



Control Number: 48697



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**PUC DOCKET NO. 48697  
SOAH DOCKET NO. 473-20-1117.WS**

<b>APPLICATION OF ANDERSON</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER COMPANY, INC. FOR</b>	<b>§</b>	
<b>AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>OF TEXAS</b>

**STIPULATION AND SETTLEMENT AGREEMENT**

This Stipulation and Settlement Agreement (Agreement) is entered into by Anderson Water Company, Inc. (Anderson Water) and the Staff of the Public Utility Commission of Texas (Staff) (collectively, Signatories) and is submitted to the Commission as a just and reasonable disposition of all issues in this docket consistent with the public interest.

**I. BACKGROUND**

On October 1, 2018, Anderson Water filed an application for a water rate change under Certificate of Convenience and Necessity (CCN) No. 11675 in Grimes County. On March 13, 2019, the Commission administrative law judge (ALJ) filed Order No. 5 finding the application sufficient.

On November 13, 2019, this docket was referred to the State Office of Administrative Hearings (SOAH), and a prehearing conference was convened on March 3, 2020. On April 9, 2020, Anderson Water and Staff requested an abatement of the procedural schedule and referral of this case to mediation. SOAH Order No. 6, filed April 16, 2020, granted the request, and a mediation was held on July 17, 2020. Negotiations between the Signatories, facilitated by the SOAH mediator, have been ongoing since that time.

On August 17, 2020, Staff filed a motion for interim rates to which Anderson Water filed a response on September 11, 2020. Staff's motion for interim rates was denied on September 29, 2020 in SOAH Order No. 8. On September 29, 2020, the Signatories jointly moved for interim rates. SOAH Order No. 9, filed October 5, 2020, adopted the interim rates. On March 24, 2021, the Signatories came to an agreement and requested revised interim rates reflecting the agreed rates. SOAH Order No. 10, filed May 5, 2021, granted this request and adopted the revised interim rates.

The Signatories believe that a resolution of this docket under the terms stated below is reasonable and in the public interest. Settlement will also conserve the resources of the

Signatories and the Commission and will mitigate litigation expense. The Signatories jointly request approval of this Agreement and entry of the Joint Proposed Order, including findings of fact and conclusions of law, attached hereto as Exhibit A. By this Agreement, the Signatories resolve all issues among them as follows:

## **II. STIPULATION AND AGREEMENT**

### **A. Business Operations**

- 1. Separation of Entities.** The owners of Anderson Water will create a separate business entity (AWC Plumbing) for the plumbing supply portion of its business.
- 2. Separation of Books.** The financial books and records of Anderson Water and AWC Plumbing will be maintained separately.
- 3. Separate Tax Returns.** As part of the separation, separate income tax returns will be filed for Anderson Water and AWC Plumbing.
- 4. Employee Timekeeping.** Employees of Anderson Water who also perform duties to support AWC Plumbing, or any third party billing contracts executed by Anderson Water, will keep separate time sheets to track the hours spent working on tasks related to AWC Plumbing or third party billing so payroll and other expenses can be direct-billed to each business function.
- 5. Maintenance of Third-Party Billing Records.** Anderson Water will maintain contracts and other records for all billing it performs for the City of Anderson for sewer services, and for any other existing or future third-party billing agreements. These records will indicate the services performed by Anderson Water, the amount of revenues collected, and the amount of expenses Anderson Water incurred in performing the services.

### **B. Rates and Tariff Changes**

- 1. Retail Water Rates.** The Signatories agree that Anderson Water should be allowed to implement the retail water rates contained in the tariff included as Exhibit B to this Agreement. The Signatories agree that the attached rates are just and reasonable and are consistent with the public interest.

**2. Cost of Service.** Anderson Water's annual revenue requirement is \$250,789 less other revenues of \$7,606 for a revenue requirement used to set rates of \$243,183.

- a. The employee labor expense included in the cost of service is split between Anderson Water and the plumbing business such that 88% is included in the cost of service for Anderson Water. The 88% figure was calculated using the information in Exhibit C as follows:

Item	Amount	Source
Gross Receipts or Sales	\$412,643	2016 FIT Return
Returns and allowances	\$(1,066)	2016 FIT Return
Adjusted Gross Receipts or Sales	\$411,577	Gross Receipts or Sales less Returns and Allowances
Sewer Payments included in Gross Receipts	\$(49,070)	Additional written information provided by Anderson Water
Plumbing Store CGS	\$(101,577)	Additional written information provided by Anderson Water
Gross Profits	\$260,930	Adjusted Gross Receipts or Sales less Sewer Payments included in Gross Receipts and Plumbing Store CGS
Plumbing Store Net Income	\$30,593	Additional written information provided by Anderson Water
Plumbing Store Net Income as a Percentage of Gross Profit	12%	Plumbing Store Net Income divided by Gross Profit
Cost of Service	88%	100% minus the 12% for Plumbing Store Net Income as a Percentage of Gross Profit.

**3. Rate Base.** Anderson Water's invested capital (rate base) as of June 30, 2017, includes \$339,323.62 of net plant in service, as shown in Exhibit D.

**4. Invoice Maintenance.** Anderson Water will maintain the original invoices it receives for third-party work related to any assets placed into service after the effective date of the rates approved in this case and for any third-party invoices it receives to perform repairs

that are capitalized. Any such documents that are physical in nature will also be digitized through scanning and maintained digitally.

- 5. Cost of Capital.** Anderson Water's weighted average cost of capital is 6.71%.
- 6. Rate-Case Expenses.** Anderson Water is entitled to recover \$13,668 in rate-case expenses incurred in connection with this docket to be collected via a surcharge of \$2.74 per connection per month calculated as follows:  $\$13,668 \div 415 \text{ connections} \div 12 \text{ months} = \$2.74$ .
- a. Anderson Water may collect the surcharge for 12 months or until the full \$13,668 is collected, whichever occurs first.
  - b. Anderson Water may not in a future proceeding seek to recover any additional rate-case expenses incurred in connection with this application.
  - c. The invoices supporting the \$13,668 incurred as rate-case expenses are included in Exhibit E.
- 7. Effective Date.** The rates in Exhibit B will be effective for usage on and after the date of the Commission's final order setting the rates in this docket.
- 8. Miscellaneous Tariff Charges.** The Signatories agree to the following miscellaneous fees:

Item	Fee
Tap fee	\$1,200
Reconnect fee: Non-payment	\$50
Customer's request	\$25
Transfer fee	\$10
Late charge	\$5
Returned check charge	\$35
Deposit	\$50
Meter test fee	\$25

- C. Proposed Order.** The Signatories jointly propose a final order in the form attached as Exhibit A. The Signatories submit the stipulated and agreed-upon findings of fact and conclusions of law in the proposed order for inclusion in a final order in this case implementing the terms of this Agreement.

### **III. IMPLEMENTATION OF AGREEMENT**

**A. Obligation to Support this Agreement.** The Signatories agree to support this Agreement and will take reasonable steps to support expeditious entry of orders fully consistent with this Agreement. This provision shall not preclude any party from taking action that is mandatory and nondiscretionary pursuant to a law enacted after the date this Agreement is filed with the Commission.

**B. Effect of Agreement.**

1. The Agreement does not adopt any particular methodology underlying the settlement rates or rate design reflected in the Agreement.
2. The failure to litigate any specific issue in this docket does not waive any Signatory's rights to contest that issue in any other current or future proceeding. The failure to litigate an issue cannot be asserted as a defense or estoppel, or any similar argument, by or against any Signatory in any other proceeding.
3. The terms of this Agreement may not be used either as an admission or concession of any sort or as evidence in any proceeding except to enforce the terms of this Agreement. Oral or written statements made during the course of the settlement negotiations may not be used for any purposes other than as necessary to support the entry by the Commission of an order implementing this Agreement. All oral or written statements made during the course of the settlement negotiations are governed by Tex. R. Evid. 408.
4. The Signatories arrived at this Agreement through extensive negotiation and compromise. This Agreement reflects a compromise, settlement, and accommodation among the Signatories, and the Signatories agree that the terms and conditions herein are interdependent. The Signatories agree that this Agreement is in the public interest. All actions by the Signatories contemplated or required by this Agreement are conditioned upon entry by the Commission of a final order fully consistent with this Agreement. If the Commission does not accept this Agreement as presented or enters an order inconsistent with any term of this Agreement, any Signatory shall be released from all commitments

and obligations, and shall have the right to seek hearing on all issues, present evidence, and advance any positions it desires, as if it had not been a Signatory.

