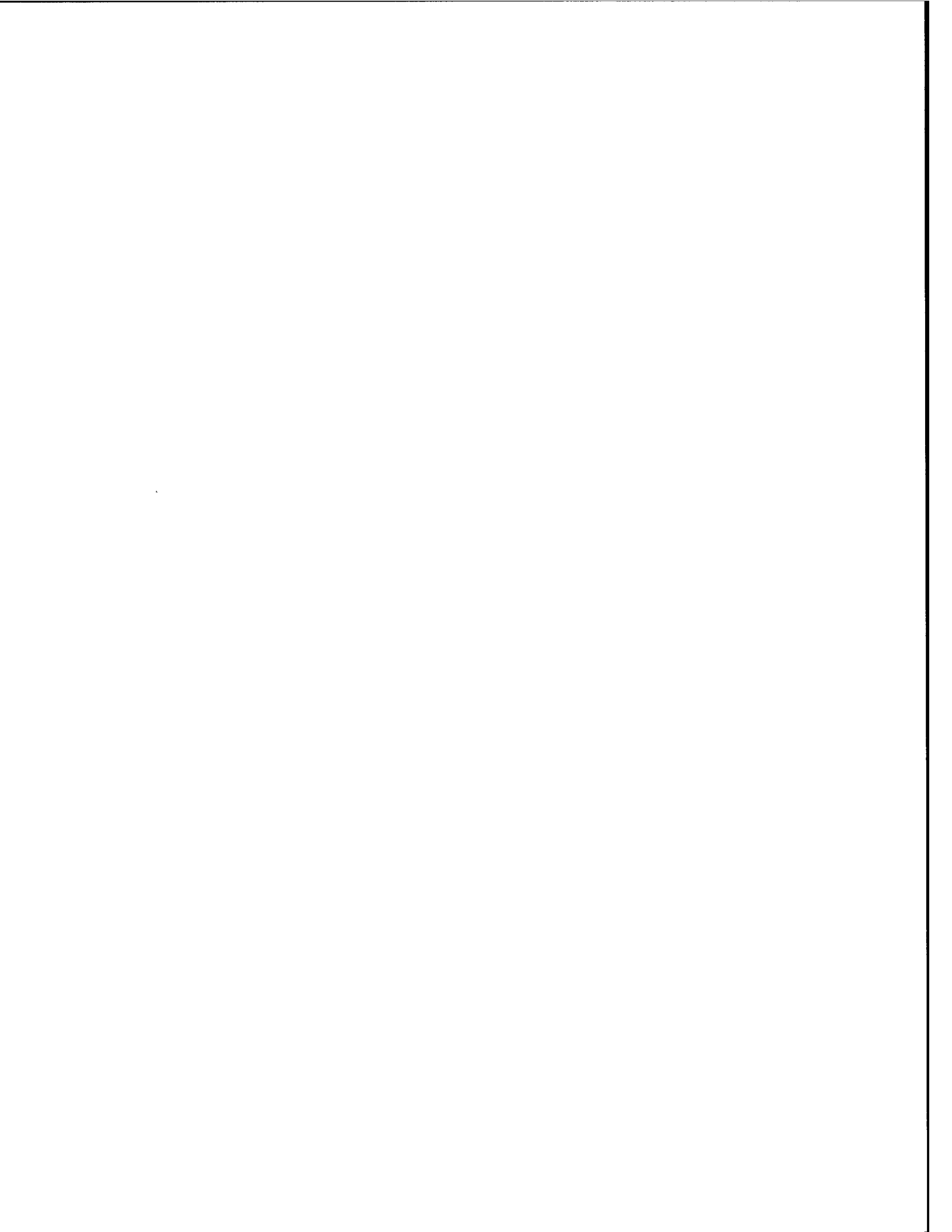


Control Number: 42860



Item Number: 2

Addendum StartPage: 0



42860

TCEQ Interoffice Memorandum

TO: Stacey Duncan
Business Support Section

THRU: *fb* Tammy Benter, Manager
Utilities and Districts Section
Water Supply Division

fb Lisa Fuentes, Team Leader
Utilities Financial Review Team
Water Supply Division

VP Vera Poe, P.E., Team Leader
Utilities Technical Review Team
Water Supply Division

FROM: *SP* Sheresia Perryman
Utilities Financial Review Team
Water Supply Division

HK Heidi Graham
Utilities Technical Review Team
Water Supply Division

DATE: September 18, 2013

SUBJECT: Docket No. 2013-1735-UCR; Protest of the application for a Water Rate/Tariff Change of Douglas Utility Company, Certificate of Convenience and Necessity (CCN) No. 11369, in Harris County; Application No. 37554-R

Docket No. 2013-1735-UCR; Protest of the application for a Sewer Rate/Tariff Change of Douglas Utility Company, Certificate of Convenience and Necessity (CCN) No. 20527, in Harris County; Application No. 37555-R

CN: 600693022; RN: 102676509 (water) and 101260453 (sewer)

We hereby transfer the official files for the above referenced applications to the Chief Clerk's Office. Please refer the applications to the State Office of Administrative Hearings (SOAH) and request that a hearing be scheduled.

The rate change applications were received on March 12, 2013. The effective date of the rate increase was May 12, 2013, and the deadline for customer protests was August 10, 2013. We received 33 complaints from a total of 202 water customers and 199 sewer customers, which exceeds the minimum requirement of 10%.

Staff estimates 10 people to attend this hearing. Attached is a mailing list for the application.

Please inform SOAH that we are requesting a local hearing for this matter to be held in Harris County.

RECEIVED
2014 SEP -4 PM 2:06
PUBLIC UTILITIES COMMISSION
FILING CLERK

2

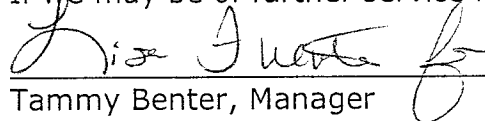
The staff assigned to this case are:

Technical - Heidi Graham

Financial - Sheresia Perryman

Legal -

If we may be of further service regarding this matter, please call.



Tammy Benter, Manager

TB/SP/HG/mmg

cc: TCEQ Public Interest Counsel; ATTN: Vic McWherter
TCEQ Agency Communications; ATTN: Andy Saenz, Director
TCEQ Chief Clerk's Office; ATTN: Deanna Avalos, SOAH Docket Clerk
TCEQ Legal Office; ATTN: Todd Galiga

Bryan W. Shaw, Ph.D., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 18, 2013

Mr. Mark H. Zeppa, Attorney
4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759

Re: Docket No. 2013-1735-UCR; Protest of the application for a Water Rate/Tariff Change of Douglas Utility Company, Certificate of Convenience and Necessity (CCN) No. 11369, in Harris County; Application No. 37554-R

Docket No. 2013-1735-UCR; Protest of the application for a Sewer Rate/Tariff Change of Douglas Utility Company, Certificate of Convenience and Necessity (CCN) No. 20527, in Harris County; Application No. 37555-R

CN: 600693022; RN: 102676509 (water) and 101260453 (sewer)

Dear Mr. Zeppa:

On March 12, 2013, the Texas Commission on Environmental Quality (TCEQ) received applications for water and sewer rate/tariff changes. The applications have been assigned Docket No. 2013-1735-UCR. Any further communication should refer to this docket number.

The TCEQ has received 33 protests from a total of 202 water customers and 199 sewer customers, which is more than ten percent (10%) of the affected customers.

