterprises to provide water service to the proposed 79 acre CCN expansion along FM 2854 in Montgomery County.

Chapter 24.93.1 of the Public Utility Commission Substantive Rules states that a water supplier can only extend water to a new extension of a CCN if:

The water system quantity and quality requirements of the TCEQ shall be the minimum standards for determining the sufficiency of production, treatment, storage, transmission, and distribution facilities of water suppliers and the safety of the water supplied for household usage. Additional capacity shall be provided to meet the reasonable local demand characteristics of the service area, including reasonable quantities of water for outside usage and livestock

In order for the water system to meet the requirements of TCEQ, the following standards must be met:

Chapter 290.44.d – Minimum pressure requirements – The system must be designed to maintain a minimum pressure of 35 psi at all points within the distribution network at flow rates of at least 1.5 gallons per minute per connection. When the system is intended to provide fire fighting capability, it must also be designed to maintain a minimum pressure of 20 psi under combined fire and drinking water flow conditions. The distribution system of public water systems that are also affected utilities must be designed to meet the requirements of §290.45(h) of this title (relating to Minimum Water System Capacity Requirements).

Currently MSEC's water distribution system has adequate pressure to maintain a static pressure of 35 psi during peak flow conditions. An existing 14" main along FM 2854 will be the main supply line for the proposed CCN expansion. Lines within the expansion will be designed to comply with all TCEQ requirements for distribution lines. Including the proposed CCN expansion of 79 acres. The proximity of the CCN expansion to major roadway infrastructure could allow for a commercial type development within the proposed CCN. However, to more

Troy Morris
December 6, 2017
Page 2

accurately evaluate the demand of the CCN and to ensure adequate capacity is available, the 79 acre expansion will be analyzed as if it will be single family residential with 4 lots/acre. If the entire 79 acres is developed as single family residential, the system will have more than adequate pressure to supply the users and maintain a minimum of 35 psi at all points within the system.

Chapter 290.45.b.1.D.i - The system must have two or more wells having a total capacity of 0.6 gpm per connection.

Currently MSEC has a well capacity of 6,334 GPM. This capacity is capable of providing water for 10,557 connections and still be in compliance with this section. Including the proposed CCN expansion of 79 acres at an average lot density 4 lots/acre, the system will have more than adequate capacity to serve this area. Additionally, a new well is scheduled to be completed in 2018 that will further expand the water system's ability to provide adequate service for it's customers. Additionally one additional well is currently being drilled by the water system that can be interconnected with the rest of the system at some point in the future.

Chapter 290.45.b.1.D.ii - a total storage capacity of 200 gallons per connection.

Currently MSEC has a total storage capacity of 2,000,000 gallons which is adequate for 10,300 connections. Including the proposed CCN expansion of 79 acres at an average lot density 4 lots/acre, the system will have more than adequate storage capacity to serve this area. Additionally, a new 500,000 gallon ground storage tank is scheduled to be completed in 2017 which will further increase the capacity of the system.

Chapter 290.45.b.1.D.iii - two or more pumps that have a total capacity of 2.0 GPM per connection or that have a total capacity of 1,000 GPM and the ability to meet peak hourly demands with the largest pump out of service, whichever is less, at each pump station or pressure plane. For systems that provide an elevated storage capacity of 200 gallons per connection, two service pumps with a minimum combined capacity of 0.6 gpm per connection are required at each pump station or pressure plane. If only wells and elevated storage are provided, service pumps are not required.

The water system has a current pumping capacity greater than 1,000 GPM and the ability to provide peak hourly demands with the largest pump out of service. Including the proposed CCN expansion of 79 acres at an average lot density 4 lots/acre, the system will have more than adequate pumping capacity to serve this area. Additionally, a new water plant with a pumping capacity of 1,500 GPM will be completed in early 2018 that will be connected to the system in the future. An elevated storage tank with a capacity of 1,000,000 gallons is also under

Troy Morris
 December 6, 2017
 Page 3

construction and will be completed within the next few months. This project will also increase the capacity of the system.

