

Permit Renewal Application
Lone Star Groundwater Conservation District
 PO Box 2467, Conroe, Texas 77305
 Phone: (936) 494-3436 Metro: (936) 441-3437 Fax: (936) 494-3438
 E-mail: info@lonestargcd.org Website: www.lonestargcd.org

District Use Only:

Date Received: 12-27
 Received By: [Signature]
 Fee Received: Yes No

Applicant Information:
MSEC Enterprises (Highland Ranch/Lake Forest/Shoreline)
Attn: Jonathan Blakely
P. O. Box 1266
Montgomery, TX 77356
(936) 825-5100 (936) 825-5165
Note: The name, addresses, and numbers shown above are the only ones kept on file. Please make sure they are correct.

Return Renewal Application Prior to:
Oct. 31, 2009
 (60 days prior to the date of expiration of current permit)

Note: Applications must be **RECEIVED** by the Lone Star GCD no later than the date listed above. Failure to timely submit the application may be grounds for denial of renewal and loss of permit.

District Permit No. HUP294

Type of Permit: Historic Use Permit

Current Permit Term: 01/01/2009 to 12/31/2009

Permit Renewal Term: 01/01/2010 to 12/31/2010

Authorized Type of Use: Public Supply (PWS)

Total Number of Wells Permitted Under This Permit: 3

Total Authorized Withdrawal: 11,427,300 Gallons

Other Permit Numbers Covered by Aggregation:

This is the application for renewal of your water well permit. To complete the application, please use the following checklist:

- (1) Review information provided by the District. If incorrect, mark a line through the incorrect information and PRINT in the correct information. Use additional sheets as necessary.
- (2) Fill in ALL blanks or mark N/A (not applicable).
- (3) Return this renewal application for the upcoming year so that it is RECEIVED by the District on or before October 31, 2009.

The approval of this permit renewal application authorizes the applicant to annually use groundwater in accordance with the terms and conditions of the original or amended permit granted to the applicant. If an applicant wishes to change the authorized amount or type of use of groundwater in any way under the permit, the applicant must submit a **Permit Amendment Application**.

Are all water wells associated with this permit renewal application metered in accordance with Rule 11.1 of the Lone Star GCD's Rules? Yes No Explain _____

Note: Upon receipt of the completed and signed renewal application, permittee will be invoiced for 2010 water use fees. Annual water use fees are due on the 1st day of January 2010. Payment of the entire annual permit fee must be received by the Lone Star GCD or a quarterly payment plan must be approved by the District before the permit renewal will be issued by the District. Permittees whose annual permit fee is \$500.00 or less are required to pay the entire fee annually.

CERTIFICATION

The above statements and information are true and correct to the best of my knowledge.

This application submitted by (please print) Neil Fox Phone: 979 270 5964
 Signature [Signature] Date: 10/27/09

For District Use Only

Approved (in accordance with terms and conditions included in prior permit, information included in renewal application, and subject to District Rules). Denied (contact District for reason for denial and options available to applicant)

[Signature] 12-29-09
 Kathy Jones, General Manager Date

Exhibit D

MSEC Enterprises Historical Use

Exhibit D1**MSEC (Crown Ranch)****Historical Use**

Year	Reported Pumpage ⁽¹⁾	
	Gallons / Year	MGD
2002	0	0.00
2003	0	0.00
2004	0	0.00
2005	0	0.00
2006	0	0.00
2007	0	0.00
2008	8,393,000	0.02
2009	12,676,997	0.03

Notes

(1) Latest Available Pump Data as Furnished by Lone Star Groundwater Conservation District

Exhibit D2**MSEC Enterprises (Highland Ranch/Lake Forest/Shoreline)****Historical Use**

Year	Reported Pumpage ⁽¹⁾	
	Gallons / Year	MGD
2002	9,450,900	0.03
2003	13,200,100	0.04
2004	13,556,000	0.04
2005	16,762,800	0.05
2006	16,851,900	0.05
2007	16,531,900	0.05
2008	20,544,000	0.06
2009	17,980,900	0.05

Notes

(1) Latest Available Pump Data as Furnished by MSEC Enterprises May 2010

Exhibit D3**MSEC Enterprises (Montgomery Trace WS/Crown Oaks)****Historical Use**

Year	Reported Pumpage ⁽¹⁾	
	Gallons / Year	MGD
2002	66,245,300	0.18
2003	50,482,200	0.14
2004	110,766,000	0.30
2005	143,196,000	0.39
2006	152,408,600	0.42
2007	132,966,900	0.36
2008	180,407,000	0.49
2009	214,562,600	0.59

Notes

(1) Latest Available Pump Data as Furnished by Lone Star Groundwater Conservation District

Exhibit E

MSEC Enterprises Projected Future Demands

Exhibit E1**MSEC (Crown Ranch)****Projected Future Demands**

Year	MGD ⁽¹⁾
2015	0.18
2025	0.49
2035	0.57
2045	0.85

Notes

(1) Projections Provided by MSEC Enterprises May 2010

Exhibit E2**MSEC Enterprises (Highland Ranch/Lake Forest/Shoreline)****Projected Future Demands**

Year	MGD⁽¹⁾
2015	0.06
2025	0.08
2035	0.09
2045	0.09

Notes

(1) Projections Provided by MSEC Enterprises May 2010

Exhibit E3

MSEC Enterprises (Montgomery Trace WS/Crown Oaks)

