

Control Number: 43069



Item Number: 1

Addendum StartPage: 0



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ENGINEERS & CONSULTANTS

43069

August 28, 2014

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

Re: Application for a Rate/TARIFF Change For Inline Development LLC's (RN103177432) Water (12946) and Sewer (20879) Certificate of Convenience and Necessity

On behalf of our client, Inline Development LLC, and pursuant to 30 TAC Chapter 291, Water Rates, Subchapter G, we respectfully submit this application to amend the water and sewer rates listed in the Certificates of Convenience and Necessity (CCN) for water and sewer for Inline Utilities LLC (RN103177432). In accordance with TCEQ instructions, we are submitting an original and three copies of the rate change application and supporting materials.

We have very carefully followed the guidance contained in "Instructions for Application for a Rate/Tariff Change", TCEQ form 10423 (09/06/12). We have included foot notes on several forms that explain optional entries and/or an explanation of some of the information we have entered. We would be pleased to provide further details about any of the data we have entered.

We wish to note here that the owner of Inline Utilities (the applicant) prefers not to claim or publicize the amount invested in the water and sewer services, nor the amount of income taxes he has paid for any of these services. (This of course reduces the fees that he can charge customers for these services). Further since the facilities have been operating for many years, the owner does not wish to claim the value of any properties or equipment that still needs to be depreciated. He therefore is using Table X.A "Alternate Method of Rate Design" to develop proposed water and sewer rates that is fair to his customers and to his investments. This of course, is in accordance with the TCEQ guidelines.

We acknowledge that the rates and/or terms of service in the proposal tariff may be changed by future order of the TCEQ or other regulatory authority having jurisdiction over the utility's rates. We agree to abide by such changes as they occur.





If you have any questions regarding this application, please contact me or Ms. Liz Cowles, Administrative Manager of Inling Development at 281-651-1124

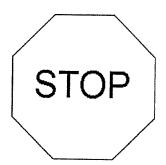
Jack G. Coblenz, P.G.

Principal Consultant Certified Environmental Professional

Attachments:

1. Water and Wastewater Utilities Annual Report for Inline Development, LLC.





When you are filling out this application, you cannot go from one line to the next and fill it out correctly. You will need to complete some tables partially and come back to them later in the process.

Therefore, it is important that you follow the instructions that accompany this application. They are designed to give you a step-by-step process for completing the application.

TABLE OF CONTENTS

SECTIO	N IA - GENERAL INFORMATION	
	N IB - MISCELLANEOUS INFORMATION	
SECTIO	N II: OPERATIONAL INFORMATION – WATER	8
SECTIO	N III. PLANT & EQUIPMENT INFORMATION – WATER	g
A.	CUSTOMER CONTRIBUTIONS	0
B.	ORIGINAL COST & DEPRECIATION SCHEDULE – WATER	10
C.	DEVELOPER CONTRIBUTIONS - WATER	11
SECTIO	N IV - LONG TERM DEBT & EQUITY INFORMATION – WATER	11
A.	EQUITY	11
В.	RATE OF RETURN	
C.	BANKRUPTCY	11
D.	NOTES PAYABLE - WATER	12
E.	INVESTED CAPITAL & RETURN - WATER	13
SECTIO	N V - INCOME TAX CALCULATION – WATER	13
SECTIO	N VI - UTILITY INCOME & EXPENSE INFORMATION – WATER	14
Α	REVENUE REQUIREMENT	14
В.	KNOWN & MEASURABLE	15
SECTIO	VII - CUSTOMER INFORMATION - WATER	15
NU	MBER OF CUSTOMERS	15
SECTION	VIII - PRODUCTION & CONSUMPTION INFORMATION - WATER	16
SECTION	IX - RATE DESIGN - WATER	17
A.	VARIABLE RATE CALCULATIONS	17
В.	BASE RATE CALCULATIONS	17
SECTION	X -ALTERNATE METHOD OF RATE DESIGN - WATER	17
SECTION	II: OPERATIONAL INFORMATION – SEWER	20
SECTION	III. PLANT & EQUIPMENT INFORMATION – SEWER	21
A.	CUSTOMER CONTRIBUTIONS	21
В.	ORIGINAL COST & DEPRECIATION SCHEDULE – SEWER	22
C.	DEVELOPER CONTRIBUTIONS - SEWER	23
SECTION	IV - LONG TERM DEBT & EQUITY INFORMATION - SEWER	22
A.	EQUITY	22
В.	RATE OF RETURN	23
C .	BANKRUPICY	23
D.	DEBT & EQUITY - SEWER	24
E.	INVESTED CAPITAL & RETURN - SEWER	25