This matter has been referred to the State Office of Administrative Hearings for scheduling. Once the hearing is scheduled, you will receive a notice of hearing explaining when and where the hearing will be held.

In order to review this rate change request, the staff of the TCEQ may need additional information regarding the utility's cost of providing service. You may be receiving Staff Requests for Information (RFI's) within a few weeks. We would appreciate your cooperation in providing the information requested.

If you have questions about this process or what material you should bring with you to the hearing, please contact Ms. Sheresia Perryman at 512/239-3654 or Ms. Heidi Graham at 512/239-0844, by fax at 512/239-6972, by email at sheresia.perryman@tceq.texas.gov or heidi.graham@tceq.texas.gov. If you contact our office by correspondence, please include MC153 in the letterhead address.

Sincerely,

A handwritten signature in black ink, appearing to read "Tammy Benter".

Tammy Benter, Manager
Utilities and Districts Section
Water Supply Division

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

How is our customer service? tceq.texas.gov/customersurvey

printed on recycled paper

Mailing List for Douglas Utility Company
Docket No. 2013-1735-UCR
(Application Nos. 37554-R and 37555-R)

Mr. Mark H. Zeppa, Attorney
Law Office of Mark H. Zeppa, PC
4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759

Mr. Herbert Zieben
Douglas Utility Company
32 E. Rivercrest Dr.
Houston, Texas 77042

MCGINNIS LOCHRIDGE

Philip S. Haag
phaag@mcginnislaw.com
(512) 495-6008 o
(512) 505-6308 f

August 12, 2013

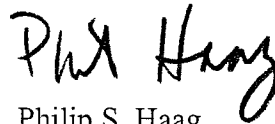
Texas Commission on Environmental Quality
Ms. Heidi Graham - MC 159
Utilities Technical Review Team
P.O. Box 13087
Austin, Texas 78711-3087

Re: Protest to the Service Rates of Douglas Utility Company and Request for Hearing

Dear Ms. Graham:

Please find attached petition for the above referenced matter. Kindly direct communication regarding this protest to my attention McGinnis Lochrige, 600 Congress Avenue, Suite 2100, Austin, Texas 78701, phaag@mcginnislaw.com

Sincerely,



Philip S. Haag

PSH/jlw
Enclosures

cc: Office of the Chief Clerk
Mark Zeppa

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
2013 AUG 12 PM 2: 52
CHIEF CLERKS OFFICE

PROTEST TO THE SERVICE RATES
OF DOUGLAS UTILITY COMPANY
AND REQUEST FOR HEARING

Douglas Utility Company
32 E. Rivercrest Drive
Houston, Texas 77042

The undersigned ratepayers of Douglas Utility Company (CCN Number 11369 and 20527), as listed on Exhibit B hereto, and which is incorporated by reference, hereby protest the rate change requested and implemented by Douglas Utility District and request a hearing on the rate changes to determine whether the rates are just and reasonable. The undersigned allege that the rate increases are not just and reasonable. The rate changes are effective on May 12, 2013. The affected rates are those charged for utility service (including water and sewer service) as more particularly specified in the Notice of Proposed Rate Change (Notice), which is attached as Exhibit "A" and is herein incorporated by reference. According to the Notice the ratepayers were provided the Notice on or about March 12, 2013 regarding this increase of rates, although there is some question as to whether the notices were correctly provided to all the affected ratepayers. The undersigned request a contested case hearing be held to determine whether proper notice of the proposed rate change was provided to all ratepayers and whether the proposed rates established are just and reasonable. The undersigned designate Rainbow Housing Assistance Corporation ("Rainbow") as their representative in this matter. Correspondence to the ratepayers' representative should be directed to Mr. Phil Haag, McGinnis Lochridge, 600 Congress Avenue, Suite 2100, Austin, Texas 78701, 512-495-6008.

CHIEF CLERKS OFFICE

2013 AUG 12 PM 2:56

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

Exhibit A

Notice of Proposed Rate Change

Douglas Utility Company Rate Change Protest

NOTICE OF PROPOSED RATE CHANGE

Douglas Utility Company

11369 and 20527

Company Name

CCN Numbers

has submitted a rate change application to the Texas Commission on Environmental Quality (Commission). The proposed rates listed on the next page will apply to service received after the effective date provided below. If the Commission receives protests to the proposed increase from 10 percent of the ratepayers or from any affected municipality before the 91st day after the proposed effective date, a public hearing will be scheduled to determine if the proposed rates are reasonable. Protests should be mailed to:

Texas Commission on Environmental Quality
Water Supply Division
Utilities & Districts Section, MC 153
P. O. Box 13087
Austin, Texas 78711-3087

Unless protests are received from 10 percent of the ratepayers or the Commission staff requests a hearing, no hearing will be held and rates will be effective as proposed. Please read the following information carefully:

Fountainview

Subdivisions or Systems Affected by Rate Change

32 E Rivercrest Drive	Houston	Texas	77042	(713) 783-4553
Company Address	City	State	Zip	Telephone
\$(141,199) (31.9%) Water				
\$ 127,066 113.0% Sewer				
\$(14,133) (2.5)% Combined				

On or before March 10, 2013

Annual Revenue Increase

Date Customer Notice Mailed

July 1, 2008

12th day of the month

Date of Last Rate Change

Date Meters Typically Read

EFFECTIVE DATE OF PROPOSED INCREASE: May 12, 2013

BILLING COMPARISON

		Water			
Existing - 5/8" x 3/4"	10,000 gallons:	\$ 66.20/mo	Existing	30,000 gallons:	\$ 148.60/mo
Proposed - 5/8" x 3/4"	10,000 gallons:	\$ 42.85/mo	Proposed	30,000 gallons:	\$ 107.85/mo
Existing - 3/4"	10,000 gallons:	\$ 56.20/mo	Existing	30,000 gallons:	\$ 148.60/mo
Proposed - 3/4"	10,000 gallons:	\$ 48.03/mo	Proposed	30,000 gallons:	\$ 113.03/mo
Existing - 1"	10,000 gallons:	\$ 59.20/mo	Existing	30,000 gallons:	\$ 151.60/mo
Proposed - 1"	10,000 gallons:	\$ 58.38/mo	Proposed	30,000 gallons:	\$ 123.38/mo
Existing - 1-1/2"	10,000 gallons:	\$ 68.20/mo	Existing	30,000 gallons:	\$ 160.60/mo
Proposed - 1-1/2"	10,000 gallons:	\$ 84.25/mo	Proposed	30,000 gallons:	\$ 149.25/mo
Existing - 2" Commercial	10,000 gallons:	\$ 79.20/mo	Existing	30,000 gallons:	\$ 171.60/mo
Proposed - 2" Commercial	10,000 gallons:	\$ 115.30/mo	Proposed	30,000 gallons:	\$ 180.30/mo
Existing - 3" Commercial	10,000 gallons:	\$ 104.20/mo	Existing	30,000 gallons:	\$ 196.60/mo
Proposed - 3" Commercial	10,000 gallons:	\$ 167.75/mo	Proposed	30,000 gallons:	\$ 252.75/mo
Existing - 4" Commercial	10,000 gallons:	\$ 140.20/mo	Existing	30,000 gallons:	\$ 232.60/mo
Proposed - 4" Commercial	10,000 gallons:	\$ 281.25/mo	Proposed	30,000 gallons:	\$ 358.25/mo
Existing - 6" Commercial	10,000 gallons:	\$ 140.20/mo	Existing	30,000 gallons:	\$ 232.60/mo