Chapter 290.45.b.1.D.iv - an elevated storage tank of 100 gallons per connection or a pressure tank capacity of 20 gallons per connection. If pressure tanks are used, a maximum capacity of 30,000 gallons is sufficient for up to 2,500 connections. An elevated storage capacity of 100 gallons per connection is required for systems with more than 2,500 connections. Alternate methods of pressure maintenance may be proposed and will be approved if the criteria contained in subsection (g)(5) of this section are met; and

MSEC is in the process of building a second elevated storage tank within the Woodforest Subdivision that will further increase the water system's elevated storage capacity. to meet this requirement. The elevated storage tank is scheduled to be completed later this year. At this time, the water system has an elevated tank capacity of 1,000,000 gallons which is adequate for up to 10,000 connections. Including the proposed CCN expansion of 79 acres at an average lot density 4 lots/acre, the system will have more than adequate pressure tank capacity to serve this area.

Chapter 290.45.b.1.D.v - emergency power for systems which serve more than 250 connections and do not meet the elevated storage requirement. Sufficient emergency power must be provided to deliver a minimum of 0.35 GPM per connection to the distribution system in the event of the loss of normal power supply. Alternately, an emergency interconnection can be provided with another public water system that has emergency power and is able to supply at least 0.35 GPM for each connection in the combined system. Emergency power facilities in systems serving 1,000 connections or greater must be serviced and maintained in accordance with level 2 maintenance requirements contained in the current NFPA 100 Standard. Although not required, compliance with NFPA 110 Standard is highly recommended for systems serving less than 1,000 connections. Logs of all emergency power use and maintenance must be maintained and kept on file for a period of not less than 3 years these records must be made available, upon request, for executive director review.

Each pumping station in the MSEC system has back up generators that are capable of providing emergency power in accordance with this section. Including the proposed CCN expansion of 79 acres at an average lot density 4 lots/acre, the system will have more than adequate emergency power capacity to serve this area.

Troy Morris
December 6, 2017
Page 4

Conclusions

The MSEC water system has been designed to comply with all TCEQ requirements as it has been developed. The system has an adequate distribution system, well capacity, ground storage, pressure tanks, and emergency backup to comply with all current requirements. The associated development within the proposed 79 acre CCN expansion can be served with the existing system. Additional wells, water plants, elevated storage, ground storage, and pumping facilities are both under construction and planned in the near future to further increase the system's capacity and ensure adequate supply as the area develops.

If you have any questions or need any additional information regarding this matter, please do not hesitate to contact me.

Sincerely,

Jeffery L. Robertson, P.E.

-20-
MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION
d/b/a MID-SOUTH SYNERGY AND SUBSIDIARIES

Schedule 1
(Continued)

CONSOLIDATING INFORMATION
BALANCE SHEET
DECEMBER 31, 2016

ASSETS

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Totals
UTILITY PLANT AT COST					
Electric Plant in Service	\$	\$	\$	\$	\$
Construction Work in Progress		3,395,449			
Capital Lease Assets		5,008,500			
Other Property and Equipment		37,581,781			
	\$	\$ 45,983,730	\$	\$	\$
Less Accumulated Provision for Depreciation and Amortization	\$	\$ 7,739,740	\$	\$	\$
	\$	\$ 38,243,990	\$	\$	\$
 OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE					
Investments in Associated Organizations	\$	\$ 71,693	\$	\$	\$
Investments in Affiliated Company		365,840			
Other Investments - Restricted					
Notes Receivable - Affiliated Companies	\$	\$ 437,533	\$	\$	\$
 CURRENT ASSETS					
Cash - General	\$	\$ 743,999	\$	\$	\$
Accounts Receivable (Less Allowance for Uncollectibles of \$84,223)		202,208			
Accounts Receivable - Affiliated Companies		155,180			
Unbilled Revenue		282,000			
Interest Receivable					
Materials and Supplies					
Other Current and Accrued Assets		49,179			
	\$	\$ 1,432,566	\$	\$	\$
 OTHER ASSETS					
Deferred Debits	\$	\$ 46,332	\$	\$	\$
 TOTAL ASSETS	\$	\$ 40,160,421	\$	\$	\$

