



Control Number: 48697



Item Number: 2

Addendum StartPage: 0

2010 OCT -1 AM 9:54

PUBLIC UTILITIES COMMISSION

NOTICE OF PROPOSED RATE CHANGE

TO BE PROVIDED TO CUSTOMERS

PURSUANT TO TEX. WATER CODE § 13.1871

AFFIDAVIT

STATE OF TEXAS

COUNTY OF Grimes

I, Rickey Wehmeyer being duly sworn, file this **NOTICE OF
PROPOSED RATE CHANGE**
as Anderson Water Company

(indicate relationship to Utility, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Utility); that, in such capacity, I am qualified and authorized to file and verify such NOTICE; and that all statements made and matters set forth herein are true and correct.

I further represent that a copy of the attached NOTICE was provided
by

Mail

(method of delivery)

to each customer or other affected party on or about Oct 17th, 20 2018

Rickey D. Wehmeyer
AFFIANT

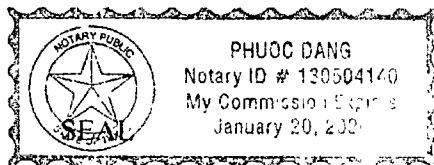
(Utility's Authorized Representative)

Anderson Water Co., Inc.
NAME OF UTILITY

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

SUBSCRIBED AND SWORN TO BEFORE ME,

this the 26 day of September, 20 18, to certify
which witness my hand and seal of office.



[Signature]
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Phuoc Dang
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 20 January 2020

**NOTICE OF PROPOSED RATE CHANGE
PURSUANT TO TEX. WATER CODE § 13.1871**

Anderson Water Company

11675

Company Name

CCN Number(s)

has filed a rate change application with the Public Utility Commission of Texas (Commission or PUC). The application may be reviewed online at interchange.puc.texas.gov. You may also inspect a copy of the rate change application at your utility's office at the address below or at the Commission's office (1701 N. Congress Ave, Austin, TX 78701). The proposed rates will apply to service received after the effective date provided below, unless modified or suspended by the Commission. If the Commission receives a sufficient number of protests, separately or in a combined protest letter, from at least 41 [number of] ratepayers (10 percent of the utility's customers over whose rates the Commission has original jurisdiction) or from any affected municipality before the 91st day after the proposed effective date, the matter will be set for hearing. **See Protest Form on the next page for instructions on how to protest.**

EFFECTIVE DATE OF PROPOSED INCREASE: 11/28/2018

(must be at least 35 days after notice is provided to customers and 35 days after application is filed)

(Proposed rates requested by the utility are not final. The Commission may modify the rates and order a refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest.)

Reason(s) for proposed Rate Change:

To provide the revenues required to provide sufficient quality and adequate quantity of water in a sustainable manner at a reasonable cost while adjusting for 20 years of inflation and regulatory cost increases.

BILLING COMPARISON

Water

Existing	5,000 gallons:	\$ <u>30.00</u> /mo	Proposed	5,000 gallons:	\$ <u>41.25</u> /mo
Existing	10,000 gallons:	\$ <u>45.00</u> /mo	Proposed	10,000 gallons:	\$ <u>63.75</u> /mo
Existing	30,000 gallons:	\$ <u>105.00</u> /mo	Proposed	30,000 gallons:	\$ <u>161.25</u> /mo

Sewer

Existing	5,000 gallons:	\$ _____ /mo	Proposed	5,000 gallons:	_____ /mo
Existing	10,000 gallons:	\$ _____ /mo	Proposed	10,000 gallons:	\$ _____ /mo

Anderson, Richards, Roans Prairie, & Shiro Water Systems

Subdivision(s) or System(s) Affected by Rate Change

P.O. Box 447	Anderson	TX	77830
Company Address	City	State	Zip

936-873-2941

Company Phone Number

\$89,976.15 50%

10/12/2018

Annual Revenue Increase

Date Notice Delivered

07/1998

26th

Date of Last Rate Change

Date Meters Typically Read

* Prior to providing notice, the utility shall file a request for the assignment of a docket number for the application.

P.U.C. DOCKET NO. 48697

RATEPAYER PROTEST

If you wish to PROTEST the proposed rate change, you must submit this form and 10 copies to:

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

Unless protests are received from at least 10% of ratepayers or from any affected municipality, or the Commission Staff requests a hearing, no hearing will be held and the rates will be effective as proposed.

CUSTOMER INFORMATION (to be completed by customers submitting protests)

First Name: _____ Last Name: _____

Phone Number: _____ Fax Number: _____

Address, City, State: _____

Location where service is received: _____

(if different from the mailing address)

Please fill out the following:

I wish to PROTEST the following proposed rate action/s:

☐ Water Rate Change ☐ Sewer Rate Change ☐ Both Water and Sewer Rate Change

☐ Other (please specify below)

Signature of Protester:

_____ Date: _____

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

**Hearing- and speech-impaired individuals with text telephones may contact the PUC's Customer Assistance
Hotline at
512-936-7136**

NOTICE OF PROPOSED RATE CHANGE -WATER

CURRENT RATES			PROPOSED RATES		
Monthly base rate including _____ 3000 gallons			Monthly base rate including _____ 2500 gallons		
Meter Size:			Meter Size:		
RESIDENTIAL			RESIDENTIAL		
5/8" or 3/4"	\$	24.00	5/8" or 3/4"	\$	30.00
1"	\$	34.00	1"	\$	40.00
1 1/2"	\$	59.00	1 1/2"	\$	70.00
2"	\$	89.00	2"	\$	100.00
3"	\$	159.00	3"	\$	175.00
Other: 4"	\$	259.00	Other: 4"	\$	275.00
GALLONAGE CHARGE:			GALLONAGE CHARGE:		
TIER	VOLUME	CHARGE per 1000 gals.	TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	3001 to unlimit gals.	\$ 3.00 /1000 gals.	Tier 1	2501 to 10000 gals.	\$ 4.50 /1000 gals.
Tier 2	0 to gals.	\$ /1000 gals.	Tier 2	10001 to 20000 gals.	\$ 4.75 /1000 gals.
Tier 3	0 to gals.	\$ /1000 gals.	Tier 3	20001 to 50000 gals.	\$ 5.00 /1000 gals.
Tier 4	0 to gals.	\$ /1000 gals.	Tier 4	50001 to 100000 gals.	\$ 5.25 /1000 gals.
Tier 5	0 to gals.	\$ /1000 gals.	Tier 5	100001 to 200000 gals.	\$ 5.50 /1000 gals.
MISCELLANEOUS FEES			MISCELLANEOUS FEES		
Tap Fee	\$	300.00	Tap Fee	\$	1200.00
Reconnect fee: Non-payment	\$	25.00	Reconnect fee: Non-payment (Maximum - \$25.00)	\$	50.00
Customer's Request	\$	25.00	Customer's Request	\$	25.00
Transfer Fee	\$	10.00	Transfer Fee	\$	10.00
Late Charge	\$	2.00	Late charge: (Indicate either \$5.00 or 10%)	\$	5.00
Returned Check Charge	\$	35.00	Returned Check Charge	\$	35.00
Deposit	\$	50.00	Deposit (Maximum \$50.00)	\$	50.00
Meter test fee	\$	25.00	Meter test fee (Maximum - \$25.00)	\$	25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

If applicable, list any bill payment assistance programs to low income Ratepayers.