Proposed – 6" Commercial	10,000 gallons:	\$ 550.00/mo	Proposed	30,000 gallons:	\$ 615.00/mo
Existing – 8" Commercial	10,000 gallons:	\$ 140.20/mo	Existing	30,000 gallons:	\$ 232.80/mo
Proposed – 8" Commercial	10,000 gallons:	\$ 860.50/mo	Proposed	30,000 gallons:	\$ 925.50/mo
Sewer					
Existing – 5/8" x 3/4" Or unmetered	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed – 5/8" x 3/4" Or unmetered	10,000 gallons:	\$ 44.50/mo	Proposed	30,000 gallons:	\$ 104.50/mo
Existing – 1/2"	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed – 1/2"	10,000 gallons:	\$ 51.75/mo	Proposed	30,000 gallons:	\$ 111.75/mo
Existing – 1"	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed – 1"	10,000 gallons:	\$ 66.25/mo	Proposed	30,000 gallons:	\$ 126.25/mo
Existing – 1-1/2"	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed – 1-1/2"	10,000 gallons:	\$ 102.50/mo	Proposed	30,000 gallons:	\$ 162.50/mo
Existing – 2" Commercial	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed – 2" Commercial	10,000 gallons:	\$146.00/mo	Proposed	30,000 gallons:	\$ 206.00/mo
Existing – 3" Commercial	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed – 3" Commercial	10,000 gallons:	\$ 247.50/mo	Proposed	30,000 gallons:	\$ 307.50/mo
Existing – 4" Commercial	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed – 4" Commercial	10,000 gallons:	\$ 392.50/mo	Proposed	30,000 gallons:	\$ 452.50/mo
Existing – 6" Commercial	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed – 6" Commercial	10,000 gallons:	\$ 755.00/mo	Proposed	30,000 gallons:	\$ 815.00/mo
Existing – 8" Commercial	10,000 gallons:	\$ 65.00/mo	Existing	30,000 gallons:	\$ 165.00/mo
Proposed – 8" Commercial	10,000 gallons:	\$ 1,190.00 /mo	Proposed	30,000 gallons:	\$ 1,250.00/mo

The proposed rates will apply to all service rendered after the effective date and will be reflected on the bill you receive approximately 30 to 45 days after the effective date.

In the event that the application is set for hearing, the specific rates requested by the utility may be decreased or increased by order of the Commission. If the Commission orders a lower rate to be set, the utility may be ordered to 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. You may inspect a copy of the rate change application at your utility's office or at the Commission's office at Park 35 - Building F, 12015 Park 35 Circle, Suite 3101, Austin, Texas, west side of IH-35, south of Yager Lane. Additional information about the application can be obtained by contacting the Utilities and Districts Section at 512/239-4691. Information about how you can participate in the rate setting process can be obtained by contacting the Public Interest Counsel at 512/239-6363.

Si desea informacion en Espanol, puede llamar al 512-239-0200.

NOTICE OF PROPOSED RATE CHANGE -WATER (Cont.)

CURRENT RATES		PROPOSED RATES	
Monthly base rate including <u> 0 </u> gallons		Monthly base rate including <u> 0 </u> gallons	
Meter Size:		Meter Size:	
5/8 X 3/4 "	\$ 10.00	5/8 X 3/4 "	\$ 10.35
3/4 "	\$ 10.00	3/4 "	\$ 16.53
1"	\$13.00	1 "	\$ 25.88
1 1/2 "	\$22.00	1 1/2 "	\$ 51.75
2 " (commercial)	\$ 33.00	2 " (commercial)	\$ 82.80
3 " (commercial)	\$ 58.00	3 " (commercial)	\$ 155.25
4 " (commercial)	\$ 94.00	4 " (commercial)	\$ 258.75
6 " (commercial)	\$ 94.00	6 " (commercial)	\$ 517.50
8 " (commercial)	\$ 94.00	8 " (commercial)	\$ 828.00
Gallage Charge:		Gallage Charge:	
\$ <u> 4.62 </u> for each additional 1000 gallons over the minimum		\$ <u> 3.25 </u> for each additional 1000 gallons over the minimum	
<u>Miscellaneous Fees</u>		<u>Miscellaneous Fees</u>	
Tap fee 5/8" or 3/4"	\$ 350.00	Tap fee 5/8" or 3/4"	\$ 875.00
Tap fee – larger than 5/8" or 3/4"	\$ 350.00	Tap fee – larger than 5/8" or 3/4"	Actual Cost
Reconnect fee: Non-payment (Maximum - \$25.00)	\$ 25.00	Reconnect fee" Non-payment (Maximum - \$25.00)	\$ 25.00
Customer=s request	\$ 40.00	Customer=s request	\$ 50.00
Transfer fee	\$ 25.00	Transfer fee	\$ 25.00
Late charge	\$ 5.00	Late charge (Indicate either \$5.00 or 10%)	\$ 5.00
Returned check charge	\$ 25.00	Returned check charge	\$ 25.00
Deposit	\$50.00	Deposit (Maximum \$50.00)	\$50.00
Commercial & non-residential deposit	1/6 th of estimated annual bill	Commercial & non-residential deposit	1/6 th of estimated annual bill
Meter test fee	\$25.00	Meter test fee	\$ 25.00

Regulatory Assessment of 1% is added to base rate and gallage charges

TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallage charge according to the formula:

$$TGC = cgc \cdot \frac{pr}{(1-r)(cgc/r)} \quad (1.0-r)$$

Where:

TGC = temporary gallage charge

cgc = current gallage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff prr shall equal 0.5.

GROUNDWATER REDUCTION PLAN FEE

The Houston Groundwater Reduction Plan Fee is calculated as follows:

$$(\text{GRP Fee per 1000 gallons}) \times (\text{Total Usage in month in 1000 gallon units})$$

For period before treated surface water is actually used, the GRP Fee, based on Monthly Pumpage at the Wells, will be passed through as follows:

$$\text{GRP Fee Per 1000 gallons usage by customers} = (Q \times R \times P) / \text{GS}$$

Q = Quantity of groundwater pumped in billing period in 1000 gallons

R = Groundwater Reduction Plan Fee per 1000 gallons

P = Percentage of total required by contract

GS = Total gallons sold during billing period in 1000 gallons

NOTICE OF PROPOSED RATE CHANGE - SEWER (Cont.)

e 3

CURRENT RATES		PROPOSED RATES	
Monthly base rate including <u>0</u> gallons		Monthly base rate including <u>0</u> gallons	
Meter Size:		Meter Size:	
Residential		Residential	
5/8 X 3/4"	\$ 15.00	5/8 X 3/4"	\$14.50
3/4"	\$ 15.00	3/4"	\$ 21.75
1"	\$ 15.00	1"	\$ 36.25
1 1/2"	\$ 15.00	1 1/2"	\$ 72.50
2" (commercial)	\$ 15.00	2" (commercial)	\$ 116.00
3" (commercial)	\$ 15.00	3" (commercial)	\$ 217.50
4" (commercial)	\$ 15.00	4" (commercial)	\$ 362.50
6" (commercial)	\$ 15.00	6" (commercial)	\$ 725.00
8" (commercial)	\$ 15.00	8" (commercial)	\$ 1,160.00
Gallonge Charge:		Gallonge Charge:	
\$ <u>5.00</u> for each additional 1000 gallons over the minimum		\$ <u>3.00</u> for each additional 1000 gallons over the minimum	
Gallonge charges are determined based on average consumption for winter period which includes the following months: December, January & February. Residential customers who do not have a winter consumption history shall be imputed the winter consumption average for the system in which they reside until they establish their own history. Commercial customers shall not be subject to winter averaging. Their bills shall be calculated on their actual water consumption each month year round.			

