



Control Number: 48980



Item Number: 8

Addendum StartPage: 0



Frio Cañon Water Company

2019 FEB 12 PM 2:06

PUBLIC UTILITY COMMISSION  
FILING CLERK

February 12, 2019

Stephen Journeay, Commission Counsel  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
PO Box 13326  
Austin, TX 78711-3326

**RE: Frio Canon Water Company, LLC, PUC Application to Change Water Rates  
Docket No. 48980 – Commission Staff's Recommendation on Sufficiency of  
Application and Notice, Dated January 30, 2019, and PUC Interoffice  
Memorandum from Nabaraj Poldhrel, Engineering Specialist and Andrew  
Novak, Financial Analyst to Sara McDaniel, Attorney Legal Division, Dated  
January 30, 2019**

Dear Mr. Journeay:

In response to the above referenced matter, Frio Canon Water Company, LLC ("Frio Canon"), submits the following comments regarding the above referenced Sufficiency Notice and PUC Interoffice Memorandum:

**Commission Staff's Recommendation on Sufficiency of Application and Notice**

1. Frio Canon respectfully request that Staff finds that the Application is administrative complete; and
2. Frio Canon agrees with Staff's Proposed Procedural Schedule.

**PUC Interoffice Memorandum of January 30, 2019**

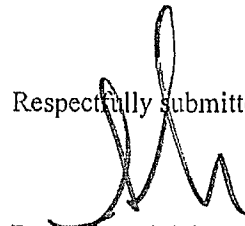
1. Attached are Schedules IV and V in the Application noting that Frio Canon, as Applicant, elects not to include Taxes Other Than Income (Schedule IV(a)), Revenue Related Taxes and Expenses (Schedule IV(b)) and Schedule of Effective Federal Tax Rate (Schedule V) as part of the Applicant's cost of service associated with this Application;
2. Attached is Frio Canon's signed Oath of Verification;
3. Attached corrected billing comparison; and
4. Frio Canon 2018 Annual Report for Class B Water System.

Please note that Frio Canon will issue a second Notice of Proposed Rate Change to customers following Staff's declaration of the Application's administrative completeness. Frio Canon will provide the Commission with a copy of the final Notice of Proposed Rate Change and the associated affidavit upon mailing of the second notice to Frio Canon customers.

Page 2  
Letter to Stephen Journeay, Commission Counsel  
February 12, 2019

If you have any questions concerning this letter, please do not hesitate to contact me or Donald Rauschuber, P.E., (512/413-9300 [dgrwater@dgrainc.com](mailto:dgrwater@dgrainc.com)) Engineer for Applicant.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D L Dagleish', with a stylized flourish at the end.

David L. Dagleish  
Officer for Frio Canon Water System, LLC

cc: Donald G. Rauschuber, P.E., Applicant Engineer

enclosure

## SECTION IV OTHER TAX INSTRUCT

UTILITY NAME: Frio Canon Water, LLC

### SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

NOT APPLICABLE - APPLICANT ELECTS NOT TO INCLUDE THIS ITEM IN IT'S COST OF SERVICE.

### Instructions for Section IV

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

UTILITY NAME: <u>Frio Canon Water, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE <b>IV(a) ESTIMATE OF TAXES OTHER THAN INCOME</b> FOR THE TEST YEAR ENDED: <b>12/17</b>
---

NOT APPLICABLE - APPLICANT ELECTS NOT TO INCLUDE THIS ITEM IN IT'S COST OF SERVICE.