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NOTICE OF PROPOSED RATE CHANGE –SEWER

CURRENT RATES	PROPOSED RATES
Monthly base rate including _____ n/a gallons	Monthly base rate including _____ n/a gallons
Meter Size:	Meter Size:
RESIDENTIAL	RESIDENTIAL
5/8" or 3/4" \$	5/8" or 3/4" \$
1" \$	1" \$
1 1/2" \$	1 1/2" \$
2" \$	2" \$
3" \$	3" \$
Other: \$	Other: \$
GALLONAGE OR FIXED CHARGE:	GALLONAGE OR FIXED CHARGE:
\$ _____ n/a	\$ _____ n/a
<input type="checkbox"/> per month; OR	<input type="checkbox"/> per month; OR
<input type="checkbox"/> for each additional 1,000 gallons over the minimum.	<input type="checkbox"/> for each additional 1,000 gallons over the minimum.
Gallonge charges are determined based on average consumption for winter period which includes the following months: _____	Gallonge charges are determined based on average consumption for winter period which includes the following months: _____
MISCELLANEOUS FEES	MISCELLANEOUS FEES
Tap Fee \$ _____ n/a	Tap Fee \$ _____ n/a
Reconnect fee: Non-payment \$	Reconnect fee: Non-payment \$ (Maximum - \$25.00)
Customer's Request \$	Customer's Request \$
Transfer Fee \$	Transfer Fee \$
Late Charge \$	Late charge: (Indicate either \$5.00 or 10%) \$
Returned Check Charge \$	Returned Check Charge \$
Deposit \$	Deposit \$ (Maximum \$50.00)
Meter test fee \$	Meter test fee \$ (Maximum - \$25.00)

Regulatory Assessment of 1% is added to base rate and gallonge charges. Additional fees and meter sizes may be shown on a separate page.

If applicable, list any bill payment assistance programs to low income Ratepayers.

n/a

Anderson Water Company



PUBLIC UTILITY COMMISSION OF TEXAS

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

WATER UTILITY NAME: Anderson Water Company
CCN No. 11675

ADDRESS OF UTILITY: P.O. Box 447
Street, P.O. Box and/or suite number
Anderson, TX 77830
City and Zip Code

PHONE NUMBER: 936-873-2941
area code

NAME OF PERSON TO CONTACT REGARDING THIS FILING:

NAME: Jessica Hurst (Account Manager)

PHONE: 936-873-2941

EMAIL ADDRESS andersonwaterco@yahoo.com

PUC CLASS SIZE ☒ B ☐ C (circle one)

INCREASE (DECREASE) \$89,976.15 (From Sch. I-1, Line 33)
dollar amount

50% (From Sch. I-1, Line 34)
percent above (below) current revenue requirement

DESCRIBE OWNERSHIP OF COMPANY

Private Owned Investor Utility Corporation

DATE OF LAST GENERAL RATE CASE FILING 07/07/98

DATE OF LAST NON-GENERAL RATE CHANGE* n/a

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

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

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

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

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

These schedules are intended to assist the utility in calculation of its new rates. The process consists of a number of relatively complex steps. Utilities are required to provide all the information necessary to support amounts included in the schedules and to cross-reference all information. If the applicant does not use a schedule, it should be noted as "N/A", and an explanation provided.

UTILITY NAME: Anderson Water Company
GENERAL WATER RATE/TARIFF CHANGE APPLICATION
SCHEDULES

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

TABLE OF CONTENTS (Page 1 of 2)

FOR TEST YEAR ENDED: 6/30/2017
DATE SUBMITTED TO PUC: 4/5/2018

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

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

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

INSTRUCTIONS REV REQUIREMENT

UTILITY NAME: Anderson Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION I - REVENUE REQUIREMENTS AND REVENUES

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

Instructions for Section I - Revenue Requirement and Revenues

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

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

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

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

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

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

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY PUC Docket No. <u>48384</u> Test Year End: <u>06/30/2017</u>						
A	B	C	D	E	F=D+E	G
			Historical Test Year	K & M Changes	Adjusted Test Year	
Line No.	Acct. No.	Account Name				Reference/ Instructions
		Volume related expenses:				
1	610	Purchased water	-			Schedule II-3
2	615	Power Expense-production only	17,080		17,080	Schedule II-4
3	618	Other volume related expenses	5,028		5,028	Schedule II-5
4		Total volume related exp.	22,108		22,108	Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor	41,827		41,827	Schedule II-6, Line 1
6	620	Materials	7,147	-	7,147	Schedule II-7
7	631-636	Contract work	1,060	-	1,060	Schedule II-8
8	650	Transportation expenses	8,428	-	8,428	Schedule II-9
9	664	Other plant maintenance	-	-	-	Schedule II-10
10		Total non-volume related exp.	58,462		58,462	Add Lines 5-9
		Admin. & general expenses:				
11	601-2	Office salaries	96,345	-	96,345	Schedule II-6, line 2
12	601-3	Mgmt. salaries	-	-	-	Schedule II-6, line 3
13	604	Employee pensions & benefits	-	-	-	Schedule II-11
14	615	Purchased power-Office only	-	-	-	Schedule II-4
15	670	Bad debt expense	1,325	-	1,325	Schedule II-12
16	676	Office services & rentals	-	-	-	Schedule II-13
17	677	Office supplies & expenses	8,634	-	8,634	Schedule II-14
18	678	Professional services	1,220		1,220	Schedule II-15
19	684	Insurance	8,392	-	8,392	Schedule II-16
20	666	Regulatory (rate case) expense	0.00	1,870	1,870	Schedule II-17
21	667	Regulatory expense (other)	-	-	-	Schedule II-18
22	675	Miscellaneous expenses	500	-	500	Schedule II-19
23		Total admin. & general expense	116,416		118,286	Add Lines 11-22
24		Total operating Expenses	196,985	-	198,855	Lines 4 + 10 + 23
25	403	Depreciation	31757.24	-	31,757.24	Sch III-3, Col E, Line 50
26	408	Taxes Other than Income	-		-	Sch IV(b), Line 8
27	409/10	Income Tax Expense	0.00	-	0.00	Schedule V, Line 7
28		TOTAL EXPENSES	228,743	-	230,613	
29		TOTAL HISTORIC REVENUE	\$181,561.00			Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN	(47,182)			Line 28 less Line 29
31		REQUESTED RETURN			37,177	Schedule III-1, Line 3
32		REQUIREMENT			267,789	Line 28 plus Line 31
33		REQUESTED ANNUAL REVENUE INCREASE		(to notice)	86,228	Line 32 less Line 29
34		PERCENTAGE INCREASE			33%	Line 33 divided by Line 36
35		LESS: OTHER REVENUES			7,606	Sch. II-3(b), Col. D, Line 8
36		Revenue for Rate Design		(to VI, line 1)	260,183	Line 32 minus Line 35

SCHEDULE I-2 REVENUES

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE FOR TEST YEAR ENDED: <u>06/30/2017</u> I-2 HISTORICAL REVENUE SUMMARY			
Line No.	NARUC A/C Description	Historical Test Year	
1.	461 Metered connections base rate revenue	\$135,996.00	From financial records
2.	461 Metered connection gallonage rate revenue	\$41,216.00	From financial records
3.	460 Unmetered (Flat rate) revenue	\$0.00	From financial records
4.	Total Metered & Flat Rate Revenue	\$177,212.00	
5.	Plus: Total Other Revenues	\$7,606.00	From II-3, Column B, line 7
6.	Total Historic Test Year Revenues per income statement and Annual Report*	\$181,561.00	Line 4 plus line 5

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

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

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

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE I-3 METERED ACTIVE CONNECTIONS BY METER SIZE FOR TEST YEAR ENDED: 06/30/2017								
A	B	C	D	E	F		G	H
		Number of Connections						
Line No.	Meter Size	End of Prior Year	Test Year Additions	End of Test Year	Average		Meter Ratios	Meter Equivalencies End of TY
		PUC report Sch. 9		(C+D)	(C + E) /2			(E x G)
1.	5/8" x 3/4"	0	0	0	0		1.0	0
2.	3/4"	394	4	398	396		1.5	594
3.	1"	12	0	12	12		2.5	30
4.	1 1/2"	0	0	0	0		5.0	0
5.	2"	4	0	4	4		8.0	32
6.	3"	1	0	1	1		15	15
7.	4"	2	0	2	2		25	50
8.								
9.	Total	415	4	419	417			721
10	Average	83	4	84	83			154

UTILITY NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
I-4 UNMETERED (FLAT RATE) ACTIVE CONNECTIONS
 FOR TEST YEAR ENDED: 06/30/2017