Projected Future Demands

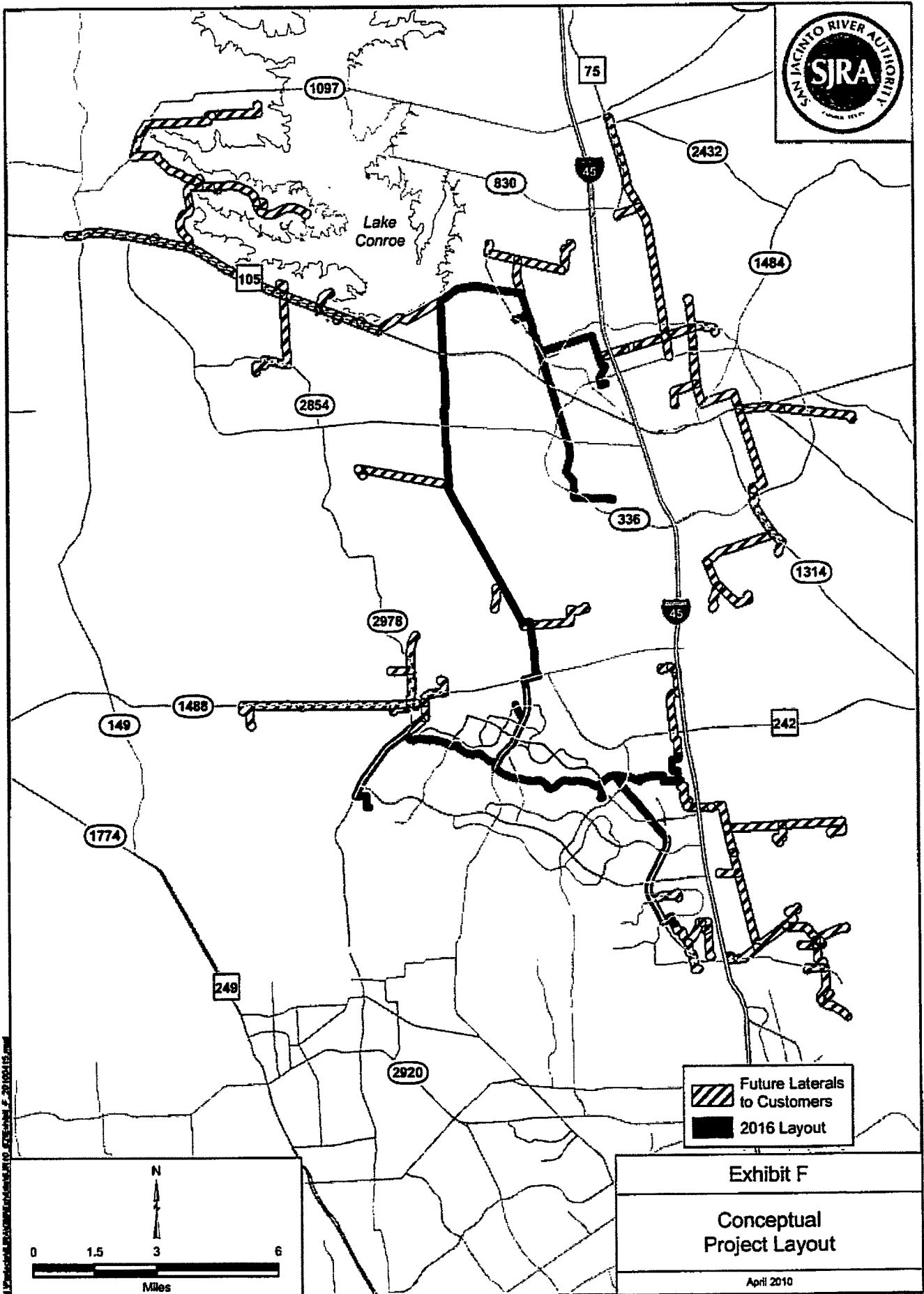
Year	MGD ⁽¹⁾
2015	1.31
2025	2.74
2035	3.32
2045	3.39

Notes

(1) Projections Provided by MSEC Enterprises May 2010

Exhibit F

Conceptual Project Layout





 Future Laterals to Customers
 2016 Layout

Exhibit F

Conceptual
Project Layout

April 2010

Exhibit G

Form of Easement

WATER LINE [, METER] AND ACCESS EASEMENT

(_____)¹

THE STATE OF TEXAS §
 § **KNOW ALL PERSONS BY THESE PRESENTS:**
COUNTY OF MONTGOMERY §

THAT _____, a _____
("Grantor"), whose address is _____, for and
in consideration of the sum of Ten & No/100 Dollars (\$10.00) and other good and valuable
consideration to Grantor in hand paid by the SAN JACINTO RIVER AUTHORITY ("Grantee"),
a body politic and corporate and a governmental agency of the State of Texas organized under
the provisions of Article XVI, Section 59, Texas Constitution, whose address is 1577 Dam Site
Road, Conroe, Texas, 77304, the receipt and sufficiency of which are hereby acknowledged and
confessed, has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT,
SELL, and CONVEY, unto Grantee a perpetual right-of-way and easement (the "Easement") to
lay, construct, alter, maintain, inspect, operate, service, repair, replace, relocate, change the size
of, protect, patrol, and remove one or more pipelines for the transportation of water, together
with appurtenances thereto and equipment ancillary to the operation thereof, including, but not
limited to, laterals, taps, fittings, valves, regulators, meters, electrical equipment and control
panel facilities, vaults, cathodic protection equipment and above-ground cathodic protection test
stations, markers, air valve assemblies, service manholes, air vent pipes (not to exceed seventy-
two inches (72") in height, measured from final grade after construction), and protective bollards
(such pipeline(s), appurtenances, and ancillary equipment being referred to herein collectively as
the "Facilities"), subject to the terms and provisions hereinafter set forth, in, over, under, across,
and through that certain tract or parcel of land being more particularly described by metes and
bounds on Exhibit 1 (the "Easement Tract"), attached hereto and incorporated herein by this
reference for all purposes, out of that certain _____ acre tract of land described in that certain
_____ recorded in the Official Public Records of Real Property of
Montgomery County, Texas, under Clerk's File No. _____ (the "Site").