CONTINUATION OF TABLE OF CONTENTS

SECTION V - INCOME TAX CALCULATION - SEWER	2:
SECTION VI - UTILITY INCOME & EXPENSE INFORMATION – SEWER A REVENUE REQUIREMENT B. KNOWN & MEASURABLE	24
SECTION VII - CUSTOMER INFORMATION - SEWER	21
SECTION VIII - TREATMENT INFORMATION - SEWER	28
SECTION IX - RATE DESIGN - SEWER	20
SECTION X - ALTERNATE METHOD OF RATE DESIGN - SEWER	30
AFFIDAVIT	32
NOTICE OF PROPOSED RATE CHANGE	
SECTION 1.0 - RATE SCHEDULE	38
INCOME TAX TABLE	41

APPLICATION FOR A RATE/TARIFF CHANGE

SECTION IA - GENERAL INFORMATION INLINE DEVELOPMENT LLC. **Applicant** (Individual, Corporation, or Other Legal Entity) Utility Name: INLINE DEVELOPMENT (LG) (If different than above) Legal form of Application: Individual | Partnership Sub Chapter-S Corporation Corporation Provide Charter Number 0129966500 Other Please Explain: IMITED LIABILITY CORPORATION **Utility Address:** 21755145 BLDG #11 SPRING Street Address or Location City Zip Code State County(ies) where services are provided: HARRIS CCN Number(s): WATER 12946 SEWER 20879 Contact Person: LIZ COWLES Telephone Number: 281-651-10100 Position: ACCITS MANAGER Fax Number: 832-482-31 Address: 21755 45 BLDC #11 Street Address or Location City State

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 "1 P. O. Box 13528 Austin, Texas 78711 1-800-252-5555

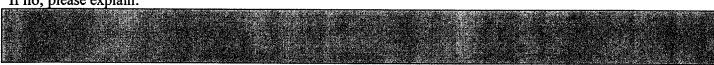
1. https://ourcpa.cpa.state.tx.us/coa/Index.html

Zip Code

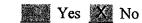
SECTION IB - MISCELLANEOUS INFORMATION

- A. How often and on what dates are water meters typically read? MONTHLY VARIOUS
- B. When are bills typically sent out? 28TH TO 31ST OF THE PREVIOUS MONTH.
- C. Do you serve customers within the corporate limits of a municipality? If No, Go to D. Yes X No If yes, which municipalities?

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?



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:

The state of the s		THE THE THE THE TANK	our by broning.
System Name		County 1	Rate Increase
Manager Agent St. St. Comment	PWSID# - 15-5	ANGLE CONTROL OF THE PROPERTY OF THE PARTY O	Applicable?
SUGARBERRY PLACE	1013804	HARRIS	YES
SUGARBERRY PLACE	1013271	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		Rate Increase: Applicable?
SUGARBERRY PLACE	13942-002	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.

TCEQ-10423 (04/01/2013)

INFORMATION REQUIRED FOR A WATER RATE/TARIFF CHANGE

SECTION II: OPERATIONAL INFORMATION – WATER

Manager (or owner if services are routinely provided	to the utility)	
Name MICHAEL MARTZ	Relationship to Owner:	OWNER ***
Short job description:		
OVERALL MANAGER OF WATER AND SEWER	SYSTEMS	
Constitution of the contract of the contract of		
Approximate number of hours per week this person w	orks for the company:	
Salary: 34,000:00 Hourly Weekly	Monthly Annual	X • .
Employees		
Name LIZ/COWLES **	Relationship to Owner:	EMPLOYEE
Short job description:		
ACCOUNT MANAGER OF WATER AND SEWER	RSYSTEMS.	
Approximate number of hours per week this person we	orks for the company:	STANDARDONNOS
Salary: 44,259,00 Hourly Weekly	Monthly Annual	
Name 18 18 18 18 18 18 18 18 18 18 18 18 18	Relationship to Owner:	
Short job description:		
	Both Committee	
		Appendix (A)
Approximate number of hours per week this person we	orks for the company:	
Salary: Hourly Weekly	Monthly Annual	
	1 Innual	
Contract Services (attach additional sheets if necessar	ry)	
Name DARRENISHAW	Relationship to Owner:	CONTRACT WORKER
Short job description:		
SHE WAR BY PALANTE OPPERVALED NO STUDIED WAS OPE		
Approximate number of hours per week this person wo	1- C-1	
Amount paid for services: 45,000 Hourly		A
Timodal para for soft toos.	weekly 10	Annual Annual
Please provide the names and classification of the u	tility's certified onerators:	
Certified Operator's Name/ Classification	Certified Operator's	Name/Classification
DARREN SEAW C CROWNDWATER		03928