5. This Agreement is binding on each of the Signatories only for the purpose of settling the issues as set forth herein and for no other purposes. It is acknowledged that a Signatory's support of the matters contained in this Agreement may differ from the position taken or testimony presented by it in this proceeding or other proceedings. To the extent that there is a difference, a Signatory does not waive its position in any other proceedings. Because this is a stipulated resolution, no Signatory is under any obligation to take the same positions as set out in this Agreement in other proceedings, whether those proceedings present the same or a different set of circumstances, except as may otherwise be explicitly provided in this Agreement.
6. There are no third-party beneficiaries of this Agreement. Although this Agreement represents a settlement between the Signatories with respect to the issues presented in this docket, this Agreement is merely a settlement proposal submitted to the Commission, which has the authority to enter an order resolving these issues.
7. This Agreement supersedes any prior written or oral agreement in this docket regarding the subject matter of this Agreement.
8. Except as stated in this Agreement, the final resolution of this docket does not impose any conditions, obligations, or limitations on Anderson Water's right to file a future rate application and obtain rate relief in accordance with the Texas Water Code.
9. Except to the extent that this Agreement expressly governs a Signatory's rights and obligations for future periods, this Agreement shall not be binding or precedential upon a Signatory outside this docket, and Signatories retain their rights to pursue relief to which they may be entitled in other proceedings.

**C. Execution.** The Signatories agree that this Agreement may be executed in multiple counterparts and filed with facsimile or computer-image signatures.



Executed as shown below:

**ANDERSON WATER COMPANY, INC.**

By: /s/ Bailey Wehmeyer  
Bailey Wehmeyer

Date: 07/13/2021

**STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS**

By: /s/ John Harrison  
John Harrison

Date: 07/13/2021

**SOAH DOCKET NO. 473-20-1117.WS  
PUC DOCKET NO. 48697**

<b>APPLICATION OF ANDERSON</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
<b>WATER COMPANY, INC. FOR</b>	<b>§</b>	<b>OF</b>
<b>AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>

**MOTION TO ADMIT EVIDENCE AND REMAND TO THE COMMISSION**

On October 1, 2018, Anderson Water Company, Inc. filed an application for a water rate change under Certificate of Convenience and Necessity (CCN) No. 11675 in Grimes County. On March 13, 2019, the Commission administrative law judge (ALJ) filed Order No. 5 finding the application sufficient.

On November 13, 2019, this docket was referred to the State Office of Administrative Hearings (SOAH), and a prehearing conference was convened on March 3, 2020.

On April 9, 2020, Anderson and the Staff of the Public Utility Commission of Texas (collectively, Parties) requested an abatement of the procedural schedule and referral of this case to mediation. SOAH Order No. 6, filed April 16, 2020, granted the Parties request, and a mediation was held on July 17, 2020. Negotiations between the Parties, facilitated by the SOAH mediators, have been ongoing since that time.

The Parties have reached a stipulation and settlement agreement (Agreement) that resolves all issues in this proceeding and file this Motion to Admit Evidence and Remand the Proceeding to the Commission contemporaneously with that Agreement.

**I. MOTION TO ADMIT EVIDENCE**

The Parties request the entry of the following items into the record of this proceeding for the purpose of supporting the Commission's final order approving the proposed Agreement:

- (a) Application of Anderson Water Company, Inc. for Authority to Change Rates filed on October 1, 2018 (Interchange Item No. 2);
- (b) Anderson's response to Order No. 2 filed on December 17, 2018 (Interchange Item No. 9);
- (c) Anderson Water Company Inc.'s Updated Proposal of Rate Change and Affidavit filed on April 30, 2019 (Interchange Item No. 21);

- (d) Anderson Water's supplemental proof of notice to the Office of Public Utility Counsel filed on May 17, 2019 (Interchange Item No. 24);
- (e) Anderson Water's letter filed on December 13, 2019 (Interchange Item No. 37);
- (f) Joint status report and request to cancel prehearing conference filed on January 10, 2020 (Interchange Item No. 41);
- (g) Anderson Water's proof of notice of prehearing conference filed on February 24, 2020 (Interchange Item No. 45);
- (h) Direct Testimony of Jessica Sechelski filed on April 6, 2020 (Interchange Item No. 47);
- (i) Stipulation and Settlement Agreement and all exhibits filed on July 15, 2021; and
- (j) Direct Testimony of Kathryn Eiland in Support of the Stipulation and Settlement Agreement, filed on July 15, 2021.

## **II. MOTION TO REMAND THE PROCEEDING TO THE COMMISSION**

As evidenced by the contemporaneously filed Agreement, the Parties have fully resolved all of the contested issues in this proceeding; therefore, a hearing is no longer necessary and remand to the Commission is appropriate. Accordingly, the Parties request the entry of an order dismissing this case from the SOAH docket and remanding it to the Commission for consideration of the Agreement along with the Proposed Order.

## **III. CONCLUSION**

The Parties respectfully request the entry of an order admitting the items listed above into the administrative record of this proceeding, dismissing this proceeding from the SOAH docket and remanding it to the Commission for consideration of the Agreement.

Dated: July 15, 2021

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Robles  
Division Director

Eleanor D'Ambrosio  
Managing Attorney

/s/ John Harrison  
John Harrison  
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**ANDERSON WATER COMPANY, INC.**

/s/ Bailey Wehmeyer  
Bailey Wehmeyer

**PUC DOCKET NO. 48697**  
**SOAH DOCKET NO. 473-20-1117.WS**

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<b>WATER COMPANY, INC. FOR</b>	<b>§</b>	
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**EXHIBIT A**

**PUC DOCKET NO. 48697  
SOAH DOCKET NO. 473-20-1117.WS**

<b>APPLICATION OF ANDERSON</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER COMPANY, INC. FOR</b>	<b>§</b>	
<b>AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>OF TEXAS</b>

**PROPOSED ORDER**

This Order addresses the application of Anderson Water Company, Inc. (Anderson Water) for authority to change its water rate and associated tariff under certificate of convenience and necessity (CCN) number 11675. Anderson Water and Commission Staff filed a stipulation and settlement agreement on the terms of the rate and tariff changes. The Commission approves the agreed water rates and associated tariff to the extent provided in this Order.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. Anderson Water is a corporation registered with the Texas secretary of state under filing number 0050990400.
2. Anderson Water provides retail water service to customers in Grimes County under CCN number 11675.
3. As of June 30, 2017, Anderson Water served a total of 419 active water connections.
4. Anderson Water performs billing services for the sewer service provided by the City of Anderson to its residents.
5. Anderson Water's owner runs a plumbing supply business out of the same building where Anderson Water's offices are located.
6. During the test year, Anderson Water kept a single set of books that included revenues generated by Anderson Water, the plumbing supply business, and the billing services for the City of Anderson.
7. The third-party billing business and plumbing supply business are not separate legal entities from Anderson Water and are operated with the help of some Anderson Water employees.

**Application**

8. On October 1, 2018, Anderson Water filed an application to change its water rates and associated tariff for its service area in Grimes County.
9. The application was based on a historical test year ending June 30, 2017, adjusted for known and measurable changes.
10. In the application, Anderson Water requested an overall increase of \$96,086 over its adjusted test-year revenues for water service.
11. In Order No. 5 filed on March 13, 2019, the Commission administrative law judge (ALJ) found the application administratively complete.

**Notice of the Application**

12. On April 25, 2019, Anderson Water filed the affidavit of Rickey Wehmeyer attesting to the provision of notice to customers via first class mail on March 15, 2019.
13. In Order No. 7 filed on May 8, 2019, the Commission ALJ found the notice insufficient and requested proof that notice was provided to the Office of Public Utility Counsel.
14. On May 17, 2019, Anderson Water filed proof that a copy of the March 15, 2019 notice was sent to the Office of Public Utility Counsel.
15. Anderson Water's notice of the application is sufficient.

**Notice of the Hearing**

16. On February 11, 2020, Anderson Water provided notice of the prehearing conference scheduled for March 3, 2020 to customers via first class mail.
17. On February 24, 2020, Anderson Water filed the affidavit of Rickey Wehmeyer attesting that notice of the prehearing conference had been provided as described in finding of fact 16.

**Referral to the State Office of Administrative Hearings (SOAH)**

18. On November 13, 2019, the Commission referred this proceeding to SOAH.
19. On December 13, 2019, the Commission filed a preliminary order.
20. On March 3, 2020, the SOAH ALJ conducted a prehearing conference via videoconference.