**PROPERTY TAXES:**

A	B	C	D	E
Line No	Description	Amount	Amount	Reference
1	Property taxes paid in in test year		0	per property tax bills
2	Utility plant added in test year	-		Schedule III-3(a), Line 11
3	Utility plant retirements in test year			Schedule III-3(a), Line 21
4	Net additions			Line 2 minus line 3
5	Net Property tax rate			Line 1 / beginning of test year gross plant balance from III-3 (a), Col D, Line 1
6	Test year property tax on additions			Line 4 times Line 5
7	Adjusted Test year property tax expense			Line 1 + Line 6
8	Known and measurable change			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 _____	%		Column D+E+F Line 9	
10	Medicare	wages to _____	%		Column H Line 9	
11	Added Medicare (Affordable Care Act)	wages to _____	%			
12	Federal unemployment	wages to _____	%		Column D Line 9	
13	State unemployment	wages to _____	%		Column D+E Line 9	
14	Total (add Lines 11 through 14)					
15	Less Capitalized	Use % on Sch II-6(a), line 10	%			
16	Test year Payroll Tax Expense	Line 13 less 14				
17	Known and measurable change				(Line 13 minus Line 14)	

**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: <b>Frio Canon Water, LLC</b> SCHEDULES - CLASS B RATE/TARIFF CHANGE <b>IV(b) REVENUE RELATED TAXES AND EXPENSES</b> FOR THE TEST YEAR ENDED: <b>12/17</b> NOT APPLICABLE - APPLICANT ELECTS NOT TO INCLUDE THIS ITEM IN IT'S COST OF SERVICE.						
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					
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.

NOT APPLICABLE - APPLICANT ELECTS NOT TO INCLUDE THIS ITEM IN IT'S COST OF SERVICE.

UTILITY NAME: <u>Frio Canon Water, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE <b>V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE</b> FOR THE TEST YEAR ENDED: <u>12/17</u>
--

NOT APPLICABLE - APPLICANT ELECTS NOT TO INCLUDE THIS ITEM IN IT'S COST OF SERVICE.

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

To Sch I-1, Line 27

### FEDERAL INCOME TAX CALCULATION:

Line No.	Tax Rate	Taxable Income	Tax Rate	Tax
		(Portion of Taxable Income in Level)		(C x D)
12	1st 50,000 of taxable income	50,000	15%	
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	



(Company Name)

(For Test Year Ended)

## VERIFICATION

### OATH

(To be made by the officer having control of the accounting of the respondent.)

State of TEXAS

as:

County of TRAVIS

DAVID L. DALGLEISH  
(Name of Affiant)

makes oath and says that he/she is General Manager  
(Official Title of Affiant)

of Frio Canon Water Company  
(Exact Legal Title or Name of the Respondent)

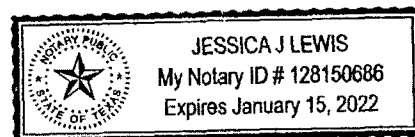
The signed officer has reviewed the rate application.

Based on the officer's knowledge, the rate application does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Based on such officer's knowledge, the financial statements, operations and other financial information included in the rate application, fairly present in all material respects the financial condition and results of operations of the preparers as of, and for, the periods presented in the rate application.

He/she swears that all other statements contained in the said rate application are true, and that the said rate application is a correct and complete statement of the business and the above-named respondent during the test year time frame of \_\_\_\_\_ to \_\_\_\_\_, and including any additional time frames aside from the aforementioned test year resulting from rate case requests for information.

Subscribed and sworn to and before me, a NOTARY in and for the State  
and County above-named, this 11<sup>th</sup> day of FEBRUARY.



[Signature]  
(Signature of Affiant)

My commission expires

[Signature]  
(Signature of Officer Authorized to Administer Oaths)

# AFFIDAVIT

STATE OF TEXAS

COUNTY OF Travis

I, David L. Dalgleish being duly sworn, file this **NOTICE OF PROPOSED RATE CHANGE**  
as Officer for Frio Canon Water, LLC

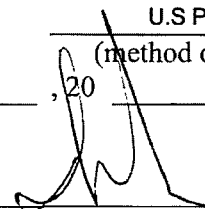
(indicate relationship to Utility, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Utility); that, in such capacity, I am qualified and authorized to file and verify such NOTICE; and that all statements made and matters set forth herein are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

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

to each customer or other affected party on or about \_\_\_\_\_, 20\_\_\_\_

U.S Postal Service  
(method of delivery)

X



AFFIANT  
(Utility's Authorized Representative)