-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]	Contribution	Difference: [E]=[C]-[D]
NONE				(1)
				(1)
				1
				1
				<u>(1)</u>

⁻ Attach additional sheet(s) if necessary -

1 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 - WATER ä

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 Table III. B. the "test year."

[B] [C]	[5]	<u>L</u>		6		Depreciation		
			,			Lepresianon	2 00,0	
[fam	6)	Service	Original Cost	Years in Service	Service	[E] = [D]/[C]	(F)	$[G] = [D] \cdot [F]$
TIOT	OI Installation	Life (yrs) * **	Life (yrs) when installed	¥€	Mos Days	Annual (\$)	Accumulated (\$)	Net Book Value (\$)
Land		n/a				1		
Wells		20						
di Manaka		20						
5 hp or less		5						
Greater than 5 hp		10						
Burga Punch								
5 hp or less		5						
Greater than 5 hp		10						
Chlorinators		10						
A COLUMN A.								
Wood		15						
Masonry		30						
Storage Tanks		50						
Pressure Tanks		50						
Distribution System (mains and lines)		50						
Meters and Service (taps not covered by fees)		20						
Office Equipment		101						
Vehicles		5						
Shop Tools		15						
Heavy Equipment		10						
Fencing		20		-				
Other: (Please list)								
Total						•		
						$\overline{\mathbf{O}}$	3	(S)

* TCEQ Suggested Service Life ** Other Service Life beto any on Table VI. A., Line [O], Column(1) (2) If [F] is greater than [D], enter the total for [D] (3) Enter this number in Table IV. E., Line [A] - Attach additional sheet(s) if necessary -

Page 10 of 41

TCEQ-10423 (04/01/2013)

No Depreciation claimed due to the age of the system

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.)
NONE				
Total				(1)

① 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? Substitute Enter also in Table IV. D., Box (3) below

B. RATE OF RETURN

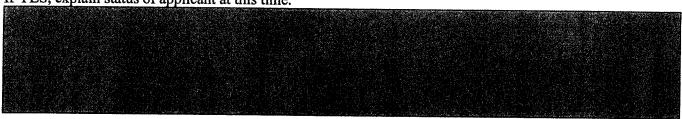
What rate of return (profit) on investment in plant (equity) is expected? [110] Section 9/6 Enter also in Table IV. D., Box (4) below

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 No If YES, explain status of applicant at this time.



TCEQ-10423 (04/01/2013)

Page 11 of 41

NOTES PAYABLE - WATER Ö.

List the following information concerning debt and equity of the utility and attach copies of notes payable:

Round all percentages to two (2) decimal places.

			Table IV. D.				
[A]	[8]	[5]	[a]	(E)	E	[9]	
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 [E] ֩*[F]	· · · · · · · · · · · · · · · · · · ·
Part 1 - Debt							
TOTAL			↔	\$1811482	% 50	/0 E	
			8	5		0.0	
WATER PORTION = 40%			€5	\$724,593	9.5	9.5	
			€\$	\$			
			\$	€	%	%	
		Total	\$	\$ 724,593 (2)	9.5	9.5 %	
	Part 2 - Investment/Equity	ent/Equity		\$ N/A (3)	9.5 %®	9.5	<u> </u>
	Total Debt & Equity	: Equity		\$ 724,593			1000000
				Rate of Return	Return	9.5 % ®	

Total amount of the outstanding balance on the loans

Total amount of original loans
 Total amount of the outstanding balance on
 Equity in the utility - From Section IV. A.
 Return on Equity - From Section IV. B.

(5) Total of (2)+(3)

(6) Total weighted average of debt - To Table V, Line [C]

© Weighted average of Investment/Equity (3)+ (5)*(4) ©Sum of (6)+ © - To Table IV. E., Line [G]

E. INVESTED CAPITAL & RETURN - WATER

Table IV. E.