21. In SOAH Order No. 5 filed on March 24, 2020, the SOAH ALJ memorialized the March 3, 2020 prehearing conference and adopted a procedural schedule setting a hearing on the merits to convene on May 5, 2020.
22. In SOAH Order No. 6 filed on April 16, 2020, the SOAH ALJ granted the parties' request to abate the procedural schedule and referred this docket to mediation.
23. On July 17, 2020, Commission Staff and Anderson Water participated in a video conference mediation; negotiations and the exchange of additional information facilitated by the SOAH mediator continued for the remainder of 2020.
24. On March 17, 2021, Commission Staff and Anderson Water informed the SOAH mediator that they had reached an agreement in principle.
25. On March 24, 2021, the SOAH mediator filed a final mediator's report noting the agreement in principle and returning the case to the presiding SOAH ALJ for disposition.
26. In SOAH Order No. \_\_\_ filed \_\_\_\_\_, 2021, the SOAH ALJ dismissed the case from SOAH's docket, and returned the case to the Commission.

**Interventions and Protests**

27. Less than 10% of Anderson Water's ratepayers affected by the proposed rate increase filed protests in this docket.
28. There were no intervenors in this proceeding.

**Testimony**

29. On April 6, 2020, Anderson Water filed the direct testimony of Jessica Sechelski.
30. On July 15, 2021, Commission Staff filed the testimony of Kathryn Eiland in support of the stipulation and settlement agreement.

**Evidentiary Record**

31. On July 15, 2021, Anderson Water and Commission Staff jointly filed a motion to admit evidence.
32. In SOAH Order No. \_\_\_ filed on \_\_\_\_\_, 2021, the SOAH ALJ admitted the following evidence into the record:
  - (a) application of Anderson Water Company, Inc. for authority to change rates filed on October 1, 2018;
  - (b) Anderson Water's response to Order No. 2 filed on December 17, 2018



- (c) Anderson Water's updated proposal of rate change and affidavit filed on April 30, 2019;
- (d) Anderson Water's supplemental proof of notice to the Office of Public Utility Counsel filed on May 17, 2019;
- (e) Anderson Water's letter filed on December 13, 2019;
- (f) joint status report and request to cancel prehearing conference filed on January 10, 2020;
- (g) Anderson Water's proof of notice of prehearing conference filed on February 24, 2020;
- (h) direct testimony of Jessica Sechelski filed on April 6, 2020;
- (i) stipulation and settlement agreement and all exhibits filed on July 15, 2021; and
- (j) testimony of Kathryn Eiland in support of the stipulation and settlement agreement filed on July 15, 2021.

**Interim Rates**

- 33. On September 29, 2020, Commission Staff and Anderson Water jointly filed a motion to requesting interim rates that were identical to the rates under Anderson Water's existing tariff and agreeing that the interim rates would not be subject to refund or surcharge.
- 34. In SOAH Order No. 9 filed on October 5, 2020, the SOAH ALJ adopted Anderson Water's existing rates as interim rates.
- 35. On March 24, 2021, Commission Staff and Anderson Water jointly filed a motion for interim rates at the settled rates.
- 36. In Order No. 10 filed on May 5, 2021, the SOAH ALJ adopted the settled rates as interim rates subject to refund or surcharge.

**Effective Date**

- 37. Anderson Water's application filed on October 1, 2018, included a proposed effective date for its rate change of November 28, 2018.
- 38. In Order No. 2 filed on November 1, 2018, the Commission ALJ suspended Anderson Water's proposed effective date until an administratively complete application was accepted for filing.

39. Anderson Water filed updated notices on March 5 and 6, 2019, April 17, 2019, and April 30, 2019. The final version of the notice included a proposed effective date of April 26, 2019.
40. In Order No. 7 filed on May 8, 2019, the Commission ALJ suspended the proposed effective date for no more than 265 days from April 26, 2019, or until January 16, 2020.
41. On December 13, 2019, Anderson Water filed a letter requesting to extend the effective date by an unspecified amount of time.
42. On January 10, 2020, Commission Staff and Anderson Water filed a joint status report that included a request for a new effective date of December 1, 2019, which, if granted, would have extended the suspension period beyond January 16, 2020.
43. In SOAH Order No. 5 filed on March 24, 2020, the SOAH ALJs denied the joint motion and requested that Anderson Water file a report by March 27, 2020 clarifying whether its rates went into effect on January 16, 2020 as authorized by law or whether it agreed to the extension of the effective date.
44. On April 6, 2020, Anderson Water filed a letter accompanying the direct testimony of Jessica Sechelski re-stating that Anderson Water agreed to extend the effective date to December 1, 2019.
45. The SOAH ALJ did not file an order addressing Anderson Water's request.

**Revenue Requirement and Rates**

46. On \_\_\_\_\_, 2021, Anderson Water and Commission Staff filed a stipulation and settlement.
47. The signatories agreed that Anderson Water's annual revenue requirement for water CCN number 11675 is \$250,789 less other revenues of \$7,606 for a revenue requirement used to set rates of \$243,183
48. The signatories agreed that the revenue requirement includes 88% of the total amount Anderson Water requested for employee labor expense to reflect that fact that some employees spend time working on tasks related to the plumbing business.
49. The signatories agreed that Anderson Water is authorized to charge the rates and miscellaneous fees shown in exhibit B to the agreement to be effective for usage on and after the date of this Order.

50. The agreed rates and miscellaneous fees are just and reasonable.

**Rate Base**

51. The signatories agreed that Anderson Water's rate base as of June 30, 2017 includes \$339,323.62 of net plant in service as shown in exhibit D to the agreement.

52. The components of Anderson Water's net plant in service as shown in exhibit D are reasonable and necessary.

53. The signatories agreed, and it is appropriate for, Anderson Water to maintain the original invoices it receives for third-party work related to any assets placed into service after the effective date of the rates approved in this case and for any third-party invoices it receives to perform repairs that are capitalized.

54. The signatories agreed that Anderson Water's weighted average cost of capital is 6.71%.

55. It is appropriate for Anderson Water to use the weighted average cost of capital of 6.71%.

**Agreed Tariff Provisions**

56. The signatories agreed on the tariff provisions set forth in exhibit B to the agreement.

57. The terms and conditions of the agreed tariff are just and reasonable.

**Rate-Case Expenses**

58. The signatories agreed that Anderson Water may collect rate-case expenses in the amount of \$13,668 through a surcharge of \$2.74 per connection per month over a period of 12 consecutive months or until the full amount has been recovered.

59. The signatories agreed that Anderson Water may not seek to recover any additional rate-case expenses incurred in connection with this docket in a future proceeding.

60. The agreed rate-case expenses in the amount of \$13,668 are reasonable and necessary.

**Separation of Business Entities**

61. The signatories agreed that Anderson Water will create a separate business entity for the plumbing supply portion of its business.

62. The signatories agreed that the financial books and records of Anderson Water and the new entity for the plumbing supply business will be maintained separately.

63. The signatories agreed that separate income tax returns will be filed for Anderson Water and the new entity for the plumbing supply business.

64. The signatories agreed that all employees of Anderson Water who also perform duties to support the plumbing supply business or any third party billing contracts executed by Anderson Water, will keep separate time sheets to track the hours spent working on tasks related to the plumbing supply business or third party billing so payroll and other expenses can be direct-billed to each business function.
65. The signatories agreed that Anderson Water will maintain contracts and other records for all billing it performs for the City of Anderson for sewer services, and for any other existing or future third-party billing agreements. These records will indicate the services performed by Anderson Water, the amount of revenues collected, and the amount of expenses Anderson Water incurred in performing the services.

**Informal Disposition**

66. More than 15 days have passed since the completion of notice provided in this docket.
67. The agreement resolves all issues in this case, and no hearing is necessary.
68. The decision is not adverse to any party.
69. All parties are signatories to the agreement.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. Anderson Water is utility, public utility, and water utility as defined in Texas Water Code (TWC) § 13.002(23) and 16 Texas Administrative Code (TAC) § 24.3(39).
2. Anderson Water is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).
3. At the time Anderson Water filed its application, it was a class D utility as defined in TWC § 13.002(4-d) and 16 TAC § 24.3(8). Anderson Water is still a class D utility.
4. The Commission processed this docket in accordance with the requirements of the TWC, the Administrative Procedure Act,<sup>1</sup> and Commission rules.
5. Anderson Water provided notice of the application in compliance with TWC § 13.1871 and 16 TAC § 24.27.