Miscellaneous Fees		Miscellaneous Fees	
Tap fee - Residential	\$ 650.00	Tap fee - Residential	\$ 650.00
Tap fee - Commercial	Actual Cost	Tap fee - Commercial	Actual Cost
Sewer Connection Inspection Fee - Residential	\$ 0.00	Sewer Connection Inspection Fee - Residential	\$ 50.00
Sewer Connection Inspection Fee - Commercial	\$ 0.00	Sewer Connection Inspection Fee - Commercial	Actual Cost
Plan Review Fee - Non Residential	\$ 0.00	Plan Review Fee - Non Residential	\$ 200.00
Reconnect fee: Non-payment (Maximum - \$25.00)	\$ 25.00	Reconnection fee: Non-payment (Maximum - \$25.00)	\$ 25.00
Customer's request	\$ 40.00	Customer's request	\$ 50.00
Transfer fee	\$ 25.00	Transfer fee	\$ 25.00
Late charge	\$ 5.00	Late charge (Indicate either \$5.00 or 10%)	\$ 5.00
Returned check charge	\$25.00	Returned check charge	\$ 30.00
Deposit	\$ 50.00	Deposit (Maximum \$50.00)	\$ 50.00
Commercial & non-residential deposit	1/6 th of estimated annual bill	Commercial & non-residential deposit	1/6 th of estimated annual bill
SERVICE RELOCATION	N/A	SERVICE RELOCATION	Actual cost to relocate that service connection
REPAIRS OR MAINTENANCE OF CUSTOMER PLUMBING	N/A	REPAIRS OR MAINTENANCE OF CUSTOMER PLUMBING	INCURRED COST
Regulatory Assessment of 1% is added to base rate and gallonage charges			

RATE NOTICE ADDENDUM

The final rates to any customer or class of customers approved in this application may be greater or less than these noticed rates, but they will not recover a larger total revenue requirement. The utility may amend the rate change application where permitted by law. There may be monthly customer surcharges for rate case expenses, capital improvements, collection of lost revenues during the pendency of the case or other purpose approved in the final order. The utility may propose and have approved pass through clauses permitted by the Water Code and/or TCEQ rules. The utility may propose or receive changes to its tariff that may affect terms and conditions under which any present or future customer receives service. *The utility may seek or receive invested capital findings and a rate base bench mark for future rate cases.* The utility may propose or receive changes to its extension policies. The utility may propose or receive changes to its Drought Management and Water Conservation Plan that may affect present or future customers. For these reasons, all affected current or future customers are encouraged to review the rate change application and tariff(s) and take such action as that customer deems appropriate.

Exhibit B

Signatures of Ratepayers Protesting the
Douglas Utility Company Rate Change

Douglas Utility Company Rate Change Protest

Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
Annie Andrews Annie Andrews	5406 Farley	281-219-3648
Tremel Thymes Tremel Thymes	5411 Farley	225-240-9108
Roger Lavergne Roger Lavergne	5419 Farley	
Erma McLemore Erma McLemore	5507-A Farley Dr	
Cynthia M. Haz. Cynthia M. Hazard	5422 Indianola Dr	(281) 987-2161
Raquel Ruiz Raquel Ruiz	5423 Indianola Dr.	
Marica Trujillo Cody Scott Cody Scott	5430 Indianola Dr. 5431 Indianola Dr	281-590-3259

Douglas Utility Company Rate Change Protest

Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
Joshua Perry	5439 Indianola dr. 77036	
Elizabeth Crowe	5439 Indianola dr 77036	713-448-7565
Ana Rodriguez	5510 Cannonway Dr 77032	
Femi Gonzalez	5522 Cannonway 77032	
Zoila VARELA	5507 CANNONWAY 77032	
Gloria Lodes	77032. 14719 Picton	(713) 658-5971
D. Lopez	5502 Mc CRACKEN	281 442-3700
C. KARR	5542 Mc CRACKEN	281 590 3570

Douglas Utility Company Rate Change Protest

Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
SIMABE HERNAIMBER C. Since 1970-	5414 INDIANOLA Houston TX 77032	281-449-2150
Alfredo Amet af as	5411 Indianola Dr. Houston, TX 77032	281-795-0901
Dr. Juan HERNANDEZ	5402 Indianola Houston TX 77032	2/12
AGUSTIN 4502-INDIANOLA		281 830 7570
Cirilo Jhang	5503 McCracken Rd Houston TX 77032	281-760-7286
Brian Gutierrez	5415 McCracken Rd. Houston, TX 77032	281-608-5077
Gary Watson	5402 McCracken Houston TEXAS 77032	281-682-3630

Douglas Utility Company Rate Change Protest

Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
5434 McCracken Maura B.	5434 McCracken Houston, TX 77032	
Rafael Ruiz	5526 Indianola Dr. Houston, Tx 77032	
Socorro Ruiz	5439 McCracken Rd Houston, Tx 77032	
Arlene Ruiz	5522 Indianola Dr. Houston, Tx 77032	
Margarita Perez	5523 McCracken Rd. Houston, Tx, 77032	
Robert Taylor	14909 Lee Rd Houston, Tx 77032	
Max Citizew	14409 14409 Lee Rd 5522 Houston, Tx	

Douglas Utility Company Rate Change Protest

Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
<i>James H. Zittel</i>	<i>5410 Mcraeber</i>	<i>7139895409</i>

Douglas Utility Company Rate Change Protest

Name (Please Print and Signature)	Service Address (AND Mailing Address if Different from Service Address)	Phone Number
Equality Community Housing Corporation - Ownership Haverstock Hills <i>Sydney Janice</i>	5619 Aldine Bender Rd, Houston, TX 77032 3120 W Carefree Hwy Ste 1-246 Phoenix, AZ 85086	602-903-1843
J Allen Management - Management Company Haverstock Hills <i>John W. Allen</i>	5619 Aldine Bender Rd, Houston, TX 77032 1390 Broadway St, Beaumont, TX 77701	409-833-8947
Haverstock Hills Apartments <i>Kathy Barrilleaux</i>	5619 Aldine Bender Rd, Houston, TX 77032	281-449-2323

Douglas Utility Company Rate Change Protest

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 23, 2013

Mr. Mark Zeppa, Attorney
Law Office of Mark H. Zeppa, PC
4933 Spicewood Springs, Rd., Suite 202
Austin, Texas 78759-8436

Re: Water Rate/Tariff Change Application of Douglas Utility Company, Certificate of Convenience and Necessity No. 11369 Harris County; Application No. 37554-R.

Sewer Rate/Tariff Change Application of Douglas Utility Company, Certificate of Convenience and Necessity No. 20527 Harris County; Application No. 37555-R

CN: 600693022; RN: 102676509 (water) 101260453 (sewer)

Dear Mr. Mark Zeppa:

Thank you for your response received on April 23, 2013, regarding the above referenced applications. Your applications have been accepted for filing and assigned Application Nos. 37554-R and 37555-R. Please refer to these numbers in future correspondence.

Your new rates may go into effect on May 12, 2013. Your new effective date must be at least 60 days following the date your completed applications were mailed to us and correct notice is mailed or delivered to the customers. The effective date of the new rates must be the first day of the billing period, and the new rates may not apply to service provided before the effective date of the new rates.