A	B	C	D	E	F
		Number of Active Connections			
Line No.	Flat Rate Unit	End of Prior Year	Test Year Additions	End of Year	Average
		PUC report Sch. 9		(C + D)	(C + E) / 2
1.					
2.					
3.					
4.					
5.	Total				

INSTRUCTIONS - OPERATIONS AND MAINTENANCE

UTILITY NAME: Anderson Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION II - OPERATIONS AND MAINTENANCE

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

Instructions for Section II

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

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

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

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION FOR TEST YEAR ENDED: <u>06/30/2017</u>
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**SCHEDULE II-1(a): WATER PRODUCTION:
(COMPANIES WITH METERED RATE CUSTOMERS)**

Line No.	Water Production (1,000 Gallons)	A	B	C= A+B	D
		Test Year	K & M Changes	Adjusted Test Year	Reference
1	Total water pumped	33,341,300	0	33,341,300	PUC Annual Report
2	Total water purchased	0	0	0	PUC Annual Report
3	Total water produced	33,341,300	0	33,341,300	Line 1 + line 2
4	Total water sold	29,669,500	0	29,669,500	PUC Annual Report
5	Total accounted for non-revenue water*	987,000	0	987,000	
6	Total unaccounted for water	2,684,800	0	2,684,800	Lines 3 less 4 less 5
7	Percentage	8.05	0	8.05	Line 6 divided by Line 3

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

Known and measurable calculations and explanations:

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

Line No.	Description	A Test Year	B K & M Change	C=A+B Adjusted Test Year	D Reference
1	Water Purchased (1,000 gallons)	None			PUC report Sch. D-1
2	Water Pumped (1,000 gallons)				PUC report Sch. D-1
3	Total production (1,000 gallons)				Lines 13 + 14

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-3 OTHER REVENUES & EXPENSES PASSED THROUGH FOR TEST YEAR ENDED: <u>06/30/2017</u>

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

Line No.	A	B	C	D	D
	Purchased from:	Units purchased (in _____) (e.g. 1,000 gal, AC - FT)	Price Per Unit	Total Calculated Cost (B x C)	Actual Cost paid per financial records
1.	None				
2.					
3.					
4.	Total *				

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

II-3(b) Other revenues collected from customers

Line No.	A	B	C	D
	Item passed thru or type of other revenue	Test year historical revenues collected		Test year revenues netted against COS
1.	Tap Fees*	0		-0-*
2.	Late Fees	2328		2328
3.	Meter Test Fees	0		0
4.	Reconnect Fees	250		250
5.	Purchased Water Fees	0		0
6.	Groundwater Conservation District Fees	5028		5028
7.	Other (attach detail**)	0		0
8.	Total Other Revenues	7606		7606

(to Sch. I-2, line 5)

(to Sch. I-1, line 35)

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

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

UTILITY NAME: <u>Anderson Water Company</u> II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE PURCHASED POWER FOR TEST YEAR ENDED. <u>06/30/2017</u>
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This page is supplemental information. It is required to complete Schedule I-1.

References below refer to Schedule I-1.

Line No.	Account No.	Account Name
2.	615.1	Purchased Power (electric) -production

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

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

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

Year	Amount
2015	\$ <u>unknown</u>
2016	\$ <u>unknown</u>
Test Year	\$ <u>17,079.57</u>
K & M Change	\$ <u>0.00</u> (to I-1, Column E, Line 2)
Adjusted Test year	\$ <u>17,079.57</u> (to I-1, Column F, Line 2)

Explanation and calculations of known and measurable change:

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

Line No.	Account No.	Account Name
14	615.2	Purchased Power (electric) Expense for office

Volume related expenses

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

Year	Amount
2015	\$ <u>0.00</u>
2016	\$ <u>0.00</u>
a. Test Year	\$ <u>0.00</u>
b. K & M Change	\$ <u>0.00</u> (to I-1, Column E, Line 14)
c. Adjusted Test year (a. + b.)	\$ <u>0.00</u> (to I-1, Column F, Line 14)

Explanation and calculations of known and measurable change:

None

UTILITY NAME: Anderson Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-5 OTHER RELATED VOLUME EXPENSESFOR THE TEST YEAR ENDED: 6/30/2017**This page is supplemental information. It is required to complete Schedule I-1.**

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

Other volume related expenses

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

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

	<u>Year</u>	<u>Amount</u>	
	<u>2015</u>	\$ <u>4,860.00</u>	
	<u>2016</u>	\$ <u>4,980.00</u>	
a. Test Year	<u>2017</u>	\$ <u>5,028.00</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ <u>5,028.00</u>	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

UTILITY NAME Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-6 ALLOCATION OF PAYROLL EXPENSES
 FOR THE ADJUSTED TEST YEAR 6/30/2017

SOME SALARIES MUST BE CAPITALIZED IN THIS REPORT IF EMPLOYEES INSTALL PLANT IN SERVICE

II-6(a) PAYROLL COSTS:

Line No.	Employee Name	A Test Year Payroll	B Capitalized Payroll	C Expensed Payroll	D 1st 7000 or new limit (FUTA max)	F 9,001 to 118500 or new limit (or FICA max)	G over 118500 or new limit	H Total Payroll
1.	Rickey Wehmeyer	6345	0	6345	6345	0	0	6345
2.	Salvador Cervantes	44400	0	44400	7000	35400	0	44400
3.	Rickey Bernard	45600	0	45600	7000	36600	0	45600
4.	Ryan Sechelski	26832	0	26832	7000	17832	0	26832
5.	Shawn Klawinsky	14995	0	14995	7000	5995	0	14995
6.								
7.								
8.								
9.	Total	138172	0	138172	34345	95827	0	138172
10.	Percentage Capitalized	0 Line 9, column F divided by line 9, column E=						0

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

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

Line No.	Acct. No.	Account Name	Test Yr Expense
1.	601-1	Employee labor	41827
2.	601-2	Office salaries	96345
3.	601-3	Management salaries	0
4.		Total Payroll Expenses	138172

to Schedule I-1, Line 5.
 to Schedule I-1, Line 11.
 to Schedule I-1, Line 12.
 (should equal II-6(a), Column C, Line 9.)

*Attach a brief summary of the utility's capitalization policy and explain any changes in capitalization rates of more the 5% per year.

** Attach an explanation and calculation for K&M salary changes from test year.

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-7 MATERIALS FOR THE TEST YEAR ENDED: <u>06/30/2017</u>
--

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

Line No.	Account No.	Account Name
6.	620	Materials

II-7(a) Materials

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

	Year		Amount
	<u>2015</u>		\$ <u>5,147.00</u>
	<u>2016</u>		\$ <u>11,833.00</u>
a. Test Year	<u>2017</u>		\$ <u>7,147.00</u>
b. K & M Change			\$ <u>-</u> (to I-1, Column E, Line 6)
c. Adjusted Test year (a. + b.)			\$ <u>7,147.00</u> (to I-1, Column F, Line 6)

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

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

Explanation and calculations of known and measurable change:

II-7(b) Large Items:

Description	Amount	Date in service
None		

UTILITY NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-8 CONTRACT WORK
 FOR THE TEST YEAR ENDED:

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

References below refer to Schedule I-1.