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<sup>1</sup> Administrative Procedure Act, Tex. Gov't Code. §§ 2001.001—.902.

6. Anderson Water met its burden of proof under TWC § 13.184(c) and 16 TAC § 24.12 to show that the rates approved by this Order are just and reasonable.
7. The rates approved by this Order are just and reasonable in accordance with TWC § 13.182(a).
8. In accordance with TWC § 13.182(b), the rates approved by this Order are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each class of customers.
9. In accordance with TWC § 13.183(a), the rates approved by this Order will preserve the financial integrity of Anderson Water and will permit Anderson Water a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public.
10. As required by TWC § 13.185(h), the rates approved by this Order do not include legislative advocacy expenses, the costs of processing a refund or credit, or any expenditure that is unreasonable, unnecessary, or not in the public interest.
11. An overall rate of return of 6.71% will not yield Anderson Water more than a fair return on the invested capital used and useful in rendering service to the public in accordance with TWC § 13.184(a) and 16 TAC § 24.41(c)(1).
12. In accordance with TWC § 13.185 and 16 TAC § 24.41(c)(2)(A), the rates approved by this Order are based on original cost, less depreciation, of property used and useful in Anderson Water's provision of service.
13. The rates approved by this Order comply with 16 TAC § 24.43(b)(1) regarding conservation.
14. The amount of rate-case expenses Anderson Water will recover is reasonable and necessary as required by 16 TAC § 24.44(a).
15. This proceeding meets the requirements for informal disposition in 16 TAC § 22.35.

### III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves Anderson Water's water rates to the extent provided in this Order.
2. The Commission approves the rates, terms, and conditions included in the tariffs attached to the agreement as exhibit B, effective the date that this Order is signed.
3. In the application for its next base-rate proceeding, Anderson Water must use exhibit D to the agreement to determine Anderson Water's net plant in service for CCN number 11675 as of June 30, 2017.
4. Anderson Water must fulfill its commitments regarding business restructuring as set forth in findings of fact 61 through 65
5. Anderson Water must maintain the original invoices it receives for third-party work related to any assets placed into service after the effective date of the rates approved by this Order and for any third-party invoices it receives to perform repairs that are capitalized.
6. The Commission authorizes Anderson Water to collect rate-case expenses in the amount of \$13,668 through a surcharge of \$2.74 per connection per month to be collected for 12 months or until the full \$13,668 is collected. Anderson Water must adjust the surcharge to be collected in the final month to be less than \$2.74 per connection if such an adjustment is necessary to prevent an overcollection.
7. Anderson Water must not seek to recover any additional rate-case expenses incurred in connection with this docket in a future proceeding.
8. The surcharge for rate-case expenses must be implemented in Docket No. \_\_\_\_\_, *Compliance Docket of Anderson Water Company, Inc. Related to Rate-Case Expense Surcharge in Docket No. 48697*.
9. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.

10. Within ten days of the date of this Order, Commission Staff must provide a clean copy of the tariff approved by this Order to central records to be marked *Approved* and filed in the Commission's tariff book.
11. The Commission denies all other motions and any other requests for general or specific relief that the Commission has not expressly granted.

Signed at Austin, Texas the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**PETER M. LAKE, CHAIRMAN**

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**WILL MCADAMS, COMMISSIONER**

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**LORI COBOS, COMMISSIONER**

**PUC DOCKET NO. 48697**  
**SOAH DOCKET NO. 473-20-1117.WS**

<b>APPLICATION OF ANDERSON</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER COMPANY, INC. FOR</b>	<b>§</b>	
<b>AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>OF TEXAS</b>



**EXHIBIT B**



PUC DOCKET NO. 48697

Revenue Generated by Existing Rates		Revenue Generated by Proposed Rates		Revenue Generated by Staff's Recommended Rates	
RATES		RATES		RATES	
Base Rate		Base Rate		Base Rate	
3/4"	\$ 24 00	3/4"	\$ 30 00	5/8"	\$16.67
1"	34 00	1"	40 00	3/4"	\$23.00
1 1/2"	59 00	1 1/2"	70 00	1"	\$30.62
2"	89 00	2"	100 00	1 1/2"	\$43.61
3"	159 00	3"	175 00	2"	\$59.35
4"	259 00	4"	275 00	3"	\$80.00
				4"	\$112.61
Volumetric Charge per tier		Volumetric Charge per tier		Volumetric Charge per tier	
Single Tiered	\$ 3 00				
2,501-10,000		2,501-10,000	\$ 4 50	2,501-10,000	\$ 4.651
10,001-20,000		10,001-20,000	4 75	10,001-20,000	\$4.01
20,001 - 50,000		20,001 - 50,000	5 00	20,001 - 50,000	\$7.951
50,001 - 100,000		50,001 - 100,000	5 25	50,001 - 100,000	\$16.01
100,000+		100,000+	5 50	100,000+	\$18.52
No. of Meters		No. of Meters		No. of Meters	
3/4"	398	3/4"	398	3/4"	398
1"	12	1"	12	1"	12
2"	4	2"	4	2"	4
3"	1	3"	1	3"	1
4"	2	4"	2	4"	2
Total	417	Total	417	Total	417
Gallons Billed	Single Tiered	Gallons Billed	Estimated based on revenue	Gallons Billed	Estimated and Adjusted by Staff
2,501-10,000		2,501-10,000	446,251	2,501-10,000	373,460
10,001-20,000		10,001-20,000	379,299	10,001-20,000	317,372
20,001 - 50,000		20,001 - 50,000	263,020	20,001 - 50,000	220,061
50,001 - 100,000		50,001 - 100,000	263,229	50,001 - 100,000	220,368
100,000 +		100,000+	479,318	100,000+	401,198
Total	14657500	Total	1,831,117	Total	\$ 1,532,458
REVENUE		REVENUE		REVENUE	
Base Rate		Base Rate		Base Rate	
3/4"	\$ 114,624	3/4"	\$ 143,280	3/4"	\$ 119,400
1"	4,896	1"	5,760	1"	\$ 6,000
2"	2,832	2"	4,800	2"	6,400
3"	1,068	3"	2,100	3"	3,000
4"	3,816	4"	6,600	4"	10,000
Total revenue generated by base rates	\$ 127,236	Total revenue generated by base rates	\$ 162,540	Total revenue generated by base rates	\$ 144,800
Volumetric Revenue		Volumetric Revenue		Volumetric Revenue	
2,501-10,000	-	2,501-10,000	24,098	2,501-10,000	21,735
10,001-20,000	-	10,001-20,000	21,620	10,001-20,000	19,423
20,001 - 50,000	-	20,001 - 50,000	15,781	20,001 - 50,000	14,128
50,001 - 100,000	-	50,001 - 100,000	16,583	50,001 - 100,000	14,809
100,000+	-	100,000+	31,635	100,000+	28,164
Single Tiered	43,973				
Total revenue generated by Volumetric Usage	\$43,973	Total revenue generated by Volumetric Usage	\$ 109,717	Total revenue generated by Volumetric Usage	\$ 98,259
Revenue Generated by Existing rates	\$ 171,209	Revenue Generated by Proposed rates	\$ 272,257	Revenue Generated by Proposed rates	\$ 243,059
Revenue Requirement in Application	\$ 260,183	Noticed Revenue Requirement	\$ 260,183	Noticed Revenue Requirement	\$ 260,183
Over / (Under) Recovery	\$ (88,975)	Over / (Under) Recovery	\$ 12,074		
Percentage of (Under) Recovery	-34.20%	Percentage of (Under) Recovery	5%		



## **WATER UTILITY TARIFF**

### **Docket No. 48697**

Anderson Water Company, Inc.  
(Utility Name)

P.O. Box 447  
(Business Address)

Anderson, Texas 77830  
(City, State, Zip Code)

(936) 873-2941  
(Area Code/Telephone)

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

11675

This tariff is effective in the following county:

Grimes

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

None

This tariff is effective in the following subdivisions and public water systems:

Communities of Richards (PWS #0930015), Roan's Prairie (PWS #0930016), Shiro (PWS #0930014) and the Out-of-City Customers of Anderson (PWS #0930011)

#### **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
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APPENDIX B -- SAMPLE SERVICE AGREEMENT	
APPENDIX C -- APPLICATION FOR SERVICE	

## SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 2,500 gallons)	<u>Gallonage Charge</u>
5/8"	<u>\$16.67</u>	<u>\$4.85</u> per 1,000 gallons 2,501 to 10,000 gallons
3/4"	<u>\$25.00</u>	<u>\$5.10</u> per 1,000 gallons 10,001 to 20,000 gallons
1"	<u>\$41.67</u>	<u>\$5.35</u> per 1,000 gallons 20,001 to 50,000 gallons
1½"	<u>\$83.33</u>	<u>\$5.60</u> per 1,000 gallons 50,001 to 100,000 gallons
2"	<u>\$133.33</u>	<u>\$5.85</u> per 1,000 gallons over 100,001 gallons
3"	<u>\$250.00</u>	
4"	<u>\$416.67</u>	

**Rate-Case Expense Surcharge for Docket No. 48697**.....\$2.74 per connection  
To be charged monthly and collected over a period of 12 consecutive months or until the utility has recovered \$13,668, whichever occurs first. If the full \$13,668 has not been recovered after 12 months, the utility may continue to bill the surcharge in an amount not to exceed \$2.74 per connection until the remaining balance is collected.