The application will be scheduled for a hearing if:

- the Texas Commission on Environmental Quality (TCEQ) receives complaints from at least 10% of the ratepayers within 90 days of the effective date of the rate increase, or
- TCEQ staff protests
- the application on its own motion.

STATE OF TEXAS

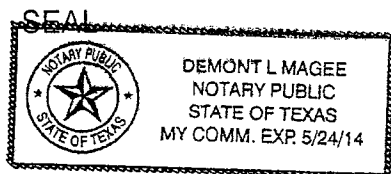
COUNTY OF Harris

AFFIDAVIT OF NOTICE

I, Carol Zieben, am the President of Douglas Utility Company. I certify and attest that the attached errata notice was sent to all affected customers and other parties at their addresses as recorded in the utility's normal business records by prepaid, United States mail on or about the 22 day of April 2013

Carol Zieben
Affiant

SWORN AND SUBSCRIBED TO under oath by Carol Zieben before the undersigned notary public on the 17 day of April 2013 in witness of which I place my hand and seal of office.



Demont Magee
NOTARY PUBLIC in and for the
State of Texas
Demont Magee
(print or type name)

Commission expires: 05/24/14

Applications No. 37554-R and 37555-R

STATE OF TEXAS

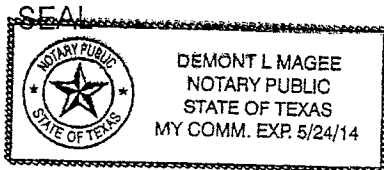
COUNTY OF Harris

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Demont Magee
NOTARY PUBLIC in and for the
State of Texas
Demont Magee
(print or type name)

Commission expires: 05/24/14

ERRATA NOTICE OF PROPOSED RATE CHANGE

Applications No. 37554-R and 37555-R

Douglas Utility Company

11369 and 20527

Company Name

CCN Numbers

has submitted a rate change application to the Texas Commission on Environmental Quality (Commission). Notice of this application was provided to the public.

It has been determined that an error was made in reciting the current sewer tap fee for a 5/8 x 3/4 - inch water meter. The current fee is \$350 and not \$650 as stated in the notice. The proposed sewer tap fee for a 5/8 x 3/4 - inch water meter will be \$650.00. No other changes to the previous notice are required.

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



SP
11
11

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 2, 2013

Mr. Mark Zeppa, Attorney
Law Office of Mark H. Zeppa, PC
4933 Spicewood Springs, Rd., Suite 202
Austin, Texas 78759-8436

NOTICE OF DEFICIENCY

Re: Water Rate/Tariff Change Application of Douglas Utility Company, Certificate of Convenience and Necessity No. 11369 Harris County; Application No. 37554-R.

Sewer Rate/Tariff Change Application of Douglas Utility Company, Certificate of Convenience and Necessity No. 20527 Harris County; Application No. 37555-R

CN: 600693022; RN: 102676509 (water) 101260453 (sewer)

Dear Mr. Mark Zeppa:

Your rate change applications received on March 12, 2013, have been assigned Application Nos. 37554-R and 37555-R, for water and sewer, respectively, but has not been accepted for filing. Please refer to these numbers in future correspondence.

Based on an administrative review of your applications, page 5 of the Notice of Proposed Rate Change-Sewer, under Miscellaneous Fees, shows the current residential tap fee as \$650.00 however, the TCEQ approved tariff shows the tap fee as \$350.00.

We are not suspending the effective date of your rate change, however, you are required to send a notarized "**errata notice**" to all affected customers by mail or billing inserts indicating the minor error found on the notice to customers.

An original and three (3) copies of the notarized affidavit and **errata notice** to customers must be submitted to our office by **May 2, 2013**. If all items are not received by this date, the applications will be returned for failure to prosecute.

**RATE / TARIFF CHANGE APPLICATION OF
DOUGLAS UTILITY COMPANY**

EFFECTIVE DATE MAY 12, 2013

BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

RECEIVED
MAY 12 2013
12 01 6 55

Law Office of Mark H. Zeppa, PC
4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759-8436
(512) 346-4011, Fax (512) 346-6847
markzeppa@austin.rr.com



Application for a Rate/Tariff Change

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APPLICATION FOR A RATE/TARIFF CHANGE

SECTION IA - GENERAL INFORMATION

Applicant: Douglas Utility Company
 (Individual, Corporation, or Other Legal Entity)

Utility Name: _____
 (If different than above)

Legal form of Application:

<input type="checkbox"/>	Individual
<input type="checkbox"/>	Partnership
<input checked="" type="checkbox"/>	Corporation. Provide Charter Number 182612
<input type="checkbox"/>	Sub Chapter-S Corporation
<input type="checkbox"/>	Other:

Utility Address: 32 East Rivercrest Drive Houston TX 77042
 Street Address or Location City State Zip Code

County(ies) where services are provided: Harris CCN Number(s): 11369, 20527

Contact Person: Mark Zeppa Telephone No: 512-346-4011

Position: Attorney Fax Number: 512-346-6847

Address: 4933 Spicewood Springs Rd., Suite 202 Austin TX 78759-8436
 Street Address or Location City State Zip Code

If the applicant is a corporation, please provide a copy of the corporation's "Certificate of Account Status" (regarding the payment of franchise taxes) from the State Comptroller's Office. This "Certificate of Account Status" can be obtained from the website at:

Comptroller of Public Accounts, Office Management
 P. O. Box 13528
 Austin, Texas 78711
 1-800-252-5555



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

February 27, 2013

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office

DOUGLAS UTILITY COMPANY

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due May 15, 2013.

This certificate does not make a representation as to the status of the entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 27th day of
February 2013 A.D.

A handwritten signature in cursive script that reads "Susan Combs".

Susan Combs
Texas Comptroller

Taxpayer number: 30000498805
File number: 0018261200

Form 05-304 (Rev. 12-07/17)

2

SECTION IB - MISCELLANEOUS INFORMATION

- A. How often and on what date the water meters typically read? Monthly on the 12th of the month
 B. When are bills typically sent out? 22nd of month
 C. Do you serve customers within the corporate limits of a municipality? If No, Go to D. Yes No
 If yes, which municipalities? N/A

Have you filed a request to change rates with the municipality? Yes No. If no, please explain:

- D. Are you currently collecting the Regulatory Assessment Fee from your customers?
 Yes No

If yes, are you current in your payment of the Regulatory Assessment Fee to the Texas Commission on Environmental Quality or the predecessor agency, Texas Water Commission, for assessments payable beginning January 1, 1992?

Yes No

- E. *Water Utilities:* Please indicate the Public Water System Identification numbers for each of your systems:

System Name	TCEQ PWS ID #	County	Rate Increase Applicable?
Fountainview	1010127	Harris	Yes

For each of the systems, please provide a copy of the most recent public water system annual inspection report letter from the Texas Commission on Environmental Quality and a written explanation detailing how and when you will comply with all noted deficiencies.

- F. *Sewer Utilities:* Please indicate the discharge permit number for each Wastewater Treatment Plant you operate:

Wastewater Treatment Plant Name	TCEQ Discharge Permit Number	County	Rate Increase Applicable?
Fountainview	WQ 0011200-001	Harris	Yes

For each of the plants, please provide a copy of the most recent inspection report letter from the Texas Commission on Environmental Quality and a written explanation detailing how and when you will comply with all noted deficiencies.