Grantee shall have access across, along, under, over and upon the Easement Tract to
engage in all activities as may be necessary, requisite, convenient, or appropriate to effectuate
the purpose for which this Easement is granted. Grantee's rights shall include, without
limitation, the right to clear and remove trees, growth, shrubbery, and other improvements from
within the Easement Tract, the right to bring and operate such equipment thereupon as may be
necessary or appropriate to effectuate the purpose for which the Easement is granted, and the
right of ingress, egress, and regress onto and across the Site for any purposes for which this
Easement is granted, all at Grantee's sole expense. Grantee's access to the Site shall occur by use

¹ Please contact the GRP Administrator and inquire if there is particular easement, water line, project or other
project identification information to be included here.

of a dual-lock system under which Grantor's representatives access the Site through use of one of said locks and Grantee's representatives access the Site through use of the other of said locks; provided, however, that if in connection with any of Grantee's activities, Grantee removes any of Grantor's permanent fencing around the Site, then Grantee shall erect and maintain, at Grantee's sole expense, temporary fencing until Grantee reinstalls such permanent fencing.

In connection with Grantee's control panel and other components of the Facilities, Grantee may install, own and maintain sensor equipment at, on, or about Grantor's ground storage tank (or other water plant facilities) located on the Site and electrical and control connections by conduit pipe (or other means) connecting such sensor equipment to any other portion of the Facilities (collectively, the "Sensor Line and Equipment"). Grantee shall, at Grantee's sole expense, restore the surface of the Easement Tract and any other portion of the surface of the Site, if disturbed by Grantee, as nearly as possible to the prior condition.

Grantee, and not Grantor, shall be responsible to own, operate and maintain the Sensor Line and Equipment and the other Facilities installed by Grantee (collectively, "Grantee's Facilities"). Grantor, and not Grantee, shall be responsible to own, operate and maintain all other equipment, facilities, tank(s), building(s), materials, well(s) and/or structures on the Site (collectively, "Grantor's Facilities"). In the event Grantee damages Grantor's Facilities, Grantee will be responsible for the reasonable costs to repair or replace same. In the event Grantor damages Grantee's Facilities, Grantor will be responsible for the reasonable costs to repair or replace same. In the event of any such damage, the party who committed the damage shall immediately notify the other party of such damage.

This Easement is non-exclusive. It is expressly provided that Grantor reserves unto itself, its successors, substitutes and assigns, all other rights in and to the Easement Tract which do not unreasonably interfere with or prevent the use of the Easement herein granted and conveyed to Grantee, except for the construction of fences (other than perimeter fencing around the Site which may encroach upon the Easement Tract), houses, buildings and above-ground structures or improvements, which Grantor shall not be entitled to construct on or across the Easement Tract without Grantee's prior written consent, which consent shall not be unreasonably withheld provided that the installation of same will not interfere with or prevent the use of the Easement herein granted and conveyed to Grantee for the purposes intended. Further, Grantor shall not cause the installation of underground lines, utilities or like facilities within the Easement Tract without the prior written consent of Grantee, which consent shall not be unreasonably withheld, provided that in no event shall the installation of such facilities unreasonably interfere with or prevent the use of the Easement herein granted and conveyed to Grantee for the purposes intended. Grantor shall submit plans and specifications for the installation of underground lines, utilities or like facilities within the Easement Tract to Grantee at the above address for review and approval. After receipt of said plans and specifications by Grantee, Grantee shall have forty five (45) days following submittal, or ten (10) days following any re-submittal, to review and approve or reject same in writing. If Grantee rejects the plans and specifications so submitted, Grantee shall identify the reasons for such rejection in writing to Grantor. Grantor shall not cause, and Grantee, at Grantor's expense, shall have the right to prevent or remove any obstruction of the Easement Tract that interferes with or prevents the use of the Easement herein granted and conveyed to Grantee. Notwithstanding any other provision of this Easement

document, Grantor shall not be required to remove, and Grantor is authorized to maintain, operate, replace and repair any waterline(s) and facilities that Grantor currently has located within the Easement Tract; provided, however, Grantor shall not hereafter install any additional waterline(s) or facilities within the Easement Tract without first obtaining written consent from Grantee in the manner prescribed in this paragraph. With respect to the foregoing, any action to be taken by Grantee may be taken by any duly authorized representative of Grantee, including but not limited to Grantee's general manager, deputy general manager(s), engineers or attorneys.

The terms and provisions of the preceding paragraph shall be deemed to be restrictive covenants encumbering and running with the land covered by the Easement Tract and shall be binding upon Grantor and all persons or entities claiming title (or any interest in title) by, through, or under Grantor, and their respective successors and assigns. In particular, and without limiting the generality of the foregoing, each successive purchaser of, or successive right holder (including, without limitation, easement right holder) within, the land covered by the Easement Tract, upon purchase thereof or acquisition of right therein, is bound by the requirements of the preceding paragraph.

This conveyance is further made subject to any and all restrictions, covenants, easements, rights-of-way, encumbrances and mineral or royalty reservations or interests affecting the property and appearing of record in the Official Public Records of Real Property of Montgomery County, Texas, to the extent that said items and matters are in effect and validly enforceable against the Easement granted herein.

TO HAVE AND TO HOLD the above described Easement, together with all and singular the rights and appurtenances thereto in anywise belonging, including all necessary rights of ingress, egress, and regress, unto Grantee, its successors and assigns, forever; and Grantor does hereby bind Grantor and Grantor's successors, substitutes and assigns to WARRANT AND FOREVER DEFEND, all and singular, the Easement unto Grantee, and its successors, substitutes and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise, subject to all of the terms, conditions, provisions and limitations hereinabove set forth and provided.