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

**METER TEST FEE**.....\$25.00  
THIS FEE 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.

**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)	Nonpayment of bill (Maximum \$25.00).....	<u>\$50.00</u>
b)	Customer's request that service be disconnected .....	<u>\$50.00</u>

**TRANSFER FEE**.....\$10.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

**LATE CHARGE** .....\$5.00  
A ONE-TIME PENALTY MAY BE CHARGED ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING

**Docket No. 48697**

SECTION 1.0 -- RATE SCHEDULE (continued)

RETURNED CHECK CHARGE .....\$35.00  
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

## SECTION 2.0 -- SERVICE RULES AND POLICIES

### Section 2.01 – Public Utility Commission of Texas Rules

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest rules or commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.02 - Application for and Provision of Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

### Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

### Section 2.04 - Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

**Docket No. 48697**

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit. - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

Section 2.05 – Meter Requirements, Readings, and Testing

All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customer. One meter is required for each residential, commercial or industrial facility in accordance with the PUC Rules.

Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.06 - Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

A late penalty of either \$5.00 or 5.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Each bill will provide all information required by PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a telephone (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report that results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules. Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service is disconnected at the customer's request or due to a hazardous condition.

Section 2.08 - Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all

interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Prorated Bills - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.10 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ "Rules and Regulations for Public Water Systems."

Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through either the TCEQ or PUC complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.



## SECTION 3.0--EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES. No Contribution in Aid of Construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

COST UTILITIES SHALL BEAR. Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply TCEQ "Rules and Regulations for Public Water systems."

### Section 3.20 – Specific Utility Extension Policy

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with TCEQ Rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

SECTION 3.0--EXTENSION POLICY (Continued)

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

APPENDIX A -- DROUGHT CONTINGENCY PLAN**Error! Bookmark not defined.**

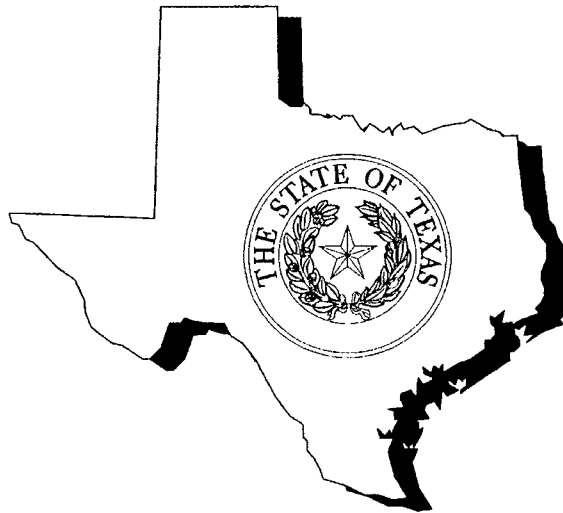
“This page incorporates by reference the utility’s Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.”

APPENDIX B -- SAMPLE SERVICE AGREEMENT  
(Utility Must Attach Blank Copy)

**APPENDIX C -- APPLICATION FOR SERVICE**  
**(Utility Must Attach Blank Copy)**

**PUC DOCKET NO. 48697**  
**SOAH DOCKET NO. 473-20-1117.WS**

<b>APPLICATION OF ANDERSON</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER COMPANY, INC. FOR</b>	<b>§</b>	
<b>AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>OF TEXAS</b>



**EXHIBIT C**

Form **1120****U.S. Corporation Income Tax Return**

For calendar year 2016 or tax year

OMB No. 1545-0123

beginning **JULY 1, 2016** ending **JUNE 30, 2017****2016**Department of the Treasury  
Internal Revenue Service► Information about Form 1120 and its separate instructions is at [www.irs.gov/form1120](http://www.irs.gov/form1120).

<b>A</b> Check if: 1a Consolidated return (attach Form 991) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding company (attach Schedule PH) <input type="checkbox"/> 3 Personal service corporation (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	<b>TYPE OR PRINT</b>	<b>Name</b> <b>ANDERSON WATER CO., INC.</b>	<b>B</b> Employer identification number <b>74-2138363</b>
		<b>Number, street, and room or suite no. If a P.O. box, see instructions.</b> <b>P.O. BOX 447</b>	<b>C</b> Date incorporated <b>02/21/1980</b>
		<b>City or town, state, or province, country, and ZIP or foreign postal code</b> <b>ANDERSON, TX 77830</b>	<b>D</b> Total assets (see instructions) <b>\$ 201,515.</b>
		<b>E</b> Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change	

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1a</b>	<b>412,643.</b>	<b>1c</b>	<b>411,577.</b>
	<b>b</b> Returns and allowances	<b>1b</b>	<b>1,066.</b>	<b>2</b>	<b>150,647.</b>
	<b>c</b> Balance. Subtract line 1b from line 1a			<b>3</b>	<b>260,930.</b>
	<b>2</b> Cost of goods sold (attach Form 1125-A)			<b>4</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>5</b>	
	<b>4</b> Dividends (Schedule C, line 19)			<b>6</b>	
	<b>5</b> Interest			<b>7</b>	
	<b>6</b> Gross rents			<b>8</b>	
	<b>7</b> Gross royalties			<b>9</b>	<b>1,200.</b>
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))			<b>10</b>	<b>12,000.</b>
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>11</b>	<b>274,130.</b>
<b>10</b> Other income (attach statement)	<b>SEE STATEMENT 1</b>		<b>12</b>	<b>6,345.</b>	
<b>11</b> <b>Total income.</b> Add lines 3 through 10			<b>13</b>	<b>137,772.</b>	
<b>Deductions (See instructions for limitations on deductions.)</b>	<b>12</b> Compensation of officers (attach Form 1125-E)			<b>14</b>	<b>11,163.</b>
	<b>13</b> Salaries and wages (less employment credits)			<b>15</b>	
	<b>14</b> Repairs and maintenance			<b>16</b>	<b>278.</b>
	<b>15</b> Bad debts			<b>17</b>	<b>20,850.</b>
	<b>16</b> Rents			<b>18</b>	
	<b>17</b> Taxes and licenses	<b>SEE STATEMENT 2</b>		<b>19</b>	<b>0.</b>
	<b>18</b> Interest			<b>20</b>	<b>27,951.</b>
	<b>19</b> Charitable contributions	<b>SEE STATEMENT 3</b>		<b>21</b>	
	<b>20</b> Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			<b>22</b>	<b>850.</b>
	<b>21</b> Depletion			<b>23</b>	
	<b>22</b> Advertising			<b>24</b>	
	<b>23</b> Pension, profit-sharing, etc., plans			<b>25</b>	
	<b>24</b> Employee benefit programs			<b>26</b>	<b>72,878.</b>
	<b>25</b> Domestic production activities deduction (attach Form 8903)			<b>27</b>	<b>278,087.</b>
	<b>26</b> Other deductions (attach statement)	<b>SEE STATEMENT 4</b>		<b>28</b>	<b>3,957.</b>
	<b>27</b> <b>Total deductions.</b> Add lines 12 through 26			<b>29a</b>	<b>0.</b>
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			<b>29b</b>	
<b>29a</b> Net operating loss deduction (see instructions)	<b>STATEMENT 5</b>		<b>29c</b>		
<b>b</b> Special deductions (Schedule C, line 20)			<b>30</b>	<b>-3,957.</b>	
<b>c</b> Add lines 29a and 29b			<b>31</b>	<b>0.</b>	
<b>Tax, Refundable Credits, and Payments</b>	<b>30</b> <b>Taxable income.</b> Subtract line 29c from line 28. See instructions			<b>32</b>	
	<b>31</b> Total tax (Schedule J, Part I, line 11)			<b>33</b>	
	<b>32</b> Total payments and refundable credits (Schedule J, Part II, line 21)			<b>34</b>	<b>0.</b>
	<b>33</b> Estimated tax penalty. See instructions. Check if Form 2220 is attached <input type="checkbox"/>			<b>35</b>	
	<b>34</b> <b>Amount owed.</b> If line 32 is smaller than the total of lines 31 and 33, enter amount owed			<b>36</b>	
	<b>35</b> <b>Overpayment.</b> If line 32 is larger than the total of lines 31 and 33, enter amount overpaid				
<b>36</b> Enter amount from line 35 you want: <b>Credited to 2017 estimated tax</b> <input checked="" type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>					