SECTION II: OPERATIONAL INFORMATION - WATER

Manager (or owner if services are routinely provided to the utility)

Name: Carol Zieben Relationship to Owner: President

Short job description:

Directs operations contractor, banking concerns, planning and general decision making for all aspects of the company.

Approximate number of hours per week this person works for the company: 40

Salary: \$30,840 () Hourly- () Weekly - () Monthly - (X) Annual

EMPLOYEES

Name: Olga Schnur Relationship to owner: Employee

Short job description: general office duties including bookkeeping

Approximate number of hours per week this person works for the company: 20

Salary: \$15.00 (X) Hourly- () Weekly - () Monthly - () Annual

Name: Relationship to owner:

Short job description:

Approximate number of hours per week this person works for the company:

Salary: () Hourly- () Weekly - () Monthly - () Annual

Contract Services (attach additional sheets if necessary)

Name: TNG Utility Relationship to owner: Independent Contractors

Short job description:

Operate and maintain water plant and delivery systems, monitor and maintain water quality according to regulatory compliance requirements, read meters and render bills to customers

Approximate number of hours per week this person works for the company:

Amount paid for services: \$27,730 () Hourly- () Weekly - () Monthly - (XX) Annual

Please provide the names and classification of the utility's certified operators:

Certified Operator's Name/ Classification	Certified Operator's Name/Classification

-Attach additional sheet(s) if necessary-

SECTION III. PLANT & EQUIPMENT INFORMATION – WATER

A. CUSTOMER CONTRIBUTIONS

If any of the items included in your plant and equipment were 100% financed with customer contributions, assessments, surcharges, extension fees, etc., you may not include depreciation or return on those items in your cost of service. However, if those customer contributions did not cover the entire cost of the asset, you may include the amount that the utility paid for. Please list below all items that were funded either all or in part by customer contributions and indicate amount that the customers contributed for each item.

Table III. A.

Item [A]	Date of installation [B]	Total Cost [C]	Amount of Customer Contribution [D]	Difference [E] = [C] - [D]
None – taps are expensed	against other	revenues		€
				€
				€
				€
				€

- Attach additional sheet(s) if necessary -

€ If any amount in this column is greater than zero, enter that item in the appropriate category in **Table III. B.**

B. ORIGINAL COST & DEPRECIATION SCHEDULE – WATER

Please provide the following inventory of the water utility plant being used to provide water service at the end of the test year. You will be responsible for supporting this information with invoices or other documentation. Round your figures to the nearest dollar. **Amounts should be computed as of the end of the test year.**

Table III.B.

[A] Item	[B] Date of Installation	[C] Estimated Total Life (Years)	[D] Original Cost	[E] Annual Depreciation	[F] Accumulated Depreciation	[G] Net Book Value
Land	Various	N/A	16,267	N/A	N/A	16,267
Service Equipment	Various	Various				-
Office Equipment	Various	Various				-
Computer Equipment	Various	Various				-
Trucks & Automobiles	Various	Various				-
Miscellaneous Plant	Various	Various	943	94	157	786
Wells (with Pump)	Various	Various	56,000	1,114	35,840	20,160
Structures	Various	Various	16,159	451	6,862	9,297
Booster Pumps	Various	Various	5,350	141	2,468	2,882
Well Pumps (5 hp or less)	Various	Various				-
Well Pumps (over 5 hp)	Various	Various				-
Electrical	Various	Various	17,692	685	9,915	7,777
Fencing and Gates	Various	Various				-
Pressure Tanks	Various	Various	39,704	790	6,508	33,196
Chlorinators	Various	Various	9,838	908	2,157	7,681
Ground Storage Tanks	Various	Various	37,568	748	22,322	15,246
Distribution system (mains)	Various	Various	44,171	394	24,802	19,369
Services (line or tap)	Various	Various				
Meters	5/1/2002	Various	17,760	834	6,518	11,242
Fire Hydrants	Various	Various	6,347	700	3,697	2,650
Sub Total			267,799	6,859	121,246	146,553
Known & Measurable	Various	Various	128,808	3,313	-	128,808
Developer CAIC	Various	Various				
TOTAL ORIGINAL COST			396,607	10,172	121,246	275,361

C. DEVELOPER CONTRIBUTIONS - WATER

If any of the Items listed in the Depreciation Schedule were contributed by a developer, please list those items and the associated cost below.

Table III. C.

Item	Date of installation or Contribution	Total Cost	Amount of Developer Contribution	Net Book Value (from Table III. B.)
Total				

€ Insert this amount in **Table IV. E., Line [E]**

- Attach additional sheet(s) if necessary -

SECTION IV - LONG TERM DEBT & EQUITY INFORMATION - WATER

A. EQUITY

How much equity or total capital does the company have in the utility? \$469,837
Enter also in **Table IV. D., Box ∠** below

B. RATE OF RETURN

What rate of return (profit) on investment in plant (equity) is expected? 8.57 %
Enter also in **Table IV. D., Box ∇** below

NOTE: You may choose

- ! an average equity return established by the staff each year and included with the Annual Report Instructions **OR**
- ! an interest rate that you think is fair that is less than the rate established by the staff **OR**
- ! to use the Rate of Return Worksheet which is attached to the Instructions.

C. BANKRUPTCY

Has the utility or utility owner filed bankruptcy within the last seven years? YES X NO

If YES, explain status of applicant at this time. _____

D. NOTES PAYABLE - WATER

List the following equity of the utility and

Round all percentages to two (2) decimal places.

information concerning debt and attach copies of notes payable:

SECTION IV - LONG TERM DEBT & EQUITY INFORMATION - WATER

[A]	[B]	[C]	[D]	[E]	[F]	[G]
Name of Bank Lender	Date of Issue	Date of Maturity	Original Amount of Loan	Outstanding or Unpaid Balance End of Test Year	Interest Rate	Weighted Average
Part 1 - Debt						
			-	-		0.00%
			-	-		0.00%
			-	-		0.00%
			-	-		0.00%
			-	-		0.00%
			-	-		0.00%
Total			-	-		0.00%
Part 2 - Investment /Equity						
				469,837	8.57%	8.57%
Total Debt & Equity				469,837		
					Rate of Return	8.57%

E. INVESTED CAPITAL & RETURN - WATER

Net Book Value - From Table III.B.	[A]	275,361
Working Cash Allowance		
Amount from Table VI. A., Line [L] divided by 8	[B]	33,353
Materials and supplies	[C]	
Subtotal - Sum of [A] thru [C]	[D]	308,714
Developer Contributions - From table III. C.	[E]	0
Total Invested Capital [D] - [E]	[F]	308,714
Rate of Return - From Table IV. D.	[G]	8.57%
Return / Interest - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0-. Enter this amount in Table V., Line [A] and Table VI. A., Line [Q].	[H]	26,457

SECTION V - INCOME TAX CALCULATION – WATER

Use the following table to determine the amount of income tax that can be included in your revenue requirement.

Table V.

Return - From Table IV. E., Line [H]	[A]	26,457
Interest Calculation		
Total Invested Capital - From Table IV. E., Line [F]	[B]	308,714
Weighted Cost of Debt Capital - Percentage from Table IV. D.	[C]	0
Interest [B] * [C]	[D]	0
Taxable Income [A] - [D]	[E]	26,457
Enter Income Tax (see income tax worksheet)	[F]	5,942

€ To Table VI. A., Line [P], Column €

SECTION VI - UTILITY INCOME & EXPENSE INFORMATION - WATER

A REVENUE REQUIREMENT

Please provide the following information regarding the cost to the utility of providing water utility service over your selected twelve month "test year."
Note 1 - Instead of using the percentages listed, you may take the Total Cost and multiply it by 67% to determine the fixed portion and 33% for the variable portion.