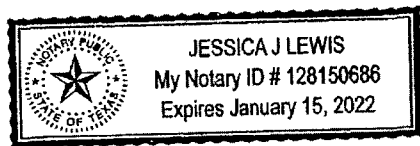
Frio Canon Water LLC

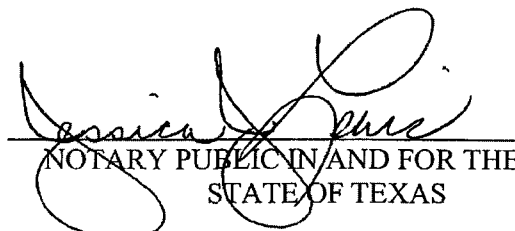
NAME OF UTILITY

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 11<sup>th</sup> day of FEBRUARY, 20 19 to certify  
which witness my hand and seal of office.

SEAL



  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
JESSICA J. LEWIS  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 01-15-2022

**NOTICE OF PROPOSED RATE CHANGE**

**TO BE PROVIDED TO CUSTOMERS**

**PURSUANT TO TEX. WATER CODE § 13.1871**

# AFFIDAVIT

STATE OF TEXAS

COUNTY OF Travis

I, David L. Dalglish being duly sworn, file this **NOTICE OF  
PROPOSED RATE CHANGE**  
as Officer for Frio Canon Water, LLC,

(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

U. S. Postal Service  
(method of delivery)

to each customer or other affected party on or about February 28, 20 19

AFFIANT  
(Utility's Authorized Representative)

Frio Canon Water, LLC  
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 \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ to certify  
which witness my hand and seal of office.

SEAL

NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES \_\_\_\_\_

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

Frio Canon Water, LLC

13145

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](http://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 2 [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:** 3/31/2019

(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:**

Allow Frio Canon Water, LLC, to recover it's cost of water service within the Frio Canon Water System.

**BILLING COMPARISON (INCLUSIVE OF MINIMUM BILL CHARGE) FOR A 5/8" OR 3/4" METER**

**Water**

Existing	5,000 gallons:	\$	<u>47.50</u>	/mo	Proposed	5,000 gallons:	\$	<u>95.73</u>	/mo
Existing	10,000 gallons:	\$	<u>62.00</u>	/mo	Proposed	10,000 gallons:	\$	<u>130.48</u>	/mo
Existing	30,000 gallons:	\$	<u>147.00</u>	/mo	Proposed	30,000 gallons:	\$	<u>269.48</u>	/mo

**Sewer**

Existing	5,000 gallons:	\$	<u>N.A.</u>	/mo	Proposed	5,000 gallons:	\$	<u>N.A.</u>	/mo
Existing	10,000 gallons:	\$	<u>N.A.</u>	/mo	Proposed	10,000 gallons:	\$	<u>N.A.</u>	/mo

Frio Canon Subdivision, The Meadow at Frio Canon Subdivision and other retail water customers located in CCN 13145