Net Book Value - From Table III. B., Box 3	[A]	\$N/A	
Working cash allowance -Amount From Table VI. A., Line [L] Column (3), Box (2) (÷®)	[B]	\$N/A	
Materials and supplies	[C]	\$N/A	
Subtotal - Sum of [A] thru [C]	[D]	\$N/A	
Developer Contributions - From Table III. C., Box 1	[E]	\$0	
Total invested capital [D] - [E]	[F]	\$ 724,593	
Rate of return - From Table IV. D., Box ®	[G]	9.5	%
Return/Interest - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0	[H]	\$68,836	
Enter this amount in Table V., Line [A] and Table VI. A., Line [Q], Column (2)		•	

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]	\$ 68,836
Interest Calculation		
Total Invested Capital - From Table IV. E., Line [F]	[B]	\$724,593
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box 6	[C]	9.5 %
Interest [B]*[C]	[D]	\$68,836
Taxable Income [A] - [D]	[E]	\$0
Enter Income Tax from Tax Table (Appendix A)	[F]	\$0 (1)

1 To Table VI. A., Line [P], Column 2

Owner has chosen not to claim Investments or Income Tax when calculating the resultant customer fees

Page 14 of 41

SECTION VI - UTILITY INCOME & EXPENSE INFORMATION - WATER

REVENUE REQUIREMENT

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."

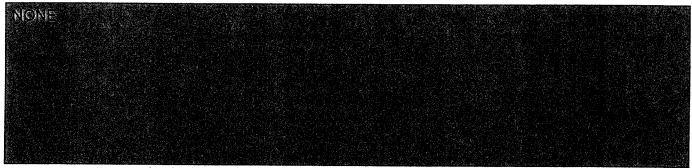
Please provide the following information regarding the cost to the utility of providing water utility service over your selected twelve month "test year." Note 1 - Instead of using the percentages listed, you may take the Total Cost and multiply it by 67% to determine the fixed portion and 33% for the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

TABLE VI. A.

Test Year	Ine	12 Month V.	Vnoum and	Domonio	(C) 3° 70	Discontinuos de la constanta	172.1.2.1.2
			Mescuroble	Pequirement	0 OI (9)	Fixed Expenses	Vallable
		1631	INICASULADIC	Vedamennem	that is	(Talout)	Expenses
		year' per	Changes	for next yr	fixed		(Note 1)
		books			(Note 1)		
					(5)	S=((3)*(4)/100	6 = 3 - 5
		. See)
Salaries and Wages	[A]	13,600	NONE		50		
Contract Labor	[B]	35,239			06		
Purchased Water	[2]	54,178			0		
Chemicals for Treatment	<u>a</u>	7441			0		
Utilities (Electricity)	Θ	14414			0		
Repairs/Maintenance/Supplies	Ξ	4280	36,000	36,000	50		
Office Expenses	<u>5</u>	22130			50		
Accounting & Legal Fees	H	28108			100		-
Insurance	(E)	3827			100		÷
Rate Case Expense	[]	3738			100		
Miscellaneous	[K]	57,170			50		
Subtotal-Sum of Line [Al thru Line [K]	Ξ	244,125		244,125 ②			
Payroll Taxes	M	9608			50		
Property and Other Taxes	Z				100		
Annual Depreciation and Amortization-From Table III. B. Box (1)	<u>o</u>	0			100		
Income Taxes-From Table V, Line [F]	P				100		
Return -From Table IV.E., Line[H]	0		68,836	68,836	100		
Subtotal-Sum of Line [L] thru Line [Q]	IRI	252,221					
Other Revenues	S	15,763			100		
Total Cost=Line [R] - Line [S]	E	236,458		348,961 ®		6	®
Alternative Allocation between Fixed and Variable [Note1]	5	%29		1.03 ®	29	233,804 @	115,157 ®

B. 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.



-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 ③	Meter Equivalents (4)=(2)*(3)
None Medical Conference Residential	[A]	647	669	A	660
Commercial	[B]	047	009	1	669
Standby	[C]			1	
yt. Boing of Commission Riggins					· managama m
5/8" x 3/4"	[D]	Mary Constitution and Constitution of the Section o	te andrewist at the following teacher alterior and triblication and	1	A kind the madeller and other trees a least
3/4"	[E]			1.5	
1"	[F]			2.5	
11/2"	[G]			5	
2"	[H]			8	
3"	[I]			15	
Other:	[1]				
Total	[K]	647	669		669 ^⑤