TABLE VI. A.

Test Year 7/1/2011 to 6/30/2012

Line	12 Month "test year" per books	Known and Measurable Changes	Revenue Requirement for next year	Fixed		Variable	
				Pct.	Amount	Pct.	Amount
[A] Salaries and wages	38,822		38,822	80%	31,057	20%	7,764
[B] Contract labor	31,909	-	31,909	90%	28,718	10%	3,191
[C] Purchased water	-	-	-	0%	-	100%	-
[D] Chemicals and treatment of water	2,362		2,362	0%	-	100%	2,362
[E] Utilities (electricity)	27,649		27,649	9%	2,488	91%	25,161
[F] Repairs and maintenance	84,935		84,935	0%	-	100%	84,935
[G] Office expenses	2,248		2,248	100%	2,248	0%	-
[H] Accounting and legal fees	1,504		1,504	100%	1,504	0%	-
[I] Insurance	904		904	100%	904	0%	-
[J] Regulatory expense	-	3,615	3,615	100%	3,615	0%	-
[K] Miscellaneous expenses	72,878		72,878	100%	72,878	0%	-
Subtotal - Sum of Line [A] thru Line [K]	263,210	3,615	266,825		143,413		123,412
[M] Payroll Taxes	394		394	50%	197	50%	197
[N] Property & Other Taxes	3,186		3,186	100%	3,186	0%	-
Annual Depreciation and Amortization From Table III	10,172		10,172	100%	10,172	0%	-
Income Taxes - From Table V, Line [F]	-	5,942	5,942	0%	-	100%	5,942
Return - From Table IV.E., Line [H]		26,457	26,457	0%	-	100%	26,457
Subtotal - Sum of Line [M] thru [Q]	13,752	32,399	46,151		13,555	100%	32,596
[S] Other Revenues	12,151		12,151	100%	12,151		-
Total Cost = Line [L] + Line [R] - Line [S]	264,812	36,014	300,825	48%	144,817	52%	156,008
Alternative Allocation between Fixed and Variable Cost		36,014	300,825	67%	201,553	33%	99,272

KNOWN & MEASURABLE

If you listed anything in **TABLE VI. A.** above as an increase/decrease expected in the next 12 months, please provide a short explanation by item why there will be a change and how you projected the cost. Changes in cost must be known and measurable and supported by invoices or other documentation.

KNOWN & MEASURABLE CHANGES

		<u>Water</u>	<u>Sewer</u>
		<u>51%</u>	<u>49%</u>
RATE CASE EXPENSE (REGULATORY)			
Ronald L Payne, LLC.	7,500		
Mark H. Zeppa	4,000		
GDS & Associates	1,500		
Copy Cost	500		
2 Notices to customers-\$1.45/ notice	580		
Total Non-Contested Cost	<u>14,080</u>		
	<u>X 50%</u>		
Two year amortization To Table VI.A, Line J	<u>7,040</u>	<u>3,615</u>	<u>3,425</u>

	<u>Cost</u>	<u>Annual Depreciation</u>	
		<u>Water</u>	<u>Sewer</u>
Installed new lift Pumps - 02/23/2012	16,054	0	535
Installed Lift Station Floats - 7/13/12	52,164	0	216
Total Sewer - to sewer rate base	<u>18,218</u>	<u>-</u>	<u>752</u>
Installed 2" Backflow Devises - 2/9/12	1,758	88	0
Haverstock Metering Project - 9/7/12	104,262	2,085	0
Air Compressor installed on Hydro Tank	6,142	307	0
Replace Well Pump & Motor - 09/28/12	16,646	832	-
Total Water - to water rate base	<u>128,808</u>	<u>3,313</u>	<u>-</u>

Note: these items to be described later

-Attach additional sheet(s) or a separate listing for sewer service if necessary-

SECTION VII - CUSTOMER INFORMATION - WATER

NUMBER OF CUSTOMERS

How many customers (active connections) did you have at the beginning and at the end of the twelve month test year?

TABLE VII

Connection Type	Line	Beginning of period	End of period	Equivalency Factor	Meter Equivalents
Non-Metered Connections					
Residential	[A]			1	-
Commercial	[B]			1	-
Standby	[C]			1	-
Metered Connections					
e" x 3/4"	[D]	181	182	1	182
3/4"	[E]	-	-	1.5	-
1"	[F]	-	-	2.5	-
1 1/2"	[G]	-	-	5	-
2"	[H]	14	18	8	144
3"	[I]	-	-	15	-
4"		-	-	25	-
6"		1	1	50	50
8"		1	1	80	80
Other	[J]				-
Total	[K]	197	202		456

® To Table IX. B., Line [B] AND Table X. A., Line [F]

SECTION VIII - PRODUCTION & CONSUMPTION INFORMATION - WATER

Please provide the following information regarding water utility operations over your selected twelve month "test year".

Table VIII

Total number of gallons pumped (total master meter reading for the year)	[A]	80,063,960	gallons
Total number of gallons purchased from another source for sale to customers (if any)	[B]		gallons
Total number of gallons provided to customers [C]=[A]+[B]	[C]	80,063,960	gallons
Total number of gallons billed to your customers	[D]	75,118,887	gallons
System Losses: [C]-[D] x 100% = [E]	[E]	4,945,073	6%

€ To Table IX. A., Line [B] and Table X. A., Line [B]

VARIABLE RATE CALCULATIONS

Table IX. A.

	Line		Instructions
Total Variable Cost	[A]	156,008	From Table VI.A., Line [T], or Line [U]
Total # of Gallons Billed to Customers	[B]	75,118,887	From Table VIII, Line [D]
Total # 1,000 Gallons billed	[C]	75,119	Divide Line [B] by 1,000
Variable Cost per 1,000 gallons	[D]	\$2.08	Divide Line [A] by Line [C]. Transfer to Table IX.B., Lines [E] through [J]

BASE RATE CALCULATIONS

Table IX. B.

© From Table IX. A., Line [D]

	Line		# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost to be added to base rate	Total base rate per meter size
Total fixed cost - From Table VI.A., Line [T] or	[A]	144,817				
Total member equalents at end of test year -	[B]	456				
Base charge per meter equivalent or for each	[C]	26.47				
Base charge per meter size						
e" x 3/4 or unmetered	[D]	26.47	0.00	2.08	0.00	26.47
3/4"	[E]	39.70	0.00	2.08	0.00	39.70
1"	[F]	66.16	0.00	2.08	0.00	66.16
1 1/2"	[G]	132.33	0.00	2.08	0.00	132.33
2"	[H]	211.72	0.00	2.08	0.00	211.72
3"	[I]	396.98	0.00	2.08	0.00	396.98
4"	[J]	661.63	0.00	2.08	0.00	661.63
6"	[K]	1,323.26	0.00	2.08	0.00	1,323.26
8"	[L]	2,117.21	0.00	2.08	0.00	2,117.21

SECTION X - ALTERNATE METHOD OF RATE DESIGN - WATER

After you have performed the calculations in **SECTION IX**, you may find that the cost per 1,000 gallons is not what you think your customers will approve. If that is the case, then the following will allow you to calculate a rate structure that still recovers your revenue requirement, but with rates that you think may be more appropriate for your customers.