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

II-7(a) Contract work

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

	<u>Year</u>	<u>Amount</u>
	<u>2014</u>	\$ <u>0.00</u>
	<u>2015</u>	\$ <u>0.00</u>
	<u>2016</u>	\$ <u>0.00</u>
a. Test Year	<u>2017</u>	\$ <u>1,060.00</u>
b. K & M Change		\$ <u>0.00</u> (to I-1, Column E, Line 7)
c. Adjusted Test year (a. + b.)		\$ <u>1,060.00</u> (to I-1, Column F, Line 7)

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

Explanation and calculations of known and measurable change:

II-8(b) Large Items:

Description	Amount	Date in service
None		

UTILITY NAME: <u>Anderson Water Company.</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-9 TRANSPORTATION FOR THE TEST YEAR ENDED: <u>06/30/2017</u>
--

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

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

II-9(a) Transportation expense

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

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

	Year	Amount
	<u>2015</u>	\$ <u>-</u>
	<u>2016</u>	\$ <u>16,152.00</u>
a. Test Year	<u>2017</u>	\$ <u>8,428.00</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 8)
c. Adjusted Test year (a. + b.)		\$ <u>8,428.00</u> (to I-1, Column F, Line 8)

Explanation and calculations of known and measurable change:

II-9(b) Large Items*:

Description	Amount	Date in service
None		

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

UTILITY NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-10 OTHER PLANT MAINTENANCE
 FOR THE TEST YEAR ENDED: **06/30/2017**

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

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

II-10(a) Other plant maintenance

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

	<u>Year</u>	<u>Amount</u>
	<u>2015</u>	\$ <u>0.00</u>
	<u>2016</u>	\$ <u>0.00</u>
a. Test Year	<u>2017</u>	\$ <u>0.00</u>
b. K & M Change		\$ <u>0.00</u> (to I-1, Column E, Line 9)
c. Adjusted Test year (a. + b.)		\$ <u>0.00</u> (to I-1, Column F, Line 9)

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

Explanation and calculations of known and measurable change:

II-10(b) Large Items:

Description	Amount	Date in service
None		

UTILITY NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-11 EMPLOYEE PENSIONS AND BENEFITS
 FOR THE TEST YEAR ENDED: **06/30/2017**

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

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

Employee pensions and benefits

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

List types of Pensions & Benefits:

<u>2017</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Cost per Employee: -

<u>2017</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Number of Employees covered: 0.00

Cost per Employee: -

List types of Pensions & Benefits:

<u>2017</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Number of Employees covered: 0

Cost per Employee: -

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

UTILITY NAME <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-12 BAD DEBTS FOR THE TEST YEAR ENDED: 06/30/2017
--

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

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

II-12 Bad debts/Uncollectibles

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

	Year	Amount	
	2015	\$ 0.00	
	2016	\$ 0.00	
a. Test Year	2017	\$ 1,324.67	
b. K & M Change		\$ 0.00	(to I-1, Column E, Line 15)
c. Adjusted Test year (a. + b.)		\$ 1,324.67	(to I-1, Column F, Line 15)

Explanation and calculations of known and measurable change:

II-12(b) Large Items*:

Description	Amount	Date in service
None		

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

UTILITY NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-13 OFFICE SERVICES AND RENTALS
 FOR THE TEST YEAR ENDED: 06/30/2017

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

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

II-13(a) Office services and rentals

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

	<u>Year</u>	<u>Amount</u>
	<u>2015</u>	\$ <u>0.00</u>
	<u>2016</u>	\$ <u>0.00</u>
a. Test Year	<u>2017</u>	\$ <u>0.00</u>
b. K & M Change		\$ <u>0.00</u> (to I-1, Column E, Line 16)
c. Adjusted Test year (a. + b.)		\$ <u>0.00</u> (to I-1, Column F, Line 16)

Explanation and calculations of known and measurable change:

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

II-13(b) Large Items:

Description	Amount	Date in service
None		

UTILITY NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-14 OFFICE SUPPLIES

FOR THE TEST YEAR ENDED: **06/30/2017**

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

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

II-14(a) Office supplies & expenses

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

	<u>Year</u>	<u>Amount</u>	
	<u>2015</u>	\$ <u>9,500.00</u>	
	<u>2016</u>	\$ <u>2,788.00</u>	
a. Test Year	<u>2017</u>	\$ <u>8,634.00</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 17)
c. Adjusted Test year (a. + b.)		\$ <u>8,634.00</u>	(to I-1, Column F, Line 17)

Explanation and calculations of known and measurable change:

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

II-14(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-15 PROFESSIONAL SERVICES FOR THE TEST YEAR ENDED:

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

Line No.	Account No.	Account Name
18.	682	Professional services

II-15(a) Professional services

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

	Year		Amount	
	<u>2015</u>	\$	<u>2,500.00</u>	
	<u>2016</u>	\$	<u>2,125.00</u>	
a. Test Year	<u>2017</u>	\$	<u>1,220.00</u>	
b. K & M Change		\$	<u>-</u>	(to I-1, Column E, Line 18)
c. Adjusted Test year (a. + b.)		\$	<u>1,220.00</u>	(to I-1, Column F, Line 18)

Explanation and calculations of known and measurable change:

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

II-15(b) Large Items:

Description	Amount	Date in service
None		

UTILITY NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-16 INSURANCE
 FOR THE TEST YEAR ENDED: **06/30/2017**

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

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
19.	684	Insurance

Insurance

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

	<u>Year</u>	<u>Amount</u>	
	<u>2015</u>	\$ <u>3,352.00</u>	
	<u>2016</u>	\$ <u>18,991.00</u>	
a. Test Year	<u>2017</u>	\$ <u>8,392.00</u>	
b. K & M Change	\$ <u>-</u>	(to I-1, Column E, Line 19)	
c. Adjusted Test year (a. + b.)	\$ <u>8,392.00</u>	(to I-1, Column F, Line 19)	

Types of insurance:

<u>2015</u>	\$ <u>3,352.00</u>	<u>Quart-Auto Renew</u>	<u>Auto/Business Liability</u>	<u>State Farm</u>
<u>Year</u>	<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>
<u>2016</u>	\$ <u>18,991.00</u>	<u>Quart-Auto Renew</u>	<u>Auto/Business Liability</u>	<u>State Farm</u>
<u>Year</u>	<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>
<u>2017</u>	\$ <u>8,282.00</u>	<u>Quart-Auto Renew</u>	<u>Auto/Business Liability</u>	<u>State Farm</u>
<u>Year</u>	<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>

Explanation and calculations of known and measurable change:

UTILITY NAME <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-17 REGULATORY EXPENSE FOR THE TEST YEAR ENDED <u>06/30/2017</u>
--

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

Line No.	Account No.	Account Name
20.	666	Regulatory (Rate Case) Expense

II-17(a) Regulatory commission expense

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

	Year	Amount	
	<u>2015</u>	\$ <u>0.00</u>	
	<u>2016</u>	\$ <u>0.00</u>	
a. Test Year	<u>2017</u>	\$ <u>0.00</u>	
b. K & M Change		\$ <u>1,870.00</u>	Copies/Stamps/Prof S (to I-1, Column E, Line 20 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ <u>1,870.00</u>	(to I-1, Column F, Line 20 - see instructions above)

Explanation and calculations of known and measurable change:

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

II-17(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-18 REGULATORY EXPENSE FOR THE TEST YEAR ENDED: <u>06/30/2017</u>
--

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

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

II-18(a) Regulatory commission expense

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

	Year	Amount	
	2015	\$ 0.00	
	2016	\$ 0.00	
a. Test Year	2017	\$ 0.00	
b. K & M Change		\$ 0.00	(to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ 0.00	(to I-1, Column F, Line 21 - see instructions above)

Explanation and calculations of known and measurable change:

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

II-18 (b) Large Items:

Description	Amount	Date in service
None		

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-19 MISCELLANEOUS EXPENSE FOR THE TEST YEAR ENDED: <u>06/30/2017</u>

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

Line No.	Account No.	Account Name
22.	675	Miscellaneous

II-19 (a) Miscellaneous expense

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

	Year	Amount	
	<u>2015</u>	\$ <u>0.00</u>	
	<u>2016</u>	\$ <u>0.00</u>	
a. Test Year	<u>2017</u>	\$ <u>500.00</u>	from tax return
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ <u>500.00</u>	(to I-1, Column F, Line 22 - see instructions above)

Explanation and calculations of known and measurable change:

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

II-19 (b) Large Items:

Description	Amount	Date in service
None		

SECTION III RATE BASE INSTRUCT

UTILITY NAME: Anderson Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION III RATE BASE INSTRUCTIONS