35

-21-
MID-SOUTH ELECTRIC COOPERATIVE ASSOCIATION
d/b/a MID-SOUTH SYNERGY AND SUBSIDIARIES

Schedule 1
(Concluded)

CONSOLIDATING INFORMATION
BALANCE SHEET
DECEMBER 31, 2016

EQUITIES AND LIABILITIES

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Totals
EQUITIES					
Memberships	\$	\$	\$	\$	\$
Patronage Capital					
Other Equities		10,761,232			
	\$	<u>\$ 10,761,232</u>	\$	\$	\$ -
LONG-TERM DEBT					
CoBank Notes Payable Less Current Maturities	\$	\$ 19,215,399	\$	\$	\$
CFC Notes Payable Less Current Maturities					
Notes Payable - Mid-South Electric Cooperative, Inc.					
Capital Lease Obligations Less Current Maturities		3,981,688			
Short Term Line of Credit (to be refinanced within one year)		1,533,129			
	\$	<u>\$ 24,730,196</u>	\$	\$	\$ -
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt	\$	\$ 558,000	\$	\$	\$
Current Maturities of Capital Lease Obligations					
Accounts Payable - Purchased Power					
Accounts Payable - Other		782,821			
Customer Deposits		35,850			
Accrued Taxes		74,258			
Accrued Employee Compensated Absences					
Accrued Interest		80,194			
Current Tax Liability - State		20,301			
Power Cost Recovery - Overcollected					
Unbilled Power Cost					
Other Current and Accrued Liabilities					
Due to Affiliated Companies		1,554,755			
	\$	<u>\$ 3,118,179</u>	\$	\$	\$ -
OTHER LIABILITIES					
Deferred Credits	\$	\$ 111,905	\$	\$	\$
Deferred Income Tax Liability		1,440,909			
	\$	<u>\$ 1,552,814</u>	\$	\$	\$ -
TOTAL EQUITIES AND LIABILITIES	\$	<u>\$ 40,160,421</u>	\$	\$	\$ -

36

Attachment 6.B.i

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

Schedule 2
(Continued)

CONSOLIDATING INFORMATION
STATEMENT OF INCOME AND PATRONAGE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>MSEC Electric</u>	<u>MSEC Enterprises</u>	<u>MSEC Services</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
OPERATING REVENUES					
Residential	\$	\$	\$	\$	\$
Commercial and Industrial					
Public Street and Highway Lighting					
Rent from Electric Property					
Unbilled Revenue		65,000			
Power Cost Recovery Revenue					
Other Operating Revenues		791,920			
Tap and Connect Fees		594,790			
Sales (Net of Cost of Goods Sold of \$46,259)		4,658,301			
Total Operating Revenues	\$	\$ 6,110,011	\$	\$	\$
OPERATING EXPENSES					
Purchased Power	\$	\$	\$	\$	\$
Distribution - Operation					
Distribution - Maintenance					
Customer Accounts		65,135			
Customer Service and Information					
Sales					
Payroll and Contract Labor		167,124			
Repairs and Maintenance		1,834,711			
Administrative and General		918,972			
Depreciation and Amortization		1,208,528			
Bad Debt Expense					
Other Interest					
Other Deductions					
Total Operating Expenses	\$	\$ 4,194,470	\$	\$	\$
OPERATING MARGINS - BEFORE FIXED CHARGES	\$	\$ 1,915,541	\$	\$	\$
FIXED CHARGES					
Interest on Long-Term Debt	\$	\$ 816,429	\$	\$	\$
Total Fixed Charges	\$	\$ 816,429	\$	\$	\$

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

Schedule 2
(Concluded)