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

4019 Spicewood Springs Road	Austin	Tx.	78759
Company Address	City	State	Zip

(512) 346-8554

Company Phone Number

31,321.00

Annual Revenue Increase

1/1/2019

Date Notice Delivered

2/5/2008

Date of Last Rate Change

First Week of Each Month

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. \_\_\_\_\_**

**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 Protestant:

\_\_\_\_\_ 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 _____ 0 gallons			Monthly base rate including _____ 0 gallons		
Meter Size:			Meter Size:		
<b>RESIDENTIAL</b>			<b>RESIDENTIAL</b>		
5/8" or 3/4"	\$	35.00	5/8" or 3/4"	\$	60.98
1"	\$	70.00	1"	\$	152.45
1 1/2"	\$	140.00	1 1/2"	\$	304.90
2"	\$	280.00	2"	\$	487.84
3"	\$		3"	\$	
Other:	\$		Other:	\$	
<b>GALLONAGE CHARGE:</b>			<b>GALLONAGE CHARGE:</b>		
TIER	VOLUME	CHARGE per 1000 gals.	TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	0 to 8,000 gals.	\$ 2.50 /1000 gals.	Tier 1	0 to Total Use	\$ 6.95 /1000 gals.
Tier 2	8,001 to 15,000 gals.	\$ 3.50 /1000 gals.	Tier 2	to gals.	\$ /1000 gals.
Tier 3	>15,001	\$ 4.50 /1000 gals.	Tier 3	to gals.	\$ /1000 gals.
Tier 4	to gals.	\$ /1000 gals.	Tier 4	to gals.	\$ /1000 gals.
Tier 5	to gals.	\$ /1000 gals.	Tier 5	to gals.	\$ /1000 gals.
gals.					
<b>MISCELLANEOUS FEES</b>			<b>MISCELLANEOUS FEES</b>		
Tap Fee	\$	500.00	Tap Fee	\$	500.00
Reconnect fee: Non-payment	\$	25.00	Reconnect fee: Non-payment (Maximum - \$25.00)	\$	25.00
Customer's Request	\$	50.00	Customer's Request	\$	50.00
Transfer Fee	\$	35.00	Transfer Fee	\$	35.00
Late Charge	\$	10%	Late charge: (Indicate either \$5.00 or 10%)	\$	10%
Returned Check Charge	\$	25.00	Returned Check Charge	\$	25.00
Deposit	\$	50.00	Deposit (Maximum \$50.00)	\$	50.00
Meter test fee	\$	25.00	Meter test fee (Maximum - \$25.00)	\$	25.99

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page. **SEE ATTACHMENT ONE FOR ADDITIONAL TARIFF FEES AND CHARGES.**

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

**ATTACHMENT ONE**

**ADDITIONAL FRIO CANON WATER, LLC  
TARIFF RATE CHARGES  
(SAME AS EXISTING TARIFF)**

TAP FEE (Unique Costs).....Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMER OUTSIDE OF SUBDIVISION OR RESIDENTIAL AREAS.

TAP FEE (Large Meter).....Actual Cost  
TAP FEE COVERS UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FROM METER SIZE INSTALLED.

METER RELOCATION FEE .....Actual Relocation Cost, Not to Exceed Tap Fee  
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

COMMERCIAL & NON-RESIDENTIAL DEPOSIT.....1/16TH OF ESTIMATED ANNUAL BILL

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE**

WHEN AUTHORIZED IN WRITING BY THE PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING 30 T.A.C. 291.21(K)(2).

**LINE EXTENSION AND CONSTRUCTION CHARGES**

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

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

Cash   X  , Check   X  , Money Order   X  , Credit Card   X  

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS



**NOT APPLICABLE - FRIO CANON WATER, LLC DOES NOT PROVIDE RETAIL SEWER SERVICE**

**NOTICE OF PROPOSED RATE CHANGE –SEWER**

<b>CURRENT RATES</b>	<b>PROPOSED RATES</b>
Monthly base rate including _____ gallons Meter Size: <b>RESIDENTIAL</b>	Monthly base rate including _____ gallons Meter Size: <b>RESIDENTIAL</b>
5/8" or 3/4"                      \$	5/8" or 3/4"                      \$
1"                                      \$	1"                                      \$
1 1/2"                              \$	1 1/2"                              \$
2"                                      \$	2"                                      \$
3"                                      \$	3"                                      \$
Other:                              \$	Other:                              \$
<b>GALLONAGE OR FIXED CHARGE:</b>	<b>GALLONAGE OR FIXED CHARGE:</b>
\$ _____ <input type="checkbox"/> per month; OR <input type="checkbox"/> for each additional 1,000 gallons over the minimum. Gallorage charges are determined based on average consumption for winter period which includes the following months: _____	\$ _____ <input type="checkbox"/> per month; OR <input type="checkbox"/> for each additional 1,000 gallons over the minimum. Gallorage charges are determined based on average consumption for winter period which includes the following months: _____
<b>MISCELLANEOUS FEES</b>	<b>MISCELLANEOUS FEES</b>
Tap Fee                      \$	Tap Fee                      \$
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 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.**