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

Instructions for Section III

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

UTILITY NAME: Anderson Water Company SCHEDULES - CLASS B RATE/TARIFF CHANGE III-1 REQUESTED RETURN FOR THE TEST YEAR ENDED: 06/30/2017
--

RETURN ON RATE BASE:

Line No	Description	Amount
1	Test year end rate base (from III-2, Line 16)	324,342
2	Requested ROR (Col G, Line 7 below)	0 1144
3	Return on rate base (Line 1 x Line 2)	37,108

Rate of Return:

A	B	C	D	E	F	G
Line No	Description	Amount	Percentage	Rate	Reference	Weighted Average Rate
			Amount from previous column divided by Line 6, Column C			G=(E x F)
4	Equity (Rate base less Line 5, Column D)	322,117.04	1	0 1152	Col E = Requested return on equity	0 1144
5	Long Term Debt and Advances from associated companies from Schedule III-6	2,225 36	0 01	0 0424	Col E = From Sch III-6, Column H, Line 9	0 00
6	Total capitalization (Rate Base Sch III-2, Line 16)	324,342 41				
7	Return on rate base Col G, Line 6 rounded to nearest 0 01%)				Line 4 + Line 5	0 1147

To Line 2 above

* ROE = Return on Equity

UTILITY NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-2 RATE BASE SUMMARY
 FOR THE TEST YEAR ENDED: 06/30/2017

Line No.	Description	Amount	Reference (From)
1	Additions:		
2.	Utility plant (Original Cost)	611,805.00	Schedule III-3, Line 50, Col D
3.	Construction work in progress	0	Schedule III-4, Line 5
4.	Materials and supplies	0	Schedule III-4, Line 8
5.	Working cash (capital)	24,260.39	Schedule III-5, Line 2
6.	Prepayments	0	Schedule III-4, line 8
7.	Other Additions	0	Add schedule
8.	TOTAL ADDITIONS (Add Lines 2 through 6)	\$ 636,065.39	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	311722.98	Schedule III-3, Col F, Line 50
10.	Advances for construction	0	Schedule III-8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	0	Schedule III-8(b), Col G, Line 6
12.	Accumulated deferred income taxes	0	Schedule III-9(a), Line 3
13.	Accumulated deferred investment tax credits	0	Schedule III-9(b), Line 3
14.	Other Deductions	0	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	311722.98	
16.	RATE BASE (Line 8, less Line 15)	\$ 324,342.41	

UTILITY NAME <u>Anderson Water Company</u> <u>Anderson Water Company-</u>										Schedule III-3		
SCHEDULES - CLASS B RATE/TARIFF CHANGE												
III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION										(Provide a schedule for each PWS system)		
#REF!										Add schedules as needed, provide a summary also		
Line No	[A]	[B]	[C]	[D 1]	[D.2]	[D]= [D.1] - [D.2]	Depreciation					
	Item	Date of Installation	Service Life (yrs) **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Time in Service			[E] = [D]/[C] Annual (\$)	[F] (Years) x E Accumulated (\$) (Reserve)	[G] = [D]-[F] Net Book Value (\$)
							Years in Service	Months	Days			
1	303 Land and land rights	10/14/2008		15,000.00	-	15,000.00	10			-	-	15,000.00
2	307 Wells #3	7/1/1985	50	30000	-	30,000.00	33			600.00	19,800.00	10,200.00
	Well #4	8/1/1998	50	103,916.00	-	103,916.00	20			2,078.32	41,566.40	62,349.60
3	Well Pumps:		5			-				-	-	-
4	311 5 hp or less		10			-				-	-	-
	311 Greater than 5 hp	4/15/2010	10	26,160.00		26,160.00	8			2,616.00	20,928.00	5,232.00
5	Booster Pumps:		5			-				-	-	-
6	311 5 hp or less		10			-				-	-	-
7	311 Greater than 5 hp	9/15/2006	10	1,149.00		1,149.00	12			114.90	1,149.00	-
	320 Chlorinators	6/1/2016	10	550.00		550.00	2			55.00	110.00	440.00
8	Structures:		15			-				-	-	-
9	304 Wood	2/14/2010	30	11,237.00		11,237.00	8			374.57	2,996.53	8,240.47
10	304 Electrical		50			-				-	-	-
11	305 Storage Tanks	2/14/2010	50	63,810.00		63,810.00	8			1,276.20	10,209.60	53,600.40
12	311 Pressure Tanks		50			-				-	-	-
13	331 Distribution System (mains and lines)	5/1/1998	20	2,172.00		2,172.00	20			108.60	2,172.00	-
14	Dist Update	1/1/2000	10	3745		3,745.00	18			-	3,745.00	-
15	Dist Update	6/1/2001	10	4935		4,935.00	19			-	4,935.00	-
16	334 Meters and Service (taps not covered by fees)	5/15/2008	5	1,592.00		1,592.00	10			-	1,592.00	-
17	Meter update	6/1/2016	15	1900		1,900.00	2			126.67	253.33	1,646.67
18	340 Office Equipment										-	-
	341 Vehicles	8/15/2009	20	3,100.00		3,100.00	9			155.00	1,395.00	1,705.00
19		12/4/2015	10	35,918.00		35,918.00	3			3,591.80	10,775.40	25,142.60
20	343 Shop Tools										-	-
50	345 Heavy Equipment										-	-
	348 Fencing	8/1/1998	20	2,500.00		2,500.00	20			125.00	2500	0
	Other: (Please list)										0	0
	4" Line w/casing bores	4/15/2010	10	4,995.00		4,995.00	8			499.50	3,996.00	999.00
	Brass Impellers	6/15/2010	10	726.00		726.00	8			72.60	580.80	145.20
	Total			313,405.00		313,405.00				11,794.15	128,704.07	184,700.93
	Grand Total			611,805.00		611,805.00				\$31,757.24	\$311,722.98	\$300,082.02

To Sch III-2,

To Sch I-1,

To Sch III-2, line

UTILITY NAME <u>Anderson Water Company</u> <u>Anderson Water Company-</u>										Schedule III-3		
SCHEDULES - CLASS B RATE/TARIFF CHANGE										(Provide a schedule for each PWS system)		
III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION										Add schedules as needed provide a summary also		
#REF!												
Line No	[A]	[B]	[C]	[D 1]	[D 2]	[D] = [D.1] - [D.2]	Depreciation			[E] = [D]/[C]	[F] (Years) x E	[G] = [D]-[F]
	Item	Date of Installation	Service Life (yrs) **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Years in Service	Months	Days	Annual (\$)	Accumulated (\$) (Reserve)	Net Book Value (\$)
1	303 Land and land rights	n/a										
2	307 Metal	9/1/1976	50	-	-	-				0 00	-	0 00
	Pipe Shed	8/1/1978	15	3,162 00		3,162 00	40			0 00	3,162 00	0 00
3	Structures:		15			-				0 00	-	0 00
4	304 Wood	9/1/1976	30	-		-				0.00	-	0 00
	304 Electrical	1/1/2001	50	-		-				0 00	-	0 00
5	340 Office Equipment											0 00
6	341 Vehicles	9/1/2000	15	33,739 00		33,739 00	18			0 00	33,739 00	0 00
7	343 Shop Tools	3/1/2006	10	10,050 00		10,050 00	12			0 00	10,050 00	0 00
	345 Heavy Equipment	4/15/2012	20	34,138 00		34,138 00	6			0 00	34,138 00	0 00
8	Backhoe & Trailer	2/1/1984	20	48,872 00		48,872 00	34			0 00	48,872 00	0 00
9	348 Septic	1/1/2000		-		-				0 00	-	0 00
10	Other: (Please list)					-						0 00
11						-						
12						-				0 00	129,961 00	0 00
13	Total											
14												
15												
16												
17												
18												
19												
20												
50												