Grantee, acting herein by and through the undersigned, pursuant to the authority granted at a meeting duly and lawfully called and convened, joins in the execution hereof for purposes of evidencing its acceptance of this Easement and its agreement on behalf of itself, its successors and assigns, with all of the terms, conditions, and covenants herein set out.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

EXECUTED this ___ day of _____, 20__.

By: _____

Name: _____

Title: _____

THE STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on this ___ day of _____,
20__, by _____, the _____ of
_____.

Notary Public in and for the
State of _____

(SEAL)

ACCEPTED this ____ day of _____, 20__.

SAN JACINTO RIVER AUTHORITY

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on this ____ day of _____,
20 __, by _____, as _____ of the San Jacinto
River Authority, on behalf of the San Jacinto River Authority.

Notary Public in and for
the State of T E X A S

(SEAL)

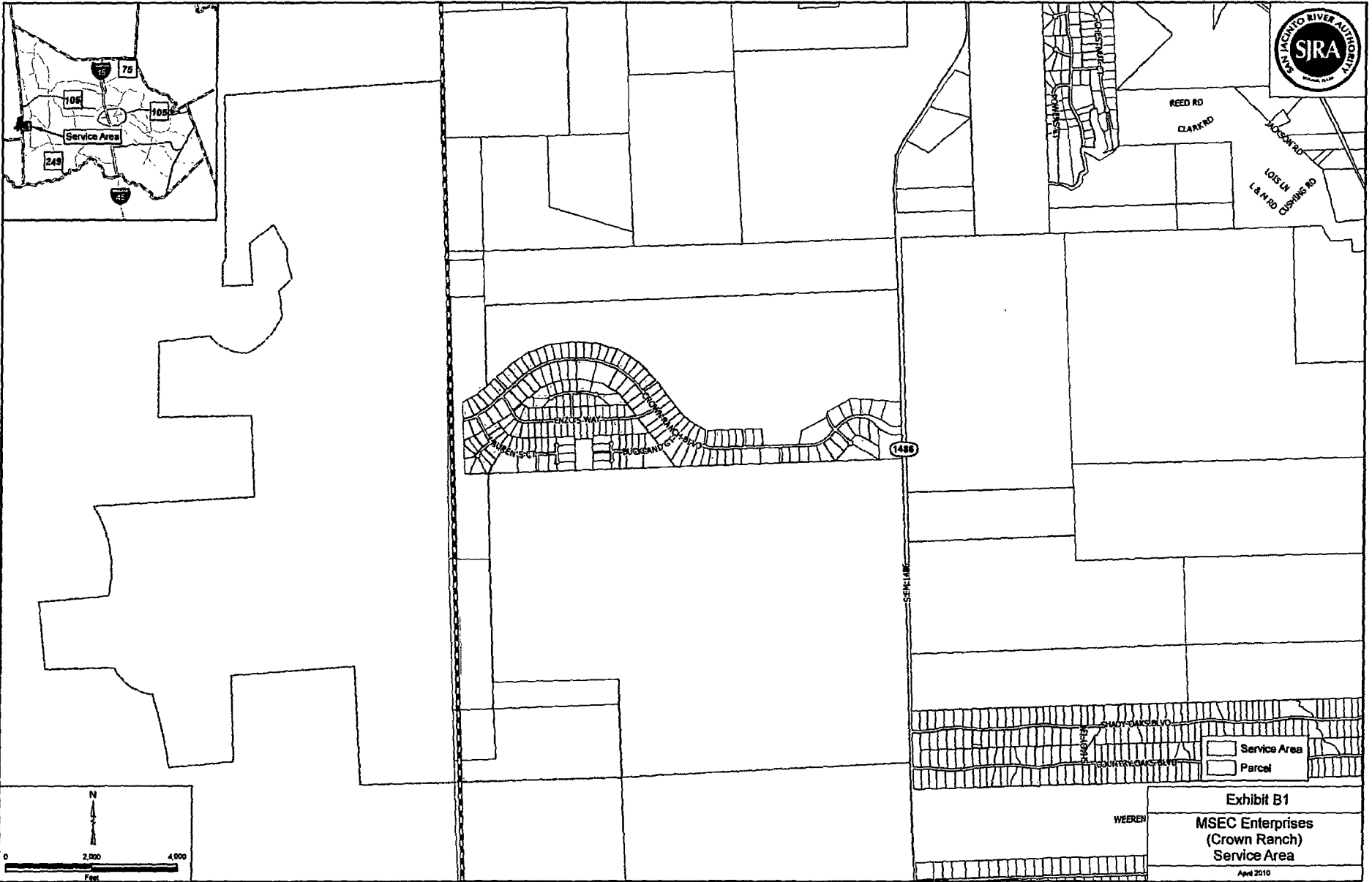
Exhibit 1

[Description of the Easement Tract]





Exhibit B2
 MSEC Enterprises
 (Highland Ranch/Lake Forest/Shoreline)
 Service Area
 April 2010