**CLASS "B" WATER COMPANY  
PUC ANNUAL REPORT  
OF**

CCN Number  
13145

Official Company Name:

Frio Canon Water, LLC

D/B/A Name(s)

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**TO THE  
PUBLIC UTILITY COMMISSION  
OF TEXAS**

*For the Year Ended*        **2017**

PUBLIC UTILITY COMMISSION OF TEXAS  
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326

**Annual Report for Class B Water and/or Sewer Systems**  
Pursuant to TWC § 13.136 and Title 16 Texas Administrative Code (TAC) Chapter 24

**I. UTILITY INFORMATION**

- A. Utility Name: Frio Canon Water Company  
List all assumed name(s) or d/b/a names: \_\_\_\_\_
- B. Street Address, City or Town & Zip code: 4019 Spicewood Springs Rd Austin, TX 78759  
County: Travis CCN No.: 13145
- C. List All PWS System names and numbers: \_\_\_\_\_
- D. List All WQ Permitted system names and numbers: \_\_\_\_\_
- E. Type of Ownership:  
Corporation: LLC Partnership: \_\_\_\_\_ Individual: \_\_\_\_\_ Other: \_\_\_\_\_
- F. If a corporation list names of the officers. If an individual or partnership list the name of the individual or each partner. David L. Dalglish General Manager
- g. If the controlling ownership of this utility changed during the last twelve (12) months, state the date of ownership change and the name and address of the prior owner. \_\_\_\_\_
- H. Date the utility was formed or incorporated: \_\_\_\_\_ 2008
- I. Is the utility commonly owned or controlled by another corporation? Y N X  
If yes, by whom? \_\_\_\_\_

**PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS**

- A. Name and Title: David Dalglish
- B. Street Address, city, zip code: 4019 Spicewood Springs Rd Austin, TX 78759
- C. Telephone Number with Area Code: 512-346-8554  
Cell Phone Number with Area Code: \_\_\_\_\_  
Fax Number with Area Code: 512-346-8667  
e-mail address: christina@dalglish.net
- D. If not an officer, owner or employee, give name of firm employed by: \_\_\_\_\_
- E. List all entities under common control or ownership with this utility by entity name, CCN No(s)., Public Water System (PWS) No(s). and name(s) of water system(s) owned and Water Quality (WQ) Discharge Permit No(s). and name(s) of wastewater systems owned, and contact information. \_\_\_\_\_
- F. List all affiliates of the utility by entity name(s), CCN No(s). if any, PWS No. for each system owned and WQ Discharge Permit No. for each wastewater systems owned, including contact information. \_\_\_\_\_
- G. If the utility owner owns multiple CCN's, please list all CCN numbers owned: \_\_\_\_\_

Name of Utility:

Frio Canon Water Company

Year End: 2017

**2. BALANCE SHEETS**

<b><u>ASSETS</u></b>	<b>End of Year 12/31/2017</b>	<b>End of Prior Year 12/31/2016</b>
<b><u>UTILITY PLANT</u></b>		
101 Utility Plant in Service	\$ 226,990	
103 Property held for Future Use		
105 Construction Work In Progress		
114, 115 Net Utility Plant Acquisition Adjustment		
<b>TOTAL UTILITY PLANT</b>	\$ 226,990	\$ -
108 Less: Accumulated Depreciation	\$ 60,730	
110 Less: Accumulated Amortization		
<b>NET UTILITY PLANT</b>	\$ 166,260	\$ -
<b><u>CURRENT ASSETS</u></b>		
131-135 Cash	\$ 943	
141-143 Accounts Receivable		
144 Notes Receivable		
144-145 Accounts Receivable-Affiliates/Common Ownership		
151 Plant Materials and Supplies		
162 Prepayments		
171-174 Other Current Assets		
<b>TOTAL CURRENT ASSETS</b>	\$ 943	\$ -
<b><u>OTHER ASSETS and DEFERRED CHARGES</u></b>		
181 Deferred Debt Expense		
182-186 Deferred Charges/Debits		
190 Accum. Deferred Income Taxes		
<b>TOTAL OTHER ASSETS and DEFERRED CHARGES</b>	\$ -	\$ -
<b><u>TOTAL ASSETS</u></b>	<b>\$ 167,203</b>	<b>\$ -</b>
<b><u>LIABILITIES &amp; EQUITY</u></b>	<b>End of Year 12/31/2017</b>	<b>End of Prior Year 12/31/2016</b>
<b><u>STOCKHOLDERS' EQUITY</u></b>		
201 Common Stock	\$ 30,000	\$ 30,000
211 Other paid in capital	\$ (49,016)	\$ (57,033)
215 Retained Earnings	\$ (19,016)	\$ (27,033)
<b>TOTAL STOCKHOLDERS' EQUITY</b>		
<b><u>LONG-TERM DEBT</u></b>		
224 Long-term debt, excluding current portion	\$ 21,425	\$ 16,425
<b><u>CURRENT LIABILITIES</u></b>		
Current Portion of Long-term Debt		
231 Accounts Payable		
232 Notes Payable		
233, 234 Payables to Affiliates/Common Ownership		
236 Accrued Taxes		
237 Accrued Interest		
241.0 Other Current Liabilities		
<b>TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -
<b><u>OTHER LIABILITIES and DEFERRED CREDITS</u></b>		
252 Advances for Construction		
253 Other Deferred Credits		
255 Deferred Investment Tax Credits		
271-272 Net Contributions in Aid of Construction	\$ 26,000	\$ 26,000
281-283 Accumulated Deferred Inc. Taxes		
<b>TOTAL OTHER LIABILITIES and DEFERRED CREDITS</b>	\$ 26,000	\$ 26,000
<b><u>TOTAL LIABILITIES &amp; EQUITY</u></b>	<b>\$ 28,409</b>	<b>\$ 15,392</b>

Add National Association of Regulatory Utility Commissioners (NARUC) accounts as needed, and if not shown above  
PUC Water Annual Report

Name of Utility:

Frio Canon Water Company

Year End: 2017

**3. STATEMENT OF REVENUES**

(Actual Revenues for the report year)

Water <u>CUSTOMER CLASS</u>	Prior Year Reported 2016 (A)	Current Reporting Year 2017 (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
Metered Sales:				
5/8" or 3/4"	\$ 6,335	\$ 10,036		\$ 10,036
3/4"				\$ -
1"				\$ -
1 1/2"				
2"				
List all additional meter sizes				
				\$ -
				\$ -
SUB-TOTAL	\$ 6,335	\$ 10,036	\$ -	\$ 10,036
Unmetered Sales:				
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
List and explain if any rates are set				\$ -
on a basis other than meter size.				\$ -
				\$ -
	\$ -	\$ -	\$ -	\$ -
470.0 Late fees - Water				\$ -
471-474 Other Revenue	\$ 900	\$ 1,225		\$ 1,225
<b>TOTAL WATER REVENUE</b>	<b>\$ 7,235</b>	<b>\$ 11,261</b>	<b>\$ -</b>	<b>\$ 11,261</b>

To Statement of Income

Sewer <u>CUSTOMER CLASS</u>	Prior Year Reported yyyy (A)	Current Reporting Year yyyy (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
Metered (measured) Sales (if any):				
				\$ -
				\$ -
				\$ -
				\$ -
SUB-TOTAL	\$ -	\$ -	\$ -	\$ -
Unmetered (flat rate) Sales				
				\$ -
				\$ -
				\$ -
				\$ -
SUB-TOTAL	\$ -	\$ -	\$ -	\$ -
470.0 Late fees - Sewer				\$ -
536 Other Revenue				\$ -
<b>TOTAL SEWER REVENUE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL REVENUE</b>	<b>\$ 7,235</b>	<b>\$ 11,261</b>	<b>\$ -</b>	<b>\$ 11,261</b>