Add detailed

¹ Any amount paid for an

UTILITY NAME <u>Anderson Water Company</u> Richards SCHEDULES - CLASS B RATE/TARIFF CHANGE III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION #REF!										Schedule III-3		
										(Provide a schedule for each PWS system)		
										Add schedules as needed, provide a summary also		
Line No	[A] Item	[B] Date of Installation	[C] Service Life (yrs) **	[D 1] Original Cost when installed \$	[D 2] Customer CIAC amount	[D] = [D 1] - [D 2] Adjusted Original Cost for Customer CIAC ¹	Time in Service			Depreciation		
							Years in Service	Months	Days	[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$) (Reserve)	[G] = [D]-[F] Net Book Value (\$)
1	303 Land and land rights	8/1/1976		3,855.00		3,855.00	42			-	-	3,855.00
2	307 Wells #1	7/1/1981	50	7,004.00		7,004.00	37			140.08	5,182.96	1,821.04
	Well #1 Back up	1/1/1982	50	1,336.00		1,336.00	36			26.72	961.92	374.08
3	Well Pumps:											-
4	311 5 hp or less	6/15/2012	10	4319		4,319.00	6			431.90	2,591.40	1,727.60
	5 hp or less	2/15/2002	10	2935		2,935.00	16			293.50	2,935.00	-
5	311 Greater than 5 hp					-						-
6	Booster Pumps:		5							-	-	-
7	311 5 hp or less	9/15/2008	10	388.00		388.00	10			38.80	388.00	-
	5 hp or less	3/15/2013		685.00		685.00	5				-	685.00
8	311 Greater than 5 hp		10			-				-	-	-
9	320 Chlorinators	5/1/2017		600.00		600.00	1				-	600.00
10	Structures:		15			-				-	-	-
11	304 Wood	5/1/2002	30	1,500.00		1,500.00	16			50.00	800.00	700.00
12	304 Electrical	12/15/2012	50	2,458.00		2,458.00	6			49.16	294.96	2,163.04
13	305 Storage Tanks	8/1/1976	50	12,000.00		12,000.00	42			240.00	10,080.00	1,920.00
14	311 Pressure Tanks	5/1/1977	50	3,200.00		3,200.00	41			64.00	2,624.00	576.00
15	331 Distribution System (main and lines)	6/1/1991	20	6,790.00		6,790.00	27			339.50	6,790.00	-
16	334 Meters and Service (taps not covered by fees)	6/1/2016	10	950.00		950.00	2			95.00	190.00	760.00
17	340 Office Equipment	12/4/2015	5	55,799.00		55,799.00	3			11,159.80	33,479.40	22,319.60
18	341 Vehicles	9/15/2011	15	37,813.00		37,813.00	7			2,520.87	17,646.07	20,166.93
	343 Shop Tools		10			-				-	-	-
19	345 Heavy Equipment	4/15/2013	20	2,365.00		2,365.00	5			118.25	591.25	1,773.75
20	348 Fencing	10/1/1981	20	2,630.00		2,630.00	37			131.50	2,630.00	-
50	Other: (Please list)											
	2" well pipe replaced	4/15/2013	10	2,535.00		2,535.00	5			253.50	1,267.50	1,267.50
	Engineering System	4/15/2012	10	1,800.00		1,800.00	6			180.00	1,080.00	720.00
	Total			150,962.00		150,962.00				16,132.58	89,532.46	61,429.54
				To Sch III-2,				To Sch I-1, To Sch III-2,				

Add detailed

¹Any amount paid for an

UTILITY NAME <u>Anderson Water Company</u> Shiro										Schedule III-3			
SCHEDULES - CLASS B RATE/TARIFF CHANGE													
III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION										(Provide a schedule for each PWS system)			
#REF!										Add schedules as needed provide a summary also			
Line No	[A]	[B]	[C]		[D 1]	[D 2]	[D] = [D.1] - [D.2]	Depreciation					
	Item	Date of Installation	Service Life (yrs) **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Time in Service			[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$ (Reserve))	[G] = [D]-[F] Net Book Value (\$)	
							Years in Service	Months	Days				
1	303 Land and land rights	2/1/1972			3,855 00		3,855 00	40			-		3,855 00
2	307 Wells	1/1/1914	50		unknown		-	104			-	-	-
	Well Pumps:						-						
3	311 5 hp or less	6/15/2007	5		2,180 00		2,180 00	11			-	2,180 00	-
4	311 Greater than 5 hp												
	Booster Pumps:											-	
5	311 5 hp or less	9/1/2013	5		4,000 00		4,000 00	5			800 00	4,000 00	-
6	311 Greater than 5 hp												
7	320 Chlorinators	3/1/2014	10		500 00		500 00	4			50 00	200 00	300 00
	Structures:						-						
8	304 Wood	2/1/1972	15		200 00		200 00	46			-	200 00	-
9	304 Electrical	1/15/2008	30		775 00		775 00	10			25 83	258 33	516 67
10	305 Storage Tanks	10/15/2012	50		30,195 00		30,195 00	6			603 90	3,623 40	26,571 60
11	311 Air Compressor	2/15/2008	50		1,170 00		1,170 00	10			23 40	234 00	936 00
12	331 Distribution System (mains and lines)	12/1/1995	50		2,400 00		2,400 00	23			48 00	1,104 00	1,296 00
13	334 Meters and Service (taps not covered by fees)	8/17/2016	20		400 00		400 00	2			20 00	40 00	360 00
14	340 Office Equipment												
15	341 Vehicles	7/15/2006	5		16,785 00		16,785 00	12			-	16,785 00	-
16	343 Shop Tools	2/15/2008	15		2,957 00		2,957 00	10			197 13	1,971 33	985 67
17	345 Heavy Equipment	1/17/2008	10		6,000 00		6,000 00	10			600 00	6,000 00	-
18	348 Fencing	6/15/1995	20		3,610 00		3,610 00	23			-	3,610 00	-
	Other: (Please list)												
19	1" Air Line in Well	6/21/2000	10		1,500 00		1,500 00	18			-	1,500 00	-
20	Engineering upgrade well	8/15/2007	10		1,400 00		1,400 00	11			-	1,400 00	-
50	Total				77,927 00		77,927 00				2,368 27	43,106 07	34,820 93

To Sch III-2,
line 2

To Sch I-1,
line 27

To Sch III-2,
line 9

Add detailed workpapers if necessary to support this Schedule

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

UTILITY NAME <u>Anderson Water Company</u> <u>Roans Prairie</u>										Schedule III-3			
SCHEDULES - CLASS B RATE/TARIFF CHANGE										(Provide a schedule for each PWS system)			
III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION										Add schedules as needed provide a summary also			
#REF!													
Line No	[A] Item	[B] Date of Installation	[C] Service Life (yrs) **		[D.1] Original Cost when installed \$	[D.2] Customer CIAC amount	[D]-[D.1] - [D.2] Adjusted Original Cost for Customer CIAC ¹	Depreciation			[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$) (Reserve)	[G] = [D]-[F] Net Book Value (\$)
								Years in Service	Months	Days			
1	303 Land and land rights	11/1/1981			3,855.00		3,855.00	37					
2	Wells #1	11/1/1981	50		2,782.00		2,782.00	37			55.64	2,058.68	2,782.00
	Well #2	9/30/1991	50		5,873.00		5,873.00	27			117.46	3,171.42	2,701.58
3	Well Pumps:						-						-
4	5 hp or less	2/20/2016	10		3,500.00		3,500.00	2			350.00	700.00	2,800.00
	311 5 hp or less	7/6/2013	10		2,535.00		2,535.00	4			253.50	1,014.00	1,521.00
5	311 Greater than 5 hp		5				-				-	-	-
6	Booster Pumps:		10				-				-	-	-
7	311 5 hp or less		10				-				-	-	-
	311 Greater than 5 hp						-				-	-	-
8	320 Chlorinators	8/1/2015	15		600.00		600.00	3			40.00	120.00	480.00
9	Structures:		30				-				-	-	-
10	304 Wood	8/1/1991	50		2,782.00		2,782.00	27			55.64	1,502.28	1,279.72
11	304 Electrical		50				-				-	-	-
12	305 Storage Tanks	None	50				-				-	-	-
13	311 Pressure Tanks	2/20/2016	20		4,000.00		4,000.00	2			200.00	400.00	3,600.00
14	331 Distribution System (mains and lines)	6/1/1998	10		15,238.00		15,238.00	20			-	15,238.00	-
15	334 Meters and Service (taps not covered by fees)	6/1/2016	5		950		950.00	2			190.00	380.00	570.00
16	340 Office Equipment						-						
17	341 Vehicles	8/15/2010	10		18,676.00		18,676.00	18			-	18,676.00	-
18	343 Shop Tools	8/15/1992	20		3,360.00		3,360.00	26			-	3,360.00	-
	345 Heavy Equipment						-						
19	348 Fencing	8/15/1992	20		3,360.00		3,360.00	26			-	3,360.00	-
20	Replace 2" pipe	2/20/2016	10		2,000.00		2,000.00	2			200.00	400.00	1,600.00
50	Total				69,511.00		69,511.00				1,462.24	50,380.38	19,130.62
Other: (Please list)		To Sch III-2, line 2						To Sch I-1, line 27		To Sch III-2, line 9			