Table X. A.

	Line		
Cost per 1,000 gallons	[A]	\$3.25	This is the rate that you think is appropriate. Enter in Table X.B., Lines [B] through [H]
Total # of 1,000 Gallons Billed	[B]	75,119	From Table IX. A., Line [C]
Total Cost to be recovered through gallonage charge	[C]	244,136	Multiply Line [A] time Line [B]
Total Revenue Requirement	[D]	300,825	From Table VI. A., Line [I]
Revenue not Requested		54	
Total to be recovered through base rate	[E]	56,635	Subtract Line [C] from Line [D]
Total number of meter equivalents	[F]	456	From Table VII, Line [K]
Base rate per meter equivalent	[G]	10.35	Divide Line [E] by Line [F] & then divide by 12 months. Enter this in Table X. B, Line [A]

Table X. B.

		Line		# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost to be added to base rate	Total base rate per meter size
Base charge per meter equivalent or for each unmetered		[A]	10.35				
Base rate per meter size							
e" x 3/4 or unmetered	Multiply [C] by 1	[B]	10.35	-	3.25	-	10.35
3/4"	Multiply [A] by 1.5	[C]	15.53	-	3.25	-	15.53
1"	Multiply [A] by 2.5	[D]	25.88	-	3.25	-	25.88
1 1/2"	Multiply [A] by 5.0	[E]	51.75	-	3.25	-	51.75
2"	Multiply [A] by 8.0	[F]	82.80	-	3.25	-	82.80
3"	Multiply [A] by 15.0	[G]	155.25	-	3.25	-	155.25
4"	Multiply [A] by 25	[H]	258.75	-	3.25	-	258.75
6"	Multiply [A] by 50	[I]	517.50	-	3.25	-	517.50
8"	Multiply [A] by 80	[J]	828.00	-	3.25	-	828.00

© From Table X. A., Line [A]

**INFORMATION REQUIRED
FOR A
SEWER RATE/TARIFF CHANGE**

SECTION II: OPERATIONAL INFORMATION - SEWER

Manager (or owner if services are routinely provided to the utility)	
Name: Carol Zieben	Relationship to Owner: President
Short job description: Directs operations contractor, banking concerns, planning and general decision making for all aspects of the company	
Approximate number of hours per week this person works for the company: 40	
Salary: \$29,160	() Hourly- () Weekly - () Monthly - (X) Annual

EMPLOYEES	
Name: Olga Schnur	Relationship to owner: Employee
Short job description: General office duties including bookkeeping	
Approximate number of hours per week this person works for the company: 20	
Salary: \$15.00	(X) Hourly- () Weekly - () Monthly - () Annual

Name:	Relationship to owner:
Short job description:	
Approximate number of hours per week this person works for the company:	
Salary:	() Hourly- () Weekly - () Monthly - () Annual

Contract Services (attach additional sheets if necessary)	
Name: TNG Utility	Relationship to owner: Independent Contractor
Short job description: Maintain and operate sewer plant and collection system; sewage collection; monitor systems for regulatory compliance; render bills to customers	
Approximate number of hours per week this person works for the company:	
Amount paid for services: \$26,270	() Hourly- () Weekly - () Monthly - (X) Annual

Please provide the names and classification of the utility's certified operators:	
Certified Operator's Name/ Classification	Certified Operator's Name/Classification
TNG Utility has numerous qualified operators	

**SECTION III. PLANT & EQUIPMENT INFORMATION - SEWER
CUSTOMER CONTRIBUTIONS**

If any of the items included in your plant and equipment were 100% financed with customer contributions, assessments, surcharges, extension fees, etc., you may not include depreciation or return on those items in your cost of service. However, if those customer contributions did not cover the entire cost of the asset, you may include the amount that the utility paid for. Please list below all items that were funded either all or in part by customer contributions and indicate amount that the customers contributed for each item.

Table III. A.

Item [A]	Date of installation [B]	Total Cost [C]	Amount of Customer Contribution [D]	Difference [E] = [C] - [D]
				€
				€
				€
				€
				€

- Attach additional sheet(s) if necessary -

€ If any amount in this column is greater than zero, enter that item in the appropriate category in **Table III. B.**

ORIGINAL COST & DEPRECIATION SCHEDULE – SEWER

Please provide the following inventory of the water utility plant being used to provide water service at the end of the test year (for sewer attach a similar list). You will be responsible for supporting this information with invoices or other documentation. Round your figures to the nearest dollar.

Figures should be computed as of the end of the test year.

Table III. B.

[A] Item	[B] Date of Installation	[C] Estimated Total Life (Years)	[D] Original Cost	[E] Annual Depreciation	[F] Accumulated Depreciation	[G] Net Book Value
Land	Various	N/A	99,142	N/A	N/A	99,142
Service Equipment	Various	Various				-
Office Equipment	Various	Various				-
Computer Equipment	Various	Various				-
Trucks & Automobiles	Various	Various				-
Miscellaneous Plant	Various	Various	8,975	298	2,095	6,880
Wells (with Pump)	Various	Various				-
Structures	Various	Various	5,760	191	2,496	3,264
Booster Pumps	Various	Various				-
Well Pumps (5 hp or less)	Various	Various				-
Well Pumps (over 5 hp)	Various	Various				-
Electrical	Various	Various	3,055	178	180	2,875
Fencing and Gates	Various	Various	952	31	190	762
Sewer Treatment Plant	Various	Various	1,121,525	612	1,104,765	16,760
Chlorinators	Various	Various	9,741	670	1,597	8,144
Sewer Flow Measuring Devices	Various	Various	2,050	102	1,333	717
Collection system (mains)	Various	Various	55,349	0	55,349	-
Services (line or tap)	Various	Various				-
Lift Stations	Various	Various				-
	Various	Various				-
Sub Total			1,306,549	2,082	1,168,005	138,544
Known & Measurable	Various	Various	18,218	752	0	18,218
Developer CIAC	Various	Various				
TOTAL ORIGINAL COST			1,324,767	2,834	1,168,005	156,762

€ Enter this number in Table VI. A., Line [O], Column € € If [F] is greater than [D], enter the total for [D] Enter this number in Table IV. E., Line [A]

-Attach additional sheet(s) if necessary-

DEVELOPER CONTRIBUTION - SEWER

If any of the Items listed in the Depreciation Schedule were contributed by a developer, please list those items and the associated cost below.

Table III. C.

Item	Date of installation or Contribution	Total Cost	Amount of Developer Contribution	Net Book Value (from Table III. B.)
Total				

€ Insert this amount in **Table IV. E., Line [E]**

- Attach additional sheet(s) if necessary -

SECTION IV - LONG TERM DEBT & EQUITY INFORMATION - SEWER

EQUITY

How much equity or total capital does the company have in the utility? \$469,837

Enter also in **Table IV. D., Box 4** below

RATE OF RETURN

What rate of return (profit) on investment in plant (equity) is expected? 8.57 %

Enter also in **Table IV. D., Box 7** below

NOTE: You may choose
 ! an average equity return established by the staff each year and included with the Annual Report Instructions **OR**
 ! an interest rate that you think is fair that is less than the rate established by the staff **OR**
 ! to use the Rate of Return Worksheet which is attached to the Instructions.

BANKRUPTCY

Has the utility or utility owner filed bankruptcy within the last seven years? YES X NO

If YES, explain status of applicant at this time.