To Statement of Income

**4. Statements of Income**

	Water Test Year 2017	Sewer Test Year yyyy	Total - Water and Sewer	Earnings Report adjustments	Adjusted for Earnings Report
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
1 <b>Total Revenue: 1</b>	\$ 11,261	\$ 11,261	\$ 22,522	\$ -	\$ 22,522
	XXXX	XXXX	XXXX	XXXX	XXXX
	XXXX	XXXX	XXXX	XXXX	XXXX
<b>Operating Expenses:</b>					
2 601.1/701.1 O & M Salaried Labor			\$ -		
3 604/704 Employee Benefits			\$ -		
4 6/731, 6/735, 6/736 O & M Contract labor	\$ 497		\$ 497		
5 620/720 Operating/Maint Supplies	\$ 5,439		\$ 5,439		
6 610/710 Purchased Water			\$ -		
7 615/715 Purchased Power	\$ 1,437		\$ 1,437		
8 635/735 Testing Expense	\$ 2,402		\$ 2,402		
9 618/718 Chemicals	\$ 1,127		\$ 1,127		
10 656-659/756-759 Insurance	\$ 1,779		\$ 1,779		
11 601.2/701.2 General Office Salaries			\$ -		
12 650/750 Transportation			\$ -		
13 675 General Office Expenses	\$ 870		\$ 870		
14 632, 633, 634 Contract Acctg, legal, Mgnt	\$ 206		\$ 206		
15 666 Amortization- Rate Case Expense	\$ 5,000		\$ 5,000		
16 403 Depreciation Expense	\$ 6,022		\$ 6,022		
17 667-675 Other Misc. Expenses			\$ -		
<b>Taxes:</b>			XXXX	XXXX	XXXX
18 409 Federal Income Taxes			\$ -		
19 409 State Franchise Taxes/Reg Assess.			\$ -		
20 408 All Other Taxes			\$ -		
21 <b>Total Expenses</b>	\$ 24,779	\$ -	\$ 24,779	\$ -	\$ -
			XXXX	XXXX	XXXX
22 <b>Net Operating Income</b>	\$ (13,518)	\$ 11,261	\$ (2,257)	\$ -	\$ 22,522
			XXXX	XXXX	XXXX
23 421, 433 Non-Operating Income					
24 <b>Non-Operating Deductions:</b>			XXXX	XXXX	XXXX
25 426 Other					
26 427 Interest					
27 Net Income	\$ (13,518)	\$ 11,261	\$ (2,257)	\$ -	\$ 22,522

1. Carried over from Statements of Revenues

## Year End: 2017

Name of Utility:

Frio Canon Water Company

Year End: 2017

**6(a). Capital Structure**

Year Ended mm/dd/yyyy

	Per Books	Adjustments for Earnings Report	Per Books Post Adjustment	Ratio
232.00 Short-Term Debt	\$ -	\$ -	\$ -	0.00%
224.0 Long-Term Debt	\$ 21,425		\$ 21,425	100.00%
Common Equity				
201.0 Common Stock	\$ -	\$ -	\$ -	
218.0 Proprietary Capital				
211.0 Misc. Paid-in-Capital	\$ 26,000			
215.0 Retained Earnings	\$ (49,016)	\$ -	\$ -	
216.0 Reacquired Stock	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Total Equity	\$ (23,016)	\$ -	\$ -	0.00%
Total Capital	\$ (1,591)	\$ -	\$ 21,425	100.00%

**Debt Detail**

Type	Principal Amount	Cost Rates	Interest Expense
232.0 Short Term Debt:			
(Lender name A)	\$ -	0.00%	\$ -
(Lender name B)	\$ -	0.00%	\$ -
(Lender name C)	\$ -	0.00%	\$ -
Total Short-Term Debt	\$ -	0.00%	\$ -
224.0 Long-Term Debt:			
(Lender name D)		0.00%	\$ -
(Lender name E)		0.00%	\$ -
(Lender name F)		0.00%	\$ -
Total Long-Term Debt	\$ -	0.00%	\$ -

