



Control Number: 48505



Item Number: 11

Addendum StartPage: 0



consulting environmental engineers, inc.

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September 25, 2018

Public Utilities Commission
Central Records
1701 N Congress P.O. Box 13326
Austin, TX 78711-3326

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PUBLIC UTILITIES COMMISSION
FILING CLERK

RE: Crest Water Company Docket # 48505
Attn: Ms. Kathryn Eiland

Ms. Eiland:

In response to our conference call on 09/25/2018 we respectfully submit the following:

- 1) Updated pages from STM application now stating Transferee is an Investor Owned Utility (IOU).

We have included 10 copies of each per Central Records request.

I believe that is all that is required at this time,

Sincerely,

Charles P. Gillespie III
President

CPG/cg

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

There are no customers that will be transferred

of customers without deposits held by the transferor 79

of customers with deposits held by the transferor* _____

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: James A. Dyche dba Crest Water Company

(individual, corporation, or other legal entity)

Individual Corporation WSC Other:

B. Mailing Address: P.O. Box 460, 840 Betsy Road Keene, TX 76049

Phone: (817) 645-5493 Email: mldyche@gmail.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Charles P. Gillespie, III Title: Engineer

Address: 150 N. Harbin Dr., STE 408, Stephenville, TX 76401

Phone: (254) 968-8130 Email: ceeinc@ceeinc.org

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

No Yes N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

No Yes N/A

7. The legal status of the transferee is:

Individual or sole proprietorship

Partnership or limited partnership (*attach* Partnership agreement)

Corporation
Charter number (as recorded with the Texas Secretary of State): _____

Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____

Articles of Incorporation and By-Laws established (*attach*)

Municipally-owned utility

District (MUD, SUD, WCID, FWSD, etc.)

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: \$ 50,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

No Yes N/A

Total Original Cost of Plant in Service: \$ _____

Accumulated Depreciation: \$ _____

Net Book Value: \$ _____

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

No Yes

Total Customer CIAC: \$ _____

Accumulated Amortization: \$ _____

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

No Yes

Total developer CIAC: \$ _____

Accumulated Amortization: \$ _____

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

No Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

Improvement costs will be funded by capital provided from Crest Water Company's ongoing operations. It is anticipated that any required capital expenditure for future improvements will be funded by equity capital, to the extent not funded by internally generated funds.

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

Currently the Mustang Creek Estates PWS serves 79 of 91 connections. The system has the capability to produce 40 GPM while the requirement for the current capacity is 47.4 GPM. This is approximately 119% total capacity. Upon approval of the transfer by the PUC, Crest Water Company proposed to drill a new well to be able to supply water to all 91 connections and meet TCEQ minimum standards.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	\$	290,534.00
Accumulated Depreciation of Plant:	\$	26,457.00
Cash:	\$	30,219.00
Notes Payable:	\$	347,210.00
Mortgage Payable:	\$	0.00
(Proposed) Acquisition Adjustment*:	\$	0.00

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

Other (NARUC account name & No.): _____

Other (NARUC account name & No.): _____

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

Increase in production cost.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

Yes, current rates do not meet requirements for system maintenance and operation costs for the facility.