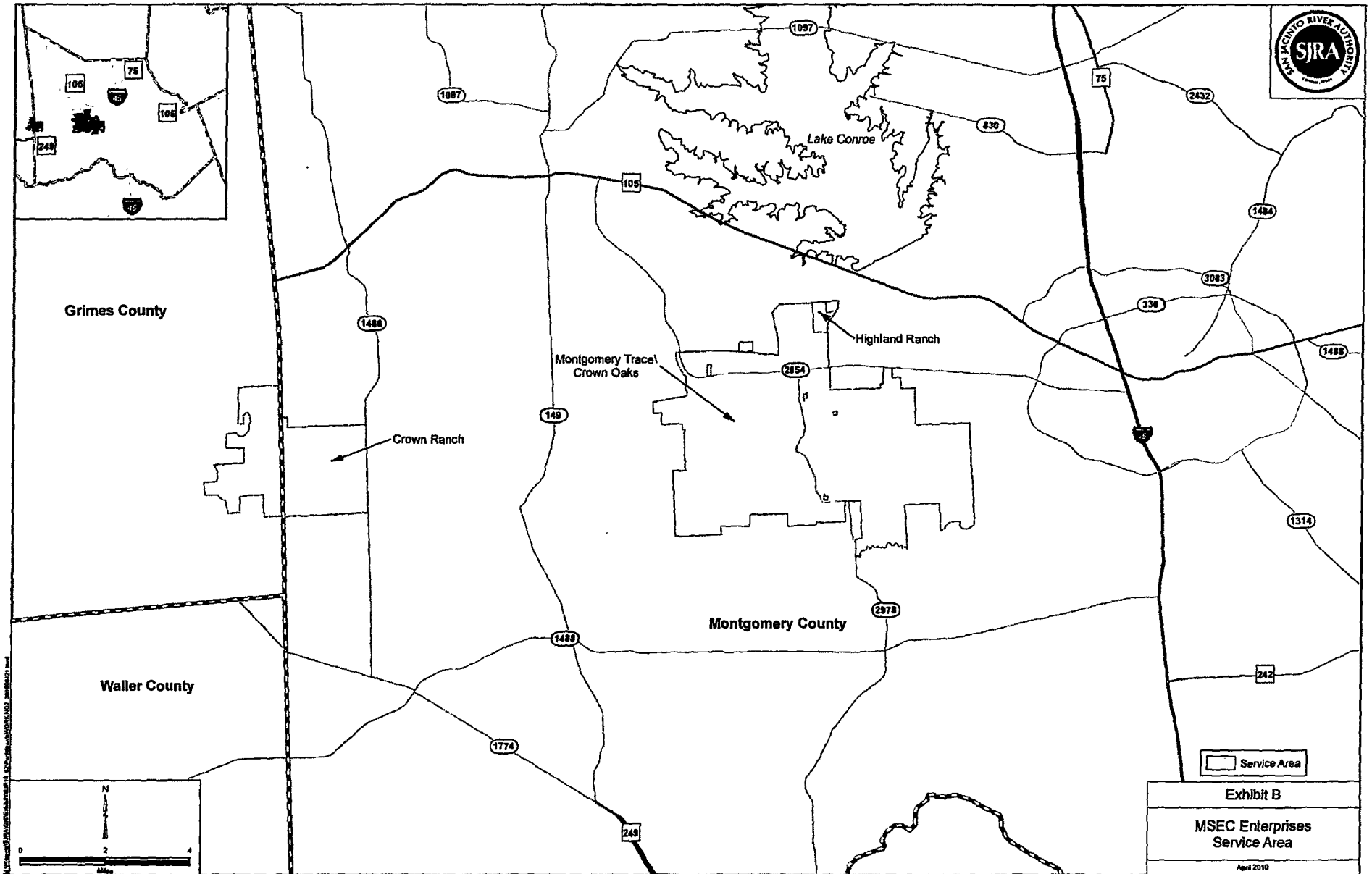


Exhibit B

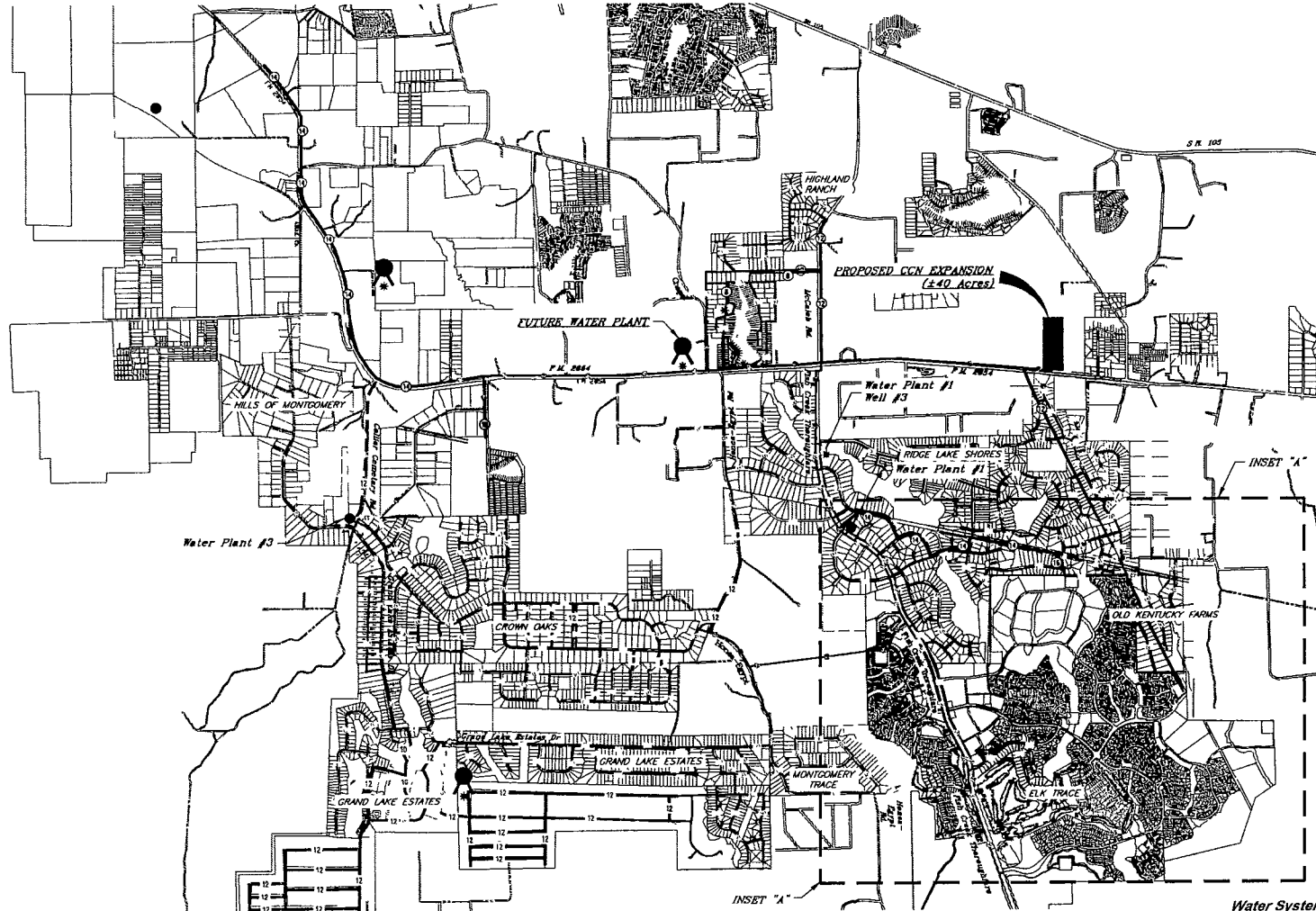
MSEC Enterprises Service Area

Operator	Water	
	Level	Lic No.
Adam Reinke	D	WO0041577
Dale DeLatte	B GW	WG0008537
Dillan Coleman	D	WO0040598
Dustin Gatlin	C GW	WG0015666
Jimmy Hutson	B GW	WG0015614
Jonathan Blakley	A	WO0030326
Josh Turknett	B GW	WG0015232
Larry Baldwin	B GW	WG0015439
Neil Fox	A	WO0035519
Thomas Barnett	C GW	WG0015490
Victoriano Zarate	C GW	WG0015880

MSEC ENTERPRISES, INC.

Water Systems Master Plan

PROJECT #30
 Crown Ranch Water Plant #1
 with P&H #1 (1,500 gpm) and
 18" Transmission Line
 (17A)
 (2018 - 2022/2023)



Legend

- AO - An Obsolete
- BA - Building & Amend
- D - Deleted
- HA - Right-of-Way Acquisition
- UC - Under Construction
- Existing/Proposed Pipe w/Size
- - - Existing Transmission Line w/Size
- Master Plan Water Line w/Size
- Master Plan Raw Water Transmission Line w/Size
- Future Improvement w/Size
- Future Improvement w/Size (if CGN is expanded)

- Proposed Elevated Storage Tank
- Proposed Water Well
- Proposed Pressure Reducing Valve Assembly

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 NOTES

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



Water System Improvement Plan

McCLURE & BROWNE ENGINEERING/SURVEYING, INC.
 1008 Woodcreek Drive, Suite 103
 College Station, Texas 77845
 (979) 693-3838
 Fax (979) 693-2554
 Firm Reg No F-458



Attachment 27



**WATER UTILITY TARIFF
Docket Number 47914**

MSEC Enterprises, Inc.
(Utility Name)

P.O. Box 970
(Business Address)

Navasota, Texas 77868-0970
(City, State, Zip Code)

(936) 825-5100
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

12887

This tariff is effective in the following counties:

Grimes and Montgomery

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

See Attached List

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE	2
SECTION 2.0 -- SERVICE RULES AND POLICIES.....	4
SECTION 3.0 -- EXTENSION POLICY	11

APPENDIX A -- DROUGHT CONTINGENCY PLAN

SUBDIVISION	PYSID NUMBER
Capitol Hills	1700638
Crown Oaks	1700638
Crown Ranch	1700781
Grand Lakes Estates	1700638
Highland Ranch	1700638