**6(b). RATE BASE AND EARNINGS CALCULATION****RATE BASE SUMMARY**

Description	Water (a)	Sewer (b)	Total (c)=(a) + (b)	Reference (schedule)
1 Additions:	xxxx	xxxx	xxxx	
2 Utility plant				5(a) & 5(b)
3 Materials and supplies				2
4 Working cash (capital) (attach schedule)				
5 Prepayments				2
6 Other (attach schedule or itemize)				
7 TOTAL ADDITIONS (Add Lines 2 through 6)				
8 Deductions:	xxxx	xxxx	xxxx	
9 Reserve for depreciation (Accumulated)				2
10 Advances for construction				2
11 Contributions in aid of construction				2
12 Accumulated deferred income taxes				2
13 Accumulated deferred investment tax credits				2
14 Other (attach schedule or itemize)				2
15 TOTAL DEDUCTIONS (Add lines 9 through 14)				
16 RATE BASE (Line 7, less Line 15)				

**EARNINGS CALCULATION**

17 Return (Note 1)	22,522
18 Rate of Return (Line 17/Line 16)	0.00%
19 Earned Return on Ending Equity (Notes 2, 3)	0.00%

Note 1 Schedule 4, Statements of Income, line 26 plus line 27.

Note 2 Based on reported capital structure in Schedule 6, Capital Structure, Earnings

Note 3 Line 19 (above) will automatically calculate correctly only after Schedule 4, Statements of Income, Schedule 7 Rate of Return, and the above portions of this schedule (tab) have been completed



Name of Utility: Frio Canon Water Company Year End: \_\_\_\_\_

### 7. Rate of Return

Year Ended mm/dd/yyyy

	Balance	Capital Structure %	Cost Rates	Weighted Cost of Capital
	(a)	(b)	(c)	(c )=(a) x (b)
224.0 Long-Term Debt	21,425	100.00%	0.00%	0.00%
Common Equity*	-	0.00%	0.00%	0.00%
Total		100.00%		0.00%

\*If the company currently has an authorized return on equity (ROE), enter that ROE in column (c) and provide the docket number in which that ROE was granted here ==>>

If the company does not currently have an authorized ROE, enter in column (c) the ROE Moody's BAA Bond rating plus 6 percentage points. Utilities may obtain the current Moody's BAA Bond rating by emailing the PUC at [water@puc.state.tx.us](mailto:water@puc.state.tx.us) (this will in virtually every circumstance be different from the ROE that is actually earned) and place an "X" here ==>>

Name of Utility: Frio Canon Water Company Year End: \_\_\_\_\_

## 8. Connection Count

### METERED CUSTOMERS BY METER SIZE

Number of Customers						
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Meter	End of	Additions	End of	Meter	Meter
No.	description	Prior Year	or change	Report Year	Ratios	Equivalencies
<b>Water</b>				(C + D)		(E x F)
1	5/8" x 3/4"	14	2	16	1	16
2	3/4"				1.5	
3	1"				2.5	
4	1 1/2"				5	
5	2"				8	
6	List all Additional meter sizes					
7	Unmetered					
8		14	2	16		16
<b>Sewer</b>						
9						
10						
11						
12						
13		0	0	0		0

Total Water

Total Sewer

**Name of Utility:** Frio Canon Water Company **Year End:**

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## 9. VOLUMETRIC INFORMATION

	(Report in 1,000 gallons)	Report Year
	Description	
1.	Water Pumped	2385
2.	Purchased Water	
3.	Total Water Produced (1. + 2.)	2385
4.	Total Water Sold	1580
5.	Water Lost (3 - 4)	805

Name:

Year End: 2017

### 10. Affiliated Transactions

#### Charges by an Affiliate to the Reporting Utility

Name of Affiliated company: \_\_\_\_\_

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account # Account name or type of service		(Dollars transacted)	(Dollars transacted)	(Dollars transacted)

#### Charges by an Reporting Utility to Affiliates

Name of Affiliated company: \_\_\_\_\_

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account # Account name or type of service		(Dollars transacted)	(Dollars transacted)	(Dollars transacted)