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

SECTION VIII - PRODUCTION & CONSUMPTIONINFORMATION - 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]	30.953M	gallons
Total number of gallons purchased from another source for sale to customers (if any)	[B]	0	gallons
Total number of gallons provided to customers [C]=[A]+[B]	[C]	30.084M	gallons
Total number of gallons billed to your customers (total customer consumption)	[D]	30.084M (1)	gallons
System losses: ([C] - [D]) $\times 100\% = [E]$	[E]	869K	%
[C]			
Source of Purchased water			

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

TCEQ-10423 (04/01/2013) Page 16 of 41

TCEQ-10423 (04/01/2013)

SECTION IX - RATE DESIGN - WATER

VARIABLE RATE CALCULATIONS Ą.

Table IX. A.

	The second name of the last		
	Line		Instructions
Total Variable Costs	[A]	\$108,001	1,001 From Table VI. A., Line [T], Box @ or Line [U], Box @
Total # of Gallons Billed to Customers	[B]	30.084M	From Table VIII, Line [B]
Total # of 1,000 Gallons billed	[0]	30,084	Divide Line [B] by 1,000
Variable Cost per 1,000 gallons		\$3.59	Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box (6)

BASE RATE CALCULATIONS B.

	Tabl	Table IX. B.					
		Line		# of 1000	Variable	Variable	Total base
				gallons	cost ber	cost to be	rate per
				in base	1,000 gals	added to	meter size
				bill		base rate	
			((2)	<u>(</u>	(4)=(2)*(3)	(S=(1)+(4)
Total fixed costs - From Table VI. A., Line [T], Box @ or Line	A., Line [T], Box @ or Line [U], Box @	[¥]	\$ 240,959				
Total meter equivalents at end of test year - From Table VII, Line	t year - From Table VII, Line [K], Box ©	[B]	699				
Base charge per meter equivalent or and then divide by 12	Base charge per meter equivalent or for each unmetered connection [A] \div [B] and then divide by 12	[0]	\$ 30.0				
Base charge per meter size							
5/8" x $3/4$ " or unmetered	Multiply [C] by 1	[<u>a</u>]	30	0	3.59 (6)	0	30
3/4"	Multiply [C] by 1.5	(E)	45	0	3.59 (6)	0	150 150
11	Multiply [C] by 2.5	[F]	75	0	3.59 (6)	0	76
11/2"	Multiply [C] by 5.0	[e]	150	0	3.59 (6)	0	150
2"	Multiply [C] by 8.0	[H]	240	0	3.59 (6)	0	040
3"	Multiply [C] by 15.0		450	0	3.59 (6)	0	450
Other:		[1]			9		

(6) From Table IX. A., Line [D]

Page 18 of 41

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]	\$3.59	This is the rate that you think is appropriate Enter in Table X. B. Column (3). Lines IBI through IHI
Total # of 1,000 Gallons billed	[B]	30,084	From Table IX. A., Line [C]
Total Cost to be recovered through gallonage charge	[C]	\$108,001	Multiply Line [A] times Line [B]
Total Revenue Requirement	[D]	\$348,961	From Table VI. A., Line [T] Box ®
Total to be recovered through base rate	(E)	\$ 240,959	Subtract Line [C] from Line [D]
Total number of meter equivalents	[F]	699	From Table VII, Line [K], Box ©
Base rate per meter equivalent	[<u>G</u>]	\$30.00	Divide Line [E] by Line [F] & then divide by 12months Enter
			this in Table X. B, Line [A] Column (1)

Table X. B.

			THE STATE OF THE S				-
		Line		# of 1000	Variable cost	Variable cost	Total base bill
				gallons in base	per 1,000 gals	added to	per meter size
				bill		base	
			(1)	②	<u></u>	4=2*3	S=(1)+(4)
Base charge per meter equivalent or for each unmetered	ent or for each unmetered	[A]	\$ 30.0				
connection From Table X. A, Line [G]	Line [G]	ı ,					
	Base rate per meter size						
5/8" x $3/4$ " or unmetered	Multiply [A] (1) by 1	[B]	30.0	0	3.59	0	30.0
3/4"	Multiply [A] (1) by 1.5	[2]	45.0	0	3.59	0	45.0
1 "	Multiply [A] (1) by 2.5	<u>[a</u>	75.0	0	3.59	0	75.0
11/2"	Multiply [A] (1) by 5.0	E	150.0	0	3.59 (6)	0	150.0
2"	Multiply [A] (1) by 8.0	E	240.0	0	3.59 (6)	0	240.0
3"	Multiply [A] (1) by 15.0	[5]	450.0	0	3.59	0	450.0
Other:		E			9		~