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ **PRESIDENT**

May the IRS discuss this return with the preparer shown below? ☒ Yes ☐ No

<b>Paid</b>	Print/Type preparer's name <b>J. JARED PATOUT</b>	Preparer's signature _____	Date <b>03/26/18</b>	Check if self-employed <input type="checkbox"/>	PTIN <b>P00234447</b>
<b>Preparer</b>	Firm's name <b>BREWER, EYEINGTON, PATOUT &amp; CO, LLP</b>	Firm's EIN <b>20-1661913</b>		Phone no. <b>(936) 825-6507</b>	
<b>Use Only</b>	Firm's address <b>217 E. WASHINGTON NAVASOTA, TX 77868</b>				

## **Andreson Water Company & Water Supply**

### **Breakdown on Employee Duties & Time For Test Year 2016**

**Rickey Wehmeyer**- owner/operator oversees all daily operations of waterworks. Takes samples, files all reports with TCEQ, checks well-sites to make sure technicians are operating them to standards. Oversees financials with store on water works and plumbing retail side. Salary employee and works from 8am-5pm Monday through Friday daily 80% time water company duties, 20% time plumbing store inventory. Overtime on weekends for calls for and problems on waterworks. (80/20)

**Rickey Bernard**-store manager, oversees all water accounts, takes payments, phone calls, helping with any customers paying water bills and or buying plumbing supply parts, billing to customers, paying invoices, payroll. Salary employee and works from 8am-5pm Monday through Friday. Daily 90% of time handling water company duties, 10% plumbing sales in store on a daily basis. (90/10)

**Salvador Cerventes**- Head Field Technician on water works and maintaining well sites, reading meters, completes installs of taps, repairs. Salary employee and works 8am-5pm Monday through Friday and some overtime weekends for any emergency on call issues such as leaks. Works 100% time for water company duties, in field all day, 0% plumbing store. (100/0)

**Ryan Sechelski**- Assistant Technician on water works and maintaining well sites, reading meters, completes installs of taps, repairs. Salary employee and works 8am-5pm Monday through Friday and some overtime weekends for any emergency on call issues such as leaks. Works 100% time for water company duties, in field all day, 0% plumbing store. (100/0)

**Shawn Klawinsky**- store assistant, taking phone calls, taking customers payments over phone and in person for water and plumbing store. Assisting any customers that come in the store for water payments or plumbing supplies. Salary employee from 8am-5pm Monday through Friday 90% water company duties, 10% plumbing store dedicated daily time on normal basis. (90/10)



## **Anderson Water Answers to Informal Staff Questions**

### **1) Does Anderson Water own the plumbing store/water company building?**

Yes the building is owned by Anderson Water Company, it was built on family property in the late 1970s and paid for in cash.

### **2) Is the building on the depreciation schedule?**

No depreciation has been accounted for on this building for this test year or for a while before this, everything had already been depreciated prior.

### **3) Is the building on the depreciation schedule?**

Can you please let us know what you are referring to on the \$55,000 because we do not have that listed on any of our depreciation sheets for the rate case? On our tax returns \$55,000 is listed for part of inventory assets in the store only. I also did not see any depreciation for this on our schedules on the tax return. We only accounted for the change in inventory involving this number in our plumbing store expense breakdown we just provided.

### **4) What amount of time do the employees spend operating the sewer system billing?**

Each month customers pay their sewer bill along with their water bill only for one of our towns (Anderson) and we print out a monthly statement and return a check back to the town. Very minimal time is spend on the sewer billing system. If you were to account for time spent we would say about 30-45min once a month completed by the one person handling bills.

### **5) Is \$181,240 the correct amount of revenue for the plumbing store?**

The correct revenue of the store would be \$132,169.58 as gross profit.

The \$181,240.00 includes \$150,674.00 of costs of goods which \$49,070.42 of that is sewer reimbursement paid back to the Town Of Anderson. Our CPA for some reason included that as cost of goods and should have been separated differently to be honest. Cost of goods for the store should really be \$101,576.58 including \$86,551.58 in supplies purchased for the store. Hopefully the staff can see that after our expenses accounted for and materials we were only left with a profit of \$30,593 which is not a lot for a store to be making yearly and inline with what we mentioned before on "not many sales or employee time towards that". We are discussing shutting down the plumbing store soon and focusing only on water works but this company has been ran this way since the 1970s and only one rate increase in 1999! After looking through this further in Quickbooks we found \$8,851.50 strictly used for the water company side that was not accounted for in the rate case and the \$15,025.00 was a change in inventory in the store from the prior inventory.

Out of the \$86,551.58 total showing for store and part water works supplies this large amount came from some of our biggest suppliers of pipe and materials. Buttery Company totaled to \$20,789.08 and Hughes Plumbing Supply was \$14,500.00 for a combined total of \$34,989.08.

This large total we know some items were used for the water works side but since the company was not keeping good records at the time of each repair or install we did not account for any of this in our rate case. We would like to account for the additional \$8,851.50 we did find and have

copies of those receipts to prove they were water works only expenses. This total was for Chlorine purchased for our systems and parts we know for sure were for system repairs only.

I hope most of these responses are of understanding, please let me know what we can provide further to help if needed. We believe on these explanations above and the prior profit and loss sheet given it provides a more accurate breakdown to understand store and water works expenses. You are welcome to share these responses to them so we can maybe move forward to any other questions they may have resulting from these.

**6) Is \$181,240 the correct amount of revenue for the plumbing store?**

Online if you search with TCEQ it is visible that the Town of Anderson owns the sewer system not Anderson Water Company, Inc. They are basically paying for our readings per month and us handling payments from the same customers we share on the water works side and only for this system.

**7) Anderson's website reflects that it provides labor services at \$68/hour. Is this an employee or a subcontractor? And are the revenues from this service reflected as part of the plumbing store's revenues?**

Yes our website currently reflects \$68/hour for shop work. During this test year we were not doing shop work and incorporated this in 2018. Currently our shop rates are employee ran and are part of the plumbing stores revenues. We did not address this for the case dispute on the plumbing supply store because we were only selling new products or parts at this time not doing shop work.

**8) How does Anderson Water account for the \$8,851.50 mentioned above?**

To break down the \$8,000 in expenses found for the water works side. \$1704.50 was found for additional water work expenses and the remaining was for the rate case charges we discussed prior from our engineers and the other contractor who helped us start the rate case. We have about 4 receipts we will provide totaling to the \$1704.50 for water works and we already provided most of the rate case invoices. We did incur another new one recently from Jones & Carter for \$200.00. Please find the items listed below for a better detail of expenses on this. These invoices would be back 4 years so hopefully we can find them in a reasonable time frame or call the companies for help.

**\$1704.50 water work expenses:**

\$211.39 Core & Main (water works specialty parts) - (will provide invoice)

\$476.00 Hasa (bulk chlorine) - (will provide invoice)

\$119.36 Water Treatment Supply (parts for chlorinators) - (will provide invoice)

\$897.75 Purify (bulk chlorine) - (will provide invoice)

**Rate Case Invoices Total : \$9441.00**

Jones & Carter - \$5191.00

Superior Water Management - \$4250.00

New Invoice Not provided From Jones & Carter \$200 (applied to above total)

We will attach all invoices above missing and this newest one on next email)

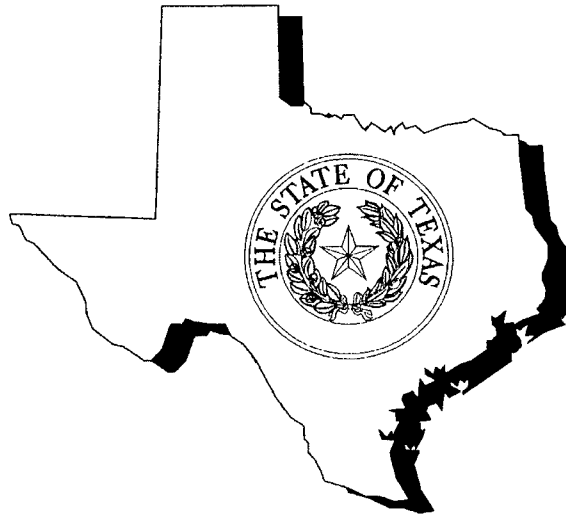
I called all the companies this afternoon on the invoices we needed and had great luck! Also once we were in location of the invoice for Purify (chlorine bulk water) we realized we missed another payment in our list from them which was **\$1576.50** which means our original total of **\$1704.50** is now **\$3,281.00**. Hopefully this answers most of the questions everyone had, please find everything attached. Core & Main is our specialty part provider we only use for repairs on our water systems. You should have all the other rate increase invoices to conclude the total of **\$9441.00**. We have the last newer one not sent of **\$200.00** in that total within the attachment.