Add detailed

¹ Any amount paid for an

UTILITY NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE
 FOR TEST YEAR ENDED: **06/30/2017**

ORIGINAL COST DATA

A	B	C	D
Line No.	Description	Amount	Amount
1.	Beginning Gross Plant balance - (from previous rate case)	Must match previous rate case	86,630.00
2.	Plant additions after previous rate case		
3.	Anderson Well		
4.	Anderson Office	\$ 77,927.00	
5.	Richards	\$ 114,147.00	
6.	Shiro	\$ 67,862.00	
7.	Roans Prairie	\$ 32,261.00	
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)		\$292,197
12.	Test year plant retirements after previous rate case.		
13.	Anderson Well	\$ 3,100.00	
14.	Anderson Office	\$ 33,739.00	
15.	Richards	\$ 37,813.00	
16.	Shiro	\$0.00	
17.	Roans Prairie	\$ 18,676.00	
18.			
19.			
20.			
21.	Total retirements (add line 13 through 20, Col C)		\$ 93,328.00
22.	Ending balance (line 1 + line 11 - line 21)	Equals as III-3, Column D, line 50	\$ 198,869.00

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

UTILITY NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
**III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS,
 MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS**
 FOR THE TEST YEAR ENDED: 06/30/2017

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

III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS:

A Line No.	B Description	C Test Year Amount
1.	Beginning balance	0
2.	Test year costs added	0
3.	Test year construction costs completed	0
4.	Ending balance	0
5.	Average balance - test year (line 1 plus line 4, divided by 2	0

Typically zero, to Schedule III-2, Line 3

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

To III-2, Line 4.

To III-2, Line 6.

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

UTILITY NAME: Anderson Water Company

SCHEDULES FOR CLASS B RATE/TARIFF CHANGE

III-5 WORKING CASH ALLOWANCE CALCULATIONSFOR THE TEST YEAR ENDED: 06/30/2017

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

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

A Line No	B Description	Class B		Class C	
		Water	Sewer	Water	Sewer
1	Annual O & M Expenses		0	194,083.10	0
2	Working Cash (Line 3 / Line 5)			\$24,260.39	
3	Divisor	12	12	8	8

From Sch I-1, line 25

To Sch III-2, line 5

UTILITY NAME: Anderson Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

III-6 LONG TERM DEBT/ NOTES PAYABLE – WATER AND SEWER

FOR THE YEAR ENDED: 06/30/2017

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

	(A) Long Term Debt Name of Bank/Lender	(B) Date of Issue	(C) Date of Maturity	(D) Original Amount of Loan	(E) Outstanding or Unpaid Balance- End of Test Year	(F) Interest Rate	(G)=Col E x Col F Weighted Average
1	Part 1 - Debt						
2	Ford Motor Credit (F350)	12/4/2015	1/18/2020	45,798.72	33,759.22	0.0424	1,431.39
3	For Motor Credit (F150)	12/4/2015	1/18/2020	25,918.25	18,725.77	0.0424	793.97
4							
5							
6							
7							
8							
9	Total			71,716.97	52,484.99	0.0424	2,225.36

to Sch III-1,
Column G,
Line 5

List short term debt, if any:

UTILITY NAME: Anderson Water Company SCHEDULES - CLASS B RATE/TARIFF CHANGE III-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE FOR THE TEST YEAR ENDED: 06/30/2017
--

ACCUMULATED DEPRECIATION:

Line No.	Description	Dollar Amount
	Ending-Prior Rate Case (Docket No. <u>98-1001</u>) UCR APP#32120-R	86,630.00
1.	Ending balance per Sch III-3, Column F, Line 50	311,722.98
2.	Describe accounting adjustments made between the prior rate case and the current rate case:	
	None	

Must match previous rate case.

UTILITY NAME: **Anderson Water Company**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-8 ADVANCES FOR CONSTRUCTION AND
CONTRIBUTIONS IN AID OF CONSTRUCTION
 FOR THE TEST YEAR ENDED: **06/30/2017**

III-8(a) ADVANCES FOR CONSTRUCTION:

	A	B	C	D	E	F	G
Line No.	Item	Date of Installation	Total Cost	Amount of Advance	Repayments made to developer	(F)=(D)-(E) Rate base Value (to Sch III-2)	Amount to be refunded in the future*
1.	None						
2.							
3.							
4.							
5.							
6.	Total						

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

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

	A	B	C	D	E	F	G
Line No.	Item	Date of Installation or Contribution	Total Cost	Amount of Developer Contribution	Annual amortization	Accumulated Amortization	(G)=(D) - (F) Rate Base Value (to Sch III-2)
1.	None						
2.							
3.							
4.							
5.							
6.	Total						

*Customer CIAC is entered directly on III-3

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE III-9 DEFERRED INCOME TAXES AND DEFERRED INVESTMENT TAX CREDITS FOR THE TEST YEAR ENDED: <u>06/30/2017</u>

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

III-9(a) ACCUMULATED DEFERRED INCOME TAXES:

Line No.	Description	Test Year Amount
1.	Beginning balance	None
2.	Test year amount	
3.	Ending balance	

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

Line No.	Description	Test Year Amount
1.	Beginning balance	None
2.	Test year amortization	
3.	Ending balance	

UTILITY NAME: <u>Anderson Water</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE III-10 OTHER DEFERRED ASSETS FOR THE TEST YEAR ENDED: <u>06/30/2017</u>
--

III-10(a) : Other Deferred Assets

Line No.	Description	Test Year Amount
1.	None	
2.		
3.		

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

Line No.	Description	Test Year Amount	Total Accum Amort End of test year
1.	None		
2.			
3.			

SECTION IV OTHER TAX INSTRUCT

UTILITY NAME: Anderson Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

Instructions for Section IV

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

NAME: Anderson Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV(a) ESTIMATE OF TAXES OTHER THAN INCOME
 FOR THE TEST YEAR ENDED: **06/30/2017**

PROPERTY TAXES:

A	B	C	D	E
Line No	Description	Amount	Amount	Reference
1	Property taxes paid in in test year		1,590	per property tax bills
2	Utility plant added in test year	292,197		Schedule III-3(a), Line 11
3	Utility plant retirements in test year	93,328		Schedule III-3(a), Line 21
4	Net additions	198,869		Line 2 minus line 3
5	Net Property tax rate	0 02		Line 1 / beginning of test year gross plant balance from III-3 (a), Col D, Line 1
6	Test year property tax on additions		\$3,649.52	Line 4 times Line 5
7	Adjusted Test year property tax expense		5,239	Line 1 + Line 6
8	Known and measurable change	3,650		Line 7 minus Line 1

PAYROLL TAXES (BASED ON ADJUSTED TEST YEAR NUMBERS):