CONSOLIDATING INFORMATION
STATEMENT OF INCOME AND PATRONAGE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2016

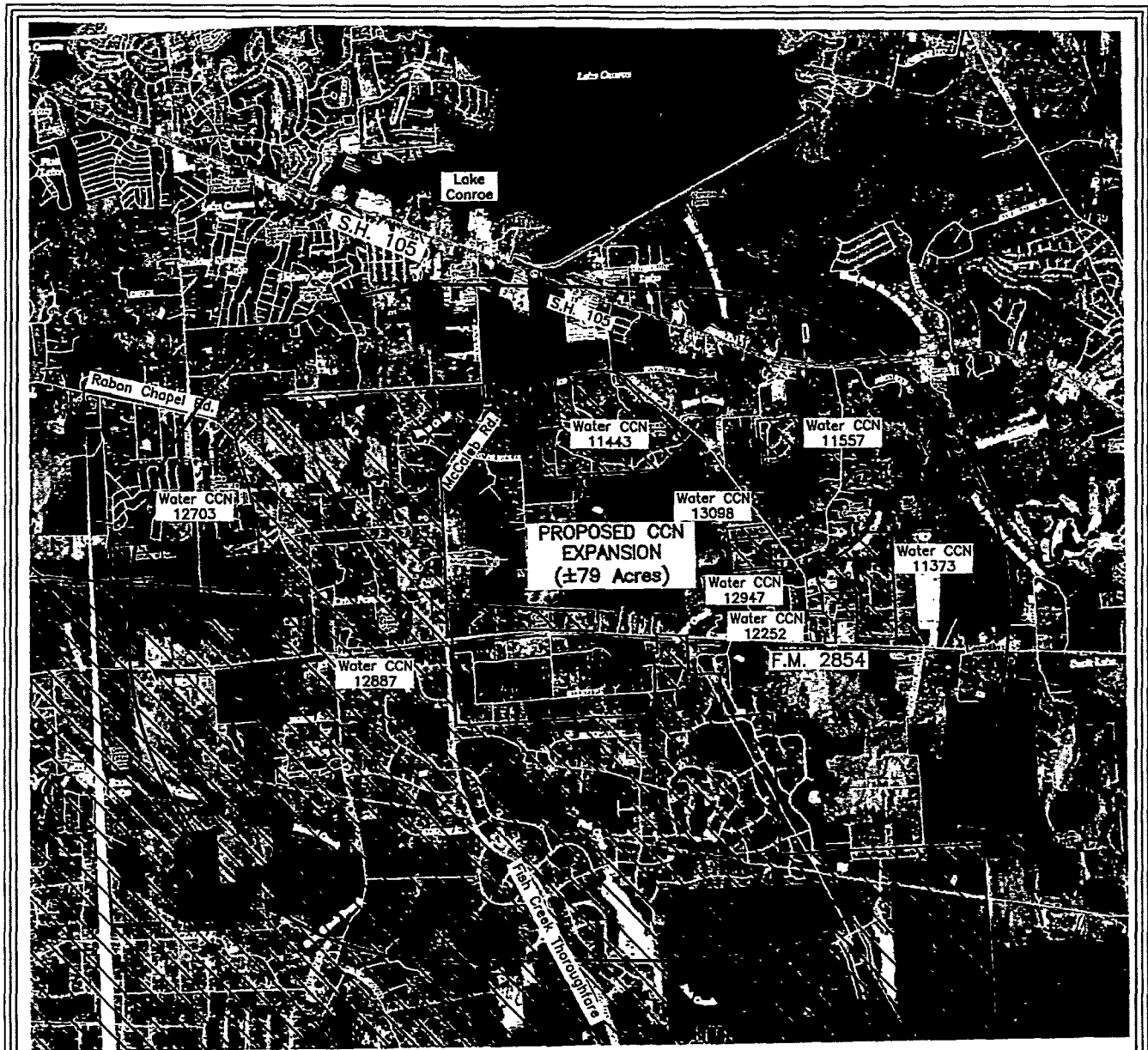
	<u>MSEC Electric</u>	<u>MSEC Enterprises</u>	<u>MSEC Services</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
OPERATING MARGINS - AFTER FIXED CHARGES	\$	\$ 1,099,112	\$	\$	\$
G&T Capital Credits	\$	\$	\$	\$	\$
Other Capital Credits		184,606			
Total Capital Credits	\$	\$ 184,606	\$	\$	\$
NET OPERATING MARGINS	\$	\$ 1,283,718	\$	\$	\$
NON-OPERATING MARGINS					
Interest Income	\$	\$	\$	\$	\$
Affiliated Company Income (Loss)		(1,233)			
Other Non-Operating Income (Loss)		(10,000)			
Net Non-Operating Margins (Loss)	\$	\$ (11,233)	\$	\$	\$
NET MARGINS (LOSSES) BEFORE INCOME TAX EXPENSE	\$	\$ 1,272,485	\$	\$	\$
PROVISION FOR FEDERAL AND STATE INCOME TAX EXPENSE (BENEFIT)		448,393			
NET MARGIN (LOSS)	\$	\$ 824,092	\$	\$	\$
PATRONAGE CAPITAL - BEGINNING OF PERIOD		9,937,140			
Capital Credits Retired					
Prior Year Non-Operating Gains Transferred to Other Equities					
PATRONAGE CAPITAL - END OF PERIOD	\$	\$ 10,761,232	\$	\$	\$