**Anderson Water Company Plumbing Supply P&L Sheet**

Total Company Gross Sales	\$411,577.00	<b>\$411,577.00</b> Gross Sales
Sewer Operator Fees	\$12,000.00	<b>\$230,337.45</b> Water/Sewer Sales
	\$423,577.00	<b>\$181,240.00</b> Water/Store Difference
Water Income Sales	\$177,212.00	
Sewer Income	\$50,109.92	
Late Fees	\$2,328.00	
Turn On	\$250.00	
Adjustments	-\$1,333.15	
Regulatory	\$1,770.68	
	<b>\$230,337.45</b>	
Difference Water/Store	<b>\$181,240.00</b>	
Costs of Goods	<b>\$150,647.00</b>	
Gross Profit	<b>\$30,593.00</b>	
<b>Expenses</b>		
Plumbing Store Salaries 10%	\$13,777.20	
Plumbing Store Expenses	\$7,121.60	
<b>Final Plumbing Store Profit</b>	<b>9697.2</b>	
Change in Inventory	\$15,025.00	
Job Materials Purchased	\$86,551.58	Purchased for Plumbing Store & Water Works
Sewer Paid Back to Town	\$49,070.42	
Cost of Goods Breakdown	<b>\$150,647.00</b>	
Plumbing Store Expenses		
Office Supplies	\$2,398.50	
Electricity	\$1,039.78	
Taxes	\$2,133.32	
Insurance	\$1,550.00	
	<b>\$7,121.60</b>	
Wages Breakdown	<b>\$137,772.00</b>	
Water Company Salaries 90%	\$123,994.80	
Plumbing Store Salaries 10%	\$13,777.20	
Job Materials Purchased Breakdown	<b>\$86,551.58</b>	<b>86551.58</b>
	For sure water co expenses	1704.5
Core & Main	\$211.39	Hughes-Buttery Used for Jobs ??
Hasa	\$476.00	
Water Treatment Supply	\$119.36	Hughes
Purify (Bulk Chlorine)	\$897.75	Buttery
	<b>\$1,704.50</b>	<b>\$20,489.08</b>
		<b>\$14,500.00</b>
		<b>\$34,989.08</b>

**PUC DOCKET NO. 48697  
SOAH DOCKET NO. 473-20-1117.WS**

<b>APPLICATION OF ANDERSON</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER COMPANY, INC. FOR</b>	<b>§</b>	
<b>AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>OF TEXAS</b>



**EXHIBIT D**

Utility Name: Anderson  
 District Number: 4100  
 MOAH District Number: 413,326,117,833  
 End of Test Year: 10 Jan 17

DEPRECIATION ANALYSIS

Contribution to Act of  
Construction

MOAH ID#	Description	Acquired Date	Classified Economic Life, yrs	Classified Original Cost	% Used at End of Year	Year End Original Cost	Economic Life, yrs	Actual Deprec. Life	Annual Deprec.	Accum. Deprec.	Net Plant <sup>1</sup>	Developer's	Customer's
Anderson - Water Plant													
001 Land		10/12/2008	NA	13,000.00	100%	13,000	NA				13,000		
002 awwd		1/1/1961	40	13,171.00	100%	13,171	30.00	7.37	13,171	2,752	10,419		
003 Bldg #1		1/1/1961	40	10,000.00	100%	10,000	50.00	12.00	5,000	19.18	5,000		
004 Bldg #2		1/1/1961	40	113,911.00	100%	113,911	50.00	18.91	57,956	19,107	56,804		
005 Bldg #3		1/1/1961	40	1,140.00	100%	1,140	10.00	10.76	1,140	0	1,140		
006 Bldg #4		1/1/1961	40	20,140.00	100%	20,140	10.00	7.11	52,030	18,938	7,102		
007 Bldg #5		1/1/1961	40	9,930.00	100%	9,930	10.00	1.08	931	0	491		
008 Bldg #6		1/1/1961	40	13,810.00	100%	13,810	50.00	7.37	6,905	9,905	3,905		
009 Bldg #7		1/1/1961	40	1,171.00	100%	1,171	10.00	10.16	1,171	2,041	0		
010 Bldg #8		1/1/1961	40	3,741.00	100%	3,741	10.00	17.49	1,100	3,741	0		
011 Bldg #9		1/1/1961	40	4,911.00	100%	4,911	10.00	10.08	0	4,911	0		
012 Bldg #10		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
013 Bldg #11		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
014 Bldg #12		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
015 Bldg #13		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
016 Bldg #14		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
017 Bldg #15		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
018 Bldg #16		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
019 Bldg #17		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
020 Bldg #18		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
021 Bldg #19		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
022 Bldg #20		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
023 Bldg #21		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
024 Bldg #22		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
025 Bldg #23		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
026 Bldg #24		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
027 Bldg #25		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
028 Bldg #26		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
029 Bldg #27		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
030 Bldg #28		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
031 Bldg #29		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
032 Bldg #30		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
033 Bldg #31		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
034 Bldg #32		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
035 Bldg #33		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
036 Bldg #34		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
037 Bldg #35		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
038 Bldg #36		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
039 Bldg #37		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
040 Bldg #38		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
041 Bldg #39		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
042 Bldg #40		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
043 Bldg #41		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
044 Bldg #42		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
045 Bldg #43		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
046 Bldg #44		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
047 Bldg #45		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
048 Bldg #46		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
049 Bldg #47		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
050 Bldg #48		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
051 Bldg #49		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
052 Bldg #50		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
053 Bldg #51		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
054 Bldg #52		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
055 Bldg #53		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
056 Bldg #54		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
057 Bldg #55		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
058 Bldg #56		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
059 Bldg #57		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
060 Bldg #58		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
061 Bldg #59		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
062 Bldg #60		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
063 Bldg #61		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
064 Bldg #62		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
065 Bldg #63		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
066 Bldg #64		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
067 Bldg #65		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
068 Bldg #66		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
069 Bldg #67		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
070 Bldg #68		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
071 Bldg #69		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
072 Bldg #70		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
073 Bldg #71		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
074 Bldg #72		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
075 Bldg #73		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
076 Bldg #74		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
077 Bldg #75		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
078 Bldg #76		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
079 Bldg #77		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
080 Bldg #78		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
081 Bldg #79		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
082 Bldg #80		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
083 Bldg #81		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
084 Bldg #82		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
085 Bldg #83		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
086 Bldg #84		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
087 Bldg #85		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
088 Bldg #86		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
089 Bldg #87		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
090 Bldg #88		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
091 Bldg #89		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
092 Bldg #90		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
093 Bldg #91		1/1/1961	40	1,902.00	100%	1,902	5.00	9.13	1,902	0	1,902		
094 Bldg #92		1/1/196											

**PUC DOCKET NO. 48697**  
**SOAH DOCKET NO. 473-20-1117.WS**

<b>APPLICATION OF ANDERSON</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER COMPANY, INC. FOR</b>	<b>§</b>	
<b>AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>OF TEXAS</b>



**EXHIBIT E**


**JONES | CARTER**

 6330 West Loop South, Suite 150  
 Bellaire, Texas 77401

**Invoice Total      \$200.00**

October 1, 2020

Project No:              C0037-0900-20

Invoice No:              00310762

 Anderson Water Company  
 P.O. Box 447  
 Anderson, TX 77830

**PLEASE NOTE OUR REMIT INFO**
**REMIT ADDRESS:**
**ACH INFORMATION:**

 Jones & Carter, Inc.              BB&T  
 P.O. Box 95562              Account # 1440002564231  
 Grapevine, TX 76099-9708              Routing # 111017694

 Please send remittance advice to:  
 AccountsReivable@jonescarter.com

**Payment Terms: Due upon Receipt**

Project              C0037-0900-20              2020 General Consultation (AWC)

**Professional Services from August 29, 2020 to September 25, 2020**

Task              001              General Consultation

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Professional Engineer I	1 00	140.00	140.00	
Design Engineer II	50	120 00	60.00	
Totals	1 50		200.00	
<b>Total Labor</b>				<b>200.00</b>

**TOTAL THIS INVOICE      \$200.00**
**Outstanding Invoices**

<b>Number</b>	<b>Date</b>	<b>Balance</b>
00309863	9/10/2020	700.00
<b>Total</b>		<b>700.00</b>



Superior Water Management of Texas LLC.