A	B	C	D	E	F	G
Line No.	Tax Type	Wage Level	Tax Rate	Taxable Wages	Reference	Tax
					SCHEDULE II-6	(D x E)
9	FICA	wages to <u>95827</u>	7 65%	138172	Column D+E+F Line 9	10,570 16
10	Medicare	wages to <u>95827</u>	1 45%	138172	Column H Line 9	2,003 49
11	Added Medicare (Affordable Care Act)	wages to <u>0</u>	0 00%	0		0.00
12	Federal unemployment	wages to <u>34345</u>	0.60%	34345	Column D Line 9	2,060 70
13	State unemployment	wages to <u>42345</u>	0 45%	138172	Column D+E Line 9	6,217 74
14	Total (add Lines 10 through 13)					10,281 93
15	Less: Capitalized	Use % on Sch II-6(a), line 10	0			0 00
16	Test year Payroll Tax Expense	Line 13 less 14				10,281 93
17	Known and measurable change				(Line 13 minus Line 14)	(4,064 19)

OTHER TAXES:

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

UTILITY NAME: <u>Anderson Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE IV(b) REVENUE RELATED TAXES AND EXPENSES FOR THE TEST YEAR ENDED: <u>06/30/2017</u>						
A		B	C	D	E	F=B+C+D+E
Line		Texas Margins Tax	City Franchise Taxes	Bad Debt Expense	Other Revenue Related	Totals
1	Test year expense	0.00	0.00	0.00	0.00	0.00
2	Test year effective rate (test year tax expense/historic test year revenues-Sch I-1)	-	-	-	-	-
3	Gross up factor (1.0 divided by (1.0 minus Line (example below)	-	-	-	-	-
4	Change in revenue requirement (Sch I-1, line 33)					-
5	Adjusted revenue requirement (Line 3 x Line 4)					-
6	Adjusted expense (Line 3 times Line 4)	-	-	-	-	-

SECTION V FEDERAL INCOME TAX

SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section V calculated federal income tax at present rates.

Instructions for Section V

Complete SCHEDULE V per instructions found in the reference column.

UTILITY NAME: Anderson Water Company
SCHEDULES - CLASS B RATE/TARIFF CHANGE
V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE
FOR THE TEST YEAR ENDED: 06/30/2017

A	B	C	D	
Line		Amount	Reference	
1	Requested Return	37,108	Schedule III-1, Line 3 or II-1, line 34	
2	Less: Synchronized Interest	94	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)	0.00
3	Requested taxable return	37,014	Line 1 minus Line 2	\$ 324,342.41
4	Income taxes at proposed rates	0.00	Line 17 below	
5	Effective tax rate	0.00%	Line 4 divided by Line 3	
6	Total gross up factor	1.00	1.0 divided by (1.0 minus line 5)	
7	Grossed up federal income tax	0.00	Line 4 times line 6	To Sch I-1, Line 27

FEDERAL INCOME TAX CALCULATION:

Line No.	Tax Rate	Taxable Income 0.00 (Portion of Taxable Income in Level)	Tax Rate	Tax (C x D)
12	1st 50,000 of taxable income	50,000	15%	0.00
13	Next 25,000 of taxable income	25,000	25%	
14	Next 25,000 of taxable income	25,000	34%	
15	Next 235,000 of taxable income	235,000	39%	
16	Over 335,000 of taxable income		34%	
17	Total before gross up		To Line 4	0.00

UTILITY NAME: Anderson Water Company VI RATE DESIGN INSTRUCTIONS SCHEDULES - CLASS B RATE/TARIFF CHANGE
--

Section VI is used for rate design.

Instructions for Section VI:

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

UTILITY NAME: Anderson Water Company SCHEDULES - CLASS B RATE/TARIFF CHANGE Schedule VI-1 RATE DESIGN FOR THE TEST YEAR ENDED: 06/30/2017				
Line No.	A	B	C	
		Reference		
	DETERMINATION OF FIXED COSTS			
1.	Gross revenues to be recovered:	Sch I-1, Line 36	260,183.30	
	Less variable costs:			
2.	Purchased water - Account 610	Sch I-1, Col. F, line 1	0	
3.	Purchased power - Account 615	Sch I-1, Col. F, line 2	17079.78	
4.	Other volume related - Account 618	Sch I-1, Col. F, line 3	5028	
5.	Other volume related or allocated (attach schedule)		0	
6.				
7.				
8.				
9.				
10.	FIXED COSTS (Line 1 minus Lines 2-9)		238,075.52	
11.	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE			0 %
12.	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		238,075.52	
	RECAP:			
13.	RECOVERED THROUGH BASE SERVICE CHARGE	Line 10	238,075.52	
14.	RECOVERED THROUGH VOLUMETRIC RATE	Line 1 - Line 10	22,107.78	
	TOTAL	Equals Line 1	260,183.30	
	TO BE RECOVERED THROUGH BASE SERVICE CHARGE			
15.	TOTAL METER EQUIVALENTS	Sch I-3, Col H, line 9	721	
16.	CHARGE PER 5/8" X 3/4" METER	Line 13 / Line 15	27.52	
	TO BE RECOVERED THROUGH VOLUMETRIC RATE			
17.	TOTAL WATER SALES IN 1,000 GALS	Sch II-1(a), Col C, line 4	29,670	
18.	VOLUMETRIC RATE (CHARGE PER 1,000 GALS)	Line 14 / Line 17		
	PROPOSED RATES:			
19.	FOR ALL WATER DELIVERED PER 1,000 gallons	Line 18 or attach calc	see attached	
	BASE SERVICE CHARGE (PER 5/8" X 3/4")		see attached	
	Meter size	Line 16	Equivalency	Base Rate/size
20.	5/8 X 3/4"		1	
21.	3/4"		1.5	
22.	1"		2.5	
23.	1 1/2"		5	
24.	2"		8	
25.	3"		15	
26.	4"		25	
		see attached calculations for proposed rates		

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



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September 21, 2018

Mr. Rickey Wehmeyer
Anderson Water Company
P.O. Box 447
Anderson, TX 77830

Re: Proposed Water Rates
Water Rate Change Application Review

Dear Mr. Wehmeyer:

Below are the proposed water base rates and tiered volumetric rates for the rate change application.

Proposed Base Rates

Meter Size	Existing Base Rate	Proposed Base Rate	Customers	Estimated Revenue
3/4"	\$ 24.00	\$30.00	396	\$11,880.00
1"	\$ 34.00	\$40.00	12	\$480.00
1 1/2"	\$ 59.00	\$70.00	0	\$0.00
2"	\$ 89.00	\$100.00	4	\$400.00
3"	\$ 159.00	\$175.00	1	\$175.00
4"	\$ 259.00	\$275.00	2	\$550.00
Base Revenue Per Month				\$13,485.00
Base Revenue Per Year				\$161,820.00

Proposed Tiered Volumetric Rates

Volume Range (gallons)	Charge per 1,000 gallons	Estimated Revenue
0-2,500	-	-
2,501-10,000	\$4.50	\$2,008.13
10,001-20,000	\$4.75	\$1,801.67
20,001-50,000	\$5.00	\$1,315.10
50,001-100,000	\$5.25	\$1,381.95
100,001+	\$5.50	\$2,636.25
Volumetric Revenue Per Month		\$9,143.10
Volumetric Revenue Per Year		\$109,717.15

1



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Proposed Water Rates

Page 2

September 21, 2018

Customer counts for each meter size were taken from Schedule I-3 in the rate change application. Volumetric usage was calculated based on the attached customer usage data provided by Anderson Water Company. A tiered rate structure was chosen to more closely match Anderson Water Company's current rate structure and to reflect the rate structures of nearby similar water systems. The tiered rates will also allow the water company to recover costs for high-volume users who have smaller 3/4" and 1" meters.

Attached are the calculations which were performed using minimum, mean, and maximum anticipated water usage from the test year with the average number of customers in each tier. Based on these scenarios, the minimum anticipated revenue is \$228,923 per year and the maximum anticipated revenue is \$302,858 per year. The average estimated revenue from the proposed rates is \$271,537 per year, which is a 50% increase in revenue from the application test year. This results in a 12.8% return on equity.

Sincerely,

David Olf, EIT
Design Engineer
Municipal and District Services

DAO/ash

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