Hills of Montgomery	1700638
Lake Forest Lodge	1700638
Lake Forest Lodge South	1700638
Legacy Creek Estates	1700638
Lakeview	1700638
Oaklawn Estates	1700638
Old Kentucky Farms	1700638
Montgomery Trace	1700638
Ridge Lake Shores	1700638
Stillwater Estates	1700677
Valleywood Acres	1700638
Woodforest	1700638
Woodforest Golf Course	1700638

SECTION 1.0 – RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	\$33.00 (Includes 0 gallons all meters)	\$3.25 per 1000 gallons, 1" 10,000 gallons
1"	\$56.00	\$3.45 per 1000 gallons, next 10,000 gallons
1½"	\$200.00	\$3.70 per 1000 gallons over 20,000 gallons
2"	\$320.00	
3"	\$375.00	

Lone Star Groundwater Conservation District (GCD)..... *\$0.12 per 1000 gallons
(Tariff Control No. 47757)

San Jacinto River Authority (SJRA)..... *\$2.75 per 1000 gallons
 *(The pass through fees are adjusted for line loss and true-up) *(Docket No. 47914)*

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) _____
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$1,200.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

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

METER TEST FEE \$25.00
 THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

SECTION 1.0 -- RATE SCHEDULE (CONT.)**RECONNECTION FEE**

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

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

TRANSFER FEE \$25.00

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

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

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

RETURNED CHECK CHARGE \$25.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00**COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL****GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:**

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [§24.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$$AG = G+B/(1-L)$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent
- G = approved gallonage charge (per 1,000 gallons)
- B = change in purchased water/district gallonage charge (per 1,000 gallons)
- L = system average line loss for the preceding 12 months not to exceed 0.15