P.O. Box 130308

Spring, TX 77393-0308

# Invoice

Date	Invoice #
5/16/2018	1876

Bill To
Anderson Water <del>P.O. Box 9009</del> <del>Verhalen, TX 79772</del>

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
1	Rate Study Consulting.  Tax ID #57-1194688.	1,000.00	1,000.00
Thank you for your business.		<b>Total</b>	\$1,000.00

Superior Water Management of Texas LLC.

P.O. Box 130308  
Spring, TX 77393-0308

# Invoice

Date	Invoice #
6/1/2018	1878

Bill To
Anderson Water P.O. Box 9009 Verhalen, TX. 79772

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
2	hrs. Consulting -Rate Application Assistance with completion of the Customer Notice, Filing Requirements, etc..  Tax ID #57-1194688.	187.50	375.00
Thank you for your business.		<b>Total</b>	\$375.00

Anderson Water Company  
P. O. Box 447, (1212 Becker Lane)  
Anderson, TX 77830

Date	Ref. No.
05/16/2018	1876

Vendor
Superior Water Managment of Texas LLC.
Superior Water Managment of Texas LLC.
P.O. Box 130308
Spring, TX 77393

# WALL

Bill Due	05/26/2018
Terms	
Memo	Invoice 1876 Rate Increase

Account	Memo	Amount	Customer:Job	Class
Professional Fees	Invoice 1876 Rate Increase	1,000.00		

Expense Total 1,000 00

**Bill Total : \$1,000.00**

0000049

Anderson Water Company  
P. O. Box 447, (1212 Becker Lane)  
Anderson, TX 77830

Date	Ref No
07/10/2018	

Vendor
Superior Water Managment of Texas LLC. Superior Water Managment of Texas LLC. P.O. Box 130308 Spring, TX 77393

# TRAIN

Bill Due	07/20/2018
Terms	
Memo	Invoices 1877,1878

Account	Memo	Amount	Customer:Job	Class
Professional Fees	Rate Increase Consulting & Year End Reports	1,125.00		

Expense Total . 1,125.00

**Bill Total : \$1,125.00**

0000050



JONES | CARTER

6330 West Loop South, Suite 150  
Bellaire, Texas 77401

**Invoice Total \$881.00**

October 4, 2018

Project No: C0037-0007-00

Invoice No: 00272903

**PLEASE NOTE OUR REMIT INFO**

**REMIT ADDRESS:**

Jones & Carter, Inc.  
P.O. Box 95562  
Grapevine, TX 76099-9708

**ACH INFORMATION:**

BB&T  
Account #: 1440002564231  
Routing #: 111017694

Please send remittance advice to:  
AccountsReivable@jonescarter.com

**Payment Terms: Due upon Receipt**

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

Project C0037-0007-00 Water Rate Change Application Review

Services include

**Professional Services from September 1, 2018 to September 28, 2018**

Task 100 Rate Change Application Review

	Hours	Rate	Amount
Engineer V	2.25	130.00	292.50
Engineer III	5.50	107.00	588.50
Totals	7.75		881.00
<b>Total Labor</b>			<b>881.00</b>

**TOTAL THIS INVOICE \$881.00**

**Outstanding Invoices**

Number	Date	Balance
00271420	9/11/2018	1,865.50
<b>Total</b>		<b>1,865.50</b>



JONES | CARTER

6330 West Loop South, Suite 150  
Bellaire, Texas 77401

**Invoice Total \$1,865.50**

September 11, 2018

Project No C0037-0007-00

Invoice No: 00271420

**PLEASE NOTE OUR REMIT INFO**

**REMIT ADDRESS:**

**ACH INFORMATION:**

Jones & Carter, Inc. BB&T  
P.O. Box 95562 Account #: 1440002564231  
Grapevine, TX 76099-9708 Routing #: 111017694

Please send remittance advice to:  
AccountsReceivable@jonescarter.com

**Payment Terms: Due upon Receipt**

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

Project C0037-0007-00 Water Rate Change Application Review  
Services include

Professional Services from July 28, 2018 to August 31, 2018

Task 100 Rate Change Application Review

	Hours	Rate	Amount
Engineer V	9.00	130.00	1,170.00
Engineer III	6.50	107.00	695.50
Totals	15.50		1,865.50
<b>Total Labor</b>			<b>1,865.50</b>

**TOTAL THIS INVOICE** \$1,865.50

Anderson Water Company  
P. O. Box 447, (1212 Becker Lane)  
Anderson, TX 77830

Date	Ref. No.
10/23/2018	

Vendor
Jones/Carter Jones & Carter, Inc. P O BOX 95562 Grapevine TX 76099-9708

# WALL

Bill Due	11/02/2018
Terms	
Memo	Water Rate Change

Account	Memo	Amount	Customer/Job	Class
Professional Fees	Water Rate Change	2,746.50		
Professional Fees				

Expense Total : 2,746.50

**Bill Total : \$2,746.50**



**JONES | CARTER**

6330 West Loop South, Suite 150  
Bellaire, Texas 77401

**Invoice Total \$1,544.50**

August 3, 2018

Project No: C0037-0007-00

Invoice No: 00269612

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

**PLEASE NOTE OUR REMIT INFO**

**REMIT ADDRESS:**

**ACH INFORMATION:**

Jones & Carter, Inc. BB&T  
P.O. Box 95562 Account #: 1440002564231  
Grapevine, TX 76099-9708 Routing #: 111017694

Please send remittance advice to:  
AccountsReivable@jonescarter.com

**Payment Terms: Due upon Receipt**

Project C0037-0007-00 Water Rate Change Application Review

Services include

**Professional Services from July 12, 2018 to July 27, 2018**

Task 100 Rate Change Application Review

	Hours	Rate	Amount
Engineer V	6.25	130.00	812.50
Engineer III	6.50	107.00	695.50
Admin IV	.50	73.00	36.50
Totals	13.25		1,544.50
<b>Total Labor</b>			<b>1,544.50</b>

**TOTAL THIS INVOICE \$1,544.50**



# Bill

Anderson Water Company  
P. O. Box 447, (1212 Becker Lane)  
Anderson, TX 77830

Date	Ref. No.
09/07/2018	

Vendor
Jones/Carter Jones & Carter, Inc. P O BOX 95562 Grapevine TX 76099-9708

**PAID**

Bill Due	09/17/2018
Terms	
Memo	Invoice 269672, 269612

## Expenses

Account	Memo	Amount	Customer.Job	Class
Professional Fees	Invoice 269672	1,544.50		
Professional Fees	Invoice 269612	686.50		
		Shiro well Improvements		

Expense Total : 2,231.00

**Bill Total : \$2,231.00**



JONES | CARTER

6330 West Loop South, Suite 150  
Bellaire, Texas 77401

**Invoice Total \$700.00**

September 10, 2020

Project No: C0037-0900-20

Invoice No: 00309863

Anderson Water Company  
P.O. Box 447  
Anderson, TX 77830

**PLEASE NOTE OUR REMIT INFO**

**REMIT ADDRESS:**

**ACH INFORMATION:**

Jones & Carter, Inc.  
P.O. Box 95562  
Grapevine, TX 76099-9708

BB&T  
Account # 1440002564231  
Routing # 111017694

Please send remittance advice to:  
AccountsReivable@jonescarter.com

**Payment Terms: Due upon Receipt**

Project C0037-0900-20 2020 General Consultation (AWC)

**Professional Services from August 1, 2020 to August 28, 2020**

Task 001 General Consultation

	Hours	Rate	Amount
Professional Engineer I	2.00	140.00	280.00
Design Engineer II	3.50	120.00	420.00
Totals	5.50		700.00
<b>Total Labor</b>			<b>700.00</b>

**TOTAL THIS INVOICE \$700.00**