(6) From Table X. A., Line [A]

INFORMATION REQUIRED FOR A SEWER RATE/TARIFF CHANGE

SECTION. OPERATIONAL INFORMATION – SEWER

Manager (or owner if services are routinely provided Name MICHAEL MARTZ Short job description:		OWNER & Section 1
OVERALL MANAGER OF WATER AND SEWER	SYSTEMS	
Approximate number of hours per week this person we Salary: 34,000.00 Hourly Weekly		
Employees Name LIZ COWLES Short job description:	Relationship to Owner:	EMPLOYEE
ACCOUNT MANAGER OF WATER AND SEWER	RSYSTEMS	
Approximate number of hours per week this person we Salary: 44,259,000 Hourly Weekly		
Name Short job description:	Relationship to Owner:	
Approximate number of hours per week this person we	orks for the company:	
Salary: Hourly Weekly Contract Services (attach additional sheets if necessar	Monthly Annual	
Name DARREN SHAW Short job description: SEWER FLANTLOPERATIONS SUPERVISOR		COMPRACT WORKER
Approximate number of hours per week this person we	orks for the company	
Amount paid for services: Hourly		Annual Annual
Please provide the names and classification of the u	tility's certified operators:	
Certified Operator's Name/ Classification	The Control of the Co	s Name/Classification
DARRÉNISHAW C GROWNDWATER	WWo	023786

-Attach additional sheet(s) if necessary-

SECTION III. PLANT & EQUIPMENT INFORMATION – SEWER

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]
FINONE - FIN		TO THE OWNER OF THE PARTY		(j)
				0.0
1999年1月1日 - 1997年 - 1				(0)
The second secon				$\{0\}$

⁻ Attach additional sheet(s) if necessary -

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

TCEQ-10423 (04/01/2013) Page 21 of 41

ORIGINAL COST & DEPRECIATION SCHEDULE - SEWER

similar list). You will be responsible for supporting this information with invoices or other documentation. Round your figures to the nearest dollar, 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 Figures should be computed as of the end of the Atest year.@

[G] = [D]Accumulated Net Book Value 9 Depreciation Annual (\$) (E)= (D)/(C) Years in Service Yrs Mos Days © ©© ©©© Original Cost when installed Table III. B. Service Life * (yrs) n/a * 50 25 50 10 15 20 20 20 10 10 Installation Date of \Box Meters and Service (taps not covered by fees) Treatment & Disposal Equipments Laboratory Equipment Pumping Equipment Outfall sewer lines Office Equipment Heavy Equipment Plant Sewers Shop Tools Vehicles Masonry Gravity Fencing Wood Item Land Total M Other: (Please list) Collection Sewers Structures

(1) Enter this number in Table VI. A., Line [O], Column (1), (2) if [F] is greater than [D], enter the total for [D], (3) Enter this number in Table IV.E., Line [A] -Attach additional sheet(s) if necessary-* TCEQ Suggested Service Life ** Other Service Life

<u>@</u>

NO DEPRECIATION CLAIMED DUE TO AGE OF THE SYSTEM

~	CONTRIBUTIONS -	
∵ •		

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.

T4	Date of installation or	TallCar	Amount of Developer	Net Book Value (from Table III.B.)
Item	Contribution	Total Cost	Contribution	
NONE				
Total				1)

(1) Insert this amount in Table IV. E., Line [E]

- Attach additional sheet(s) if necessary -

SECTION IV - LONG TERM DEBT & EQUITY INFORMATION – SEWER

EQUITY A.

How much equity or total capital does the company have in the utility? NOT CLAIMED Enter also in Table IV. D., Box (3) below

В. RATE OF RETURN

What rate of return (profit) on investment in plant (equity) is expected? Enter also in Table IV. D., Box 4 below

NOTE: You may choose

- an average equity return established by the staff each year and included with the Annual Report Instructions
- 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 No

If YES, explain status of applicant at this time.