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

Schedule 1
(Continued)

CONSOLIDATING INFORMATION
BALANCE SHEET
DECEMBER 31, 2017

ASSETS

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Totals
UTILITY PLANT AT COST					
Electric Plant in Service	\$	\$	\$	\$	\$
Construction Work in Progress		9,027,406			
Capital Lease Assets		5,295,422			
Other Property and Equipment		<u>38,353,213</u>			
	\$	\$ 52,676,041	\$	\$	\$
Less: Accumulated Provision for Depreciation and Amortization		<u>9,175,568</u>			
	\$	\$ <u>43,500,473</u>	\$	\$	\$
OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE					
Investments in Associated Organizations	\$	\$ 123,788	\$	\$	\$
Investments in Affiliated Company		364,621			
Other Investments - Restricted					
Notes Receivable - Affiliated Companies	\$	<u>488,409</u>	\$	\$	\$
CURRENT ASSETS					
Cash - General	\$	\$ 517,185	\$	\$	\$
Accounts Receivable (Less Allowance for Uncollectibles of \$82,372)		26,737			
Accounts Receivable - Affiliated Companies		301,538			
Unbilled Revenue		215,608			
Interest Receivable					
Materials and Supplies					
Other Current and Accrued Assets		<u>1,036</u>			
	\$	\$ <u>1,062,104</u>	\$	\$	\$
OTHER ASSETS					
Deferred Debits	\$	\$ 142,156	\$	\$	\$
Deferred Income Tax Asset	\$	<u>142,156</u>	\$	\$	\$
TOTAL ASSETS	\$	\$ <u>45,193,142</u>	\$	\$	\$

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

Schedule 1
(Concluded)

CONSOLIDATING INFORMATION
BALANCE SHEET
DECEMBER 31, 2017

EQUITIES AND LIABILITIES

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Totals
EQUITIES					
Memberships	\$	\$	\$	\$	\$
Patronage Capital					
Other Equities		12,086,508			
	\$	<u>\$ 12,086,508</u>	\$	\$	\$
LONG-TERM DEBT					
CoBank Notes Payable Less Current Maturities	\$	\$ 21,492,473	\$	\$	\$
CFC Notes Payable Less Current Maturities					
Notes Payable - Mid-South Electric Cooperative, Inc.					
Capital Lease Obligations Less Current Maturities		3,565,985			
Short Term Line of Credit (to be refinanced within one year)		2,910,041			
	\$	<u>\$ 27,968,499</u>	\$	\$	\$
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt	\$	\$ 674,000	\$	\$	\$
Current Maturities of Capital Lease Obligations		350,000			
Accounts Payable - Purchased Power					
Accounts Payable - Other		772,652			
Customer Deposits		29,450			
Accrued Taxes		195,866			
Accrued Employee Compensated Absences					
Accrued Interest		73,429			
Current Tax Liability - State		19,988			
Power Cost Recovery - Overcollected					
Unbilled Power Cost					
Other Current and Accrued Liabilities					
Due to Affiliated Companies		1,822,677			
	\$	<u>\$ 3,938,072</u>	\$	\$	\$
OTHER LIABILITIES					
Deferred Credits	\$	\$ 104,016	\$	\$	\$
Deferred Income Tax Liability		1,096,047			
	\$	<u>\$ 1,200,063</u>	\$	\$	\$
TOTAL EQUITIES AND LIABILITIES	\$	<u>\$ 45,193,142</u>	\$	\$	\$

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

Schedule 2
(Continued)

CONSOLIDATING INFORMATION
STATEMENT OF INCOME AND PATRONAGE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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		(69,000)			
Power Cost Recovery Revenue					
Other Operating Revenues		105,824			
Tap and Connect Fees		622,403			
Sales (Net of Cost of Goods Sold of \$46,259)		5,341,166			
Total Operating Revenues	\$	<u>\$ 6,000,393</u>	\$	\$	\$
OPERATING EXPENSES					
Purchased Power	\$	\$	\$	\$	\$
Distribution - Operation					
Distribution - Maintenance					
Customer Accounts		43,589			
Customer Service and Information					
Sales					
Payroll and Contract Labor		30,512			
Repairs and Maintenance		1,884,903			
Administrative and General		887,668			
Depreciation and Amortization		1,443,467			
Other Interest					
Other Deductions					
Total Operating Expenses	\$	<u>\$ 4,290,139</u>	\$	\$	\$
OPERATING MARGINS - BEFORE					
FIXED CHARGES	\$	<u>\$ 1,710,254</u>	\$	\$	\$
FIXED CHARGES					
Interest on Long-Term Debt	\$	<u>\$ 914,824</u>	\$	\$	\$
Total Fixed Charges	\$	<u>\$ 914,824</u>	\$	\$	\$

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, 2017

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Totals
OPERATING MARGINS - AFTER FIXED CHARGES	\$	\$ 795,430	\$	\$	\$
G&T Capital Credits	\$	\$	\$	\$	\$
Other Capital Credits		208,380			
Total Capital Credits	\$	\$ 208,380	\$	\$	\$
NET OPERATING MARGINS	\$	\$ 1,003,810	\$	\$	\$
NON-OPERATING MARGINS					
Interest Income	\$	\$	\$	\$	\$
Affiliated Company Income (Loss)		(1,219)			
Other Non-Operating Income (Loss)		(2,000)			
Net Non-Operating Margins (Loss)	\$	\$ (3,219)	\$	\$	\$
NET MARGINS (LOSSES) BEFORE INCOME TAX EXPENSE	\$	\$ 1,000,591	\$	\$	\$
PROVISION FOR FEDERAL AND STATE INCOME TAX EXPENSE (BENEFIT)		(324,685)			
NET MARGIN (LOSS)	\$	\$ 1,325,276	\$	\$	\$
PATRONAGE CAPITAL - BEGINNING OF PERIOD		10,761,232			
Capital Credits Retired					
Prior Year Non-Operating Gains Transferred to Other Equities					
PATRONAGE CAPITAL - END OF PERIOD	\$	\$ 12,086,508	\$	\$	\$