ATTACHMENT 7.G.

MSEC Enterprises, Inc.'s Application to Amend Water CCN 12887

Response to Question 7.G.

List all neighboring retail public utilities and cities providing the same utility service within two miles of the applicant's proposed certificate area:



See Exhibit "B" Page 2 of 2 for a listing of the Existing Water CCN Area within 2-miles of the Proposed Water CCN Area, Groundwater Conservation District, and County contact information.

DATE: 12/06/2017
 DRAWN BY: JLR
 DESIGNED BY: JLR



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



Scale: 1" = ±5,000'

EXHIBIT "B"
EXISTING WATER CCN
AREAS WITHIN 2-MILES
 Water CCN Application
 MSEC Enterprises, Inc.
 CCN 12887

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

- CCN 11157 - Aqua Texas Inc.
1106 Clayton Ln, Ste 400W
Austin, Tx 78723

- CCN 11373 - Crystal Springs Water Co Inc.
P.O. Box 603
Porter, Tx 77365

- CCN 11443 - Lake Forest Falls Inc.
P.O. Box 1232
Conroe, Tx 77305

- CCN 12252 - Nerro Supply LLC
P.O. Box 691008
Houston, Tx 77269

- CCN 12887 - MSEC Enterprises, Inc.
P.O. Box 970
Navasota, Texas 77868
Phone: 936-825-5100

- CCN 12947 - Woodland Oaks Utility Co Inc.
P.O. Box 592
Conroe, Tx 77305

- CCN 13098 - C&R Water Supply Inc.
P.O. Box 187
Willis, Tx 77378

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

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

DATE: 12/06/2017

DRAWN BY: JLR

DESIGNED BY: JLR

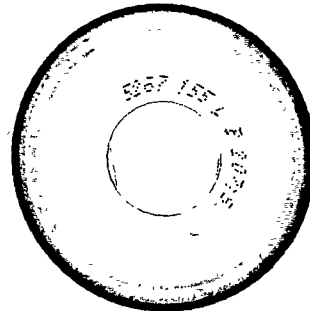


**McCLURE & BROWNE
ENGINEERING/SURVEYING, INC.**

1008 Woodcreek Drive, Suite 103
College Station, Texas 77845
(979) 693-3838
Firm Reg. No. F-458

EXHIBIT "B"
EXISTING WATER CCN
AREAS WITHIN 2-MILES
Water CCN Application
MSEC Enterprises, Inc.
CCN 12887

PUC Docket No. _____
Application for an Amendment to
Water Certificate of Convenience
And
Necessity No. 12887



Jan. 9 2018

Application, Attachment 3.B
(Digital Mapping Data)