Page 24 of 41

DEBT & EQUITY - SEWER Ä

List the following information concerning debt and equity of the utility and attach copies of notes payable:

Round all percentages to two (2) decimal places.

Table IV. D. SEWER

[A]	[B]	[0]	[D]		Œ	[9]	T=
	Date of Issue	Date of	Original Amount of Loan	Untstanding of Unpaid Balance-	or se- Interest	Weighted Average	g
Name of		Maturity		End of Test Year		EI ©*IFI	<u> </u>
Bank/Lender		•					
Part 1 - Debt							
TOTAL			€9	\$1,811,482	9.5	% 9.5	%
			€	\$	0	%	%
SEWER PORTION 60%			€\$	\$1,086,892	9.5	% 9.5	%
			8	€\$	0	%	%
			€4	\$	%	,0	%
		Total	\$ (1)	\$	2	% 6.5	9%
					Andrews of the same of the sam		
		Part 2 - Investment/Equity	nent/Equity \$	(3)	%	% <u>4</u> 103255 %	Ø%
		Total Del	Total Debt & Equity \$ 1,086,892	392 ©			
					Rate of Return 9.5		®%

1) Total amount of original loans

2 Total amount of the outstanding balance on the loans 3 Equity in the utility - From Section IV. A.

4 Return on Equity - From Section IV. B.

Total of (2)+(3)

6 Total weighted average of debt - To Table V, Line [C] Weighted average of Investment/Equity 3+3*4

® Sum of 6 + O - To Table IV. E., Line [G]

\$1,086,892 x 0.095= \$103,255 Rate of Return= 9.5% Therefore Return=

E. INVESTED CAPITAL & RETURN - SEWER

Table IV. E.

II. B., Box (3) [A] \$N/A), Box $\mathcal{O}(\div 8)$ [B] $\$$ N/A	Materials and supplies [C] \$N/A	Subtotal - Sum of [A] thru [C] [D] \$N/A	I. C., Box (1) [E] \$0	Total invested capital [D] - [E] [F] \$1,086,892	V. D., Box ® [G] 9.5 %	-0-, enter -0 [H] \$103,255	, Column (2)
Net Book Value - From Table III. B., Box (3) [A] \$N/A	Working cash allowance - (Amount From Table VI. A., Line [L] Column (3), Box $\mathcal{O}(\div 8)$ [B] \$N/A	Materia	Subtotal - Sum	Developer Contributions - From Table III. C., Box (1) [E] \$0	Total invested or	Rate of return - From Table IV. D., Box ® [G] 9.5	Return/Interest - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0 [H] \$103,255	Enter this amount in Table V., Line [A] and Table VI. A., Line [Q], Column (2)

SECTION V - INCOME TAX CALCULATION - SEWER

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] \$ 103,255	\$ 103,255
Interest Calculation	
Total Invested Capital - From Table IV. E., Line [F] \$1,086,892	\$1,086,892
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box (6) [C] 9.5	% 5.6
Interest [B]*[C] [D] \$103,255	\$103,255
Taxable Income [A] - [D] [E]	\$0
Enter Income Tax from Tax Table (Appendix A) [F] \$N/A	\$N/A (1)
(1 m. m.l.) vii A I : m C.I	

(1) To Table VI. A., Line [P], Column (2)

Page 26 of 41

TCEQ-10423 (04/01/2013)

SECTION VI - UTILITY INCOME & EXPENSE INFORMATION – SEWER

REVENUE REQUIREMENT

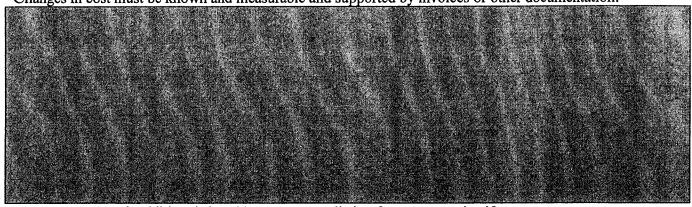
Please provide the following information regarding the cost to the utility of providing sewer utility service over your selected twelve month "test year.@ Note 1 - Instead of using the percentages listed, you may take the Total Cost and multiply it by 67% to determine the fixed portion and 33% for the