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

Schedule 3

CONSOLIDATING INFORMATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	MSEC Electric	MSEC Enterprises	MSEC Services	Eliminating Entries	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Margin (Loss)	\$	\$ 1,325,276	\$	\$	\$
Adjustments to Reconcile Net Margins to Net Cash Provided by (Used in) Operating Activities					
Depreciation		1,443,467			
Investment in Affiliated Company		1,219			
Capital Credits		(52,095)			
Accounts Receivable		29,113			
Unbilled Revenue		66,392			
Inventories and Prepaid Expenses		48,143			
Current Income Tax Asset					
Deferred Charges		(95,824)			
Unbilled Power Costs					
Power Cost Recovery					
Payables and Accrued Expenses		365,893			
Deferred Tax Liabilities		(7,889)			
Deferred Credits		(344,882)			
Net Cash Provided by Operating Activities	\$	\$ 2,778,833	\$	\$	\$
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to Utility Plant and Other Property and Equipment	\$	\$ (6,419,068)	\$	\$	\$
Plant Removal Costs (in Excess) of Less than Salvage		(542)			
Investments in Associated Organizations					
Other Investments					
Net Cash Used in Investing Activities	\$	\$ (6,419,610)	\$	\$	\$
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments on Long-Term Debt - CoBank	\$	\$ (616,926)	\$	\$	\$
Payments on Long-Term Debt - CFC					
Payments on Capital Lease Obligations		(346,023)			
Advances on Long-Term Debt - CoBank		3,000,000			
Advances on Long-Term Debt - CFC					
Net Advances on Short-Term Debt - CoBank		1,376,912			
Patronage Capital Retirements					
Memberships					
Net Cash Provided by Financing Activities	\$	\$ 3,413,963	\$	\$	\$
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$	\$ (226,814)	\$	\$	\$
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		743,999			
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	\$ 517,185	\$	\$	\$
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION					
Cash Paid During the Year for					
Interest	\$	\$ 1,266,140	\$	\$	\$
Income Taxes	\$	\$ 0	\$	\$	\$
NON-CASH INVESTING AND FINANCING ACTIVITIES					

The Cooperative and MSEC Enterprises entered into multiple capital leases for the year ended December 31, 2017. For the Cooperative, the leases increased capital lease obligation by \$1,561,297 and increased capital lease assets by the same amount. For MSEC Enterprises, the leases increased capital lease obligation by \$280,340 and increased capital lease assets by the same amount.



DATE: 05/14/2018

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'

GENERAL LOCATION MAP

Water CCN Application

Small-Scale Map

MSEC Enterprises, Inc.

CCN 12887



DATE: 05/14/2018

DRAWN BY: JLR

DESIGNED BY: JLR



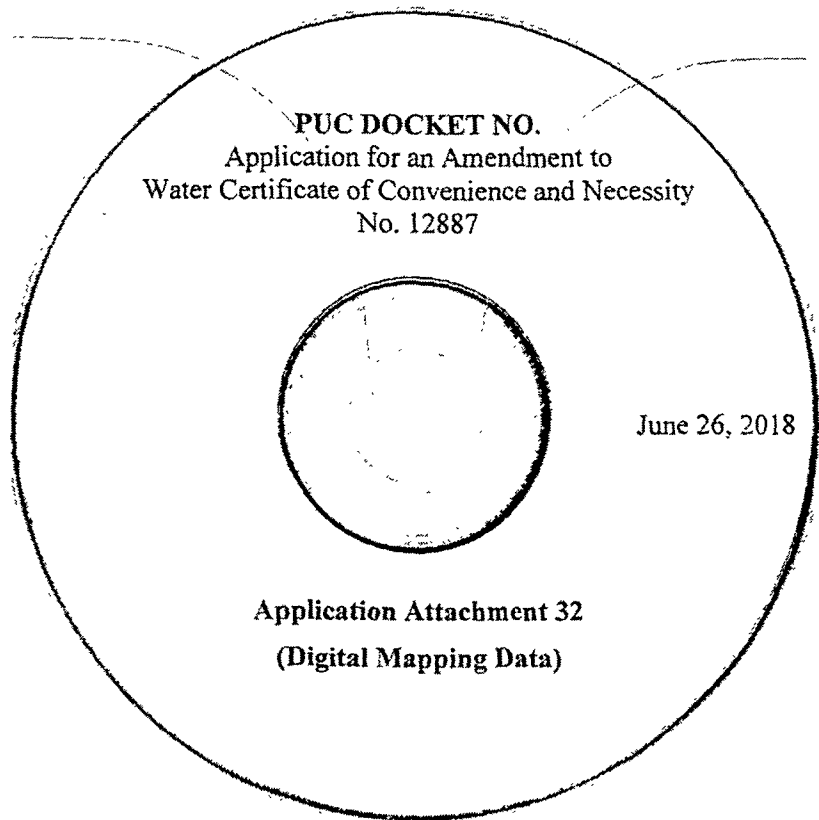
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Scale: 1" = 1,000'

Water CCN Application
MSEC Enterprises, Inc.
CCN 12887



PUC DOCKET NO.

Application for an Amendment to
Water Certificate of Convenience and Necessity
No. 12887

June 26, 2018

Application Attachment 32
(Digital Mapping Data)