ortion.	T	TABLE VI. A.	unumpiy n oy	TITIONON ON OV 10		TABLE VI. A.	ı nıc
Test Year	Line	12 Month	Known and	Revenue	% of (3)	Fixed Expenses	Variable
		"test	Measurable	Requirement	that is	(Note1)	Expenses
		year" per	Changes	for next yr	fixed		(Note 1)
		books			(Note 1)		^
		6	(2)	(3)=(1)+(2):	(S=(3)*(47)/(11)	(6)=(3)-(3)
Salaries and Wages	[A]	20,400			50		
Contract Labor	[B]	82,225			06		
Purchased Water	<u></u>	0			0		
Chemicals for Treatment	<u>a</u>	11,161			0		
Utilities (Electricity)	E	21,620			0		
Repairs/Maintenance/Supplies	[F]	6419	54,000		50		
Office Expenses	[9]	22,130			50		
Accounting & Legal Fees	[H]	28,108			100		
Insurance		3827			100		
Rate Case Expense	E	3738			100		
Miscellaneous	X	106,053			50		
Subtotal-Sum of Line [Al thru Line [K]	Ξ	305,681		0			
Payroll Taxes	[M]	9608			50		
Property and Other Taxes	[N]				100		
Annual Depreciation and Amortization-From Table III. B. Box (1)	[0]				100		
Income Taxes-From Table V, Line [F]	[F]		N/A		100		
Return –From Table IV.E., Line[H]	[6]		103,255		100		
Subtotal-Sum of Line [L] thru Line [Q]	[R]	313,777	471,032				
Other Revenues	S				100		
Total Cost=Line [R] - Line [S]	[T]	313,777	157,255	471,032 ®		315,591 @	8
Alternative Allocation between Fixed and Variable [Note1]	$[\Omega]$	313,777	157,255	471,032 ®	29	315,591 @	155,441 ®

ODivide this amount by 8 and enter the result in Table IV. E., Line [B], OTo Table X. A., Line [D] OTo Table IX. B., Line [A] OTo Table IX. A., Line [A]

B. 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.



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

SECTION VII - CUSTOMER INFORMATION – SEWER

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

		TADEE 1			
Connection Type	Line		End of period		Meter
		period	2	Factor	Equivalents
		1		3	4=2*3
Non-Mercred Comecinous					
Residential	[A]			1	
Commercial	[B]			1	
Standby	[C]			1	
A Mercial Connections as a					
5/8" x 3/4"	[D]	1048	1084	1	1084
3/4"	[E]			1.5	
1"	[F]			2.5	
11/2"	[G]			5	
2"	[H]			8	
3"	[1]			15	
Other:	[J]				
Total	[K]	1048	1084		1084 ⑤

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

TCEQ-10423 (04/01/2013) Page 27 of 41

SECTION VIII - TREATMENT INFORMATION - SEWER

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

Table VIII

Total number of gallons treated (total master meter reading for the year) [A]	[A] 30.953M	gallons
Total number of gallons treated by another source for sale to customers (if any) [B]	0	gallons
Total number of gallons treated [C]=[A]+[B] [C]	30.953M	gallons
Source of Purchased Treatment		

(1) To Table IX. A., Line [B] and Table X. A., Line [B]

SECTION IX - RATE DESIGN - SEWER

VARIABLE RATE CALCULATIONS

Ą.

Table IX. A.

The second secon		The second name of the second na	
	Line		Instructions
Total Variable Costs	[A]	[A] \$155,441	From Table VI. A., Line [T]. Box @ or Line [U]. Box @
Total # of Gallons Treated	[B]	30.953M	From Table VIII, Line [B]
Total # of 1,000 Gallons Treated	[2]	30,953	Divide Line [B] by 1,000
Variable Cost per 1,000 gallons	<u>a</u>	[D] \$5.02	Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box (6)

B. BASE RATE CALCULATIONS

Table IX. B.

	Igr	lable IA. B.				
	Line		# of 1000	Variable	Variable cost	Total base
			gallons in	cost per	to be added to	rate per
			base bill	1,000 gals	base rate	meter size
		<u>(1</u>	(3)	(3)	4=2*3	S=(1)+(4)
Total fixed costs - From Table VI. A., Line [T], Box @	[A]	[A] \$315,591				
Total meter equivalents at end of test year - From Table VII,	[B]	1084			Bard 200 martin dan semanan 1992 - meta sasar sasar jada	Maria de la companya del companya de la companya de la companya del companya de la companya de l
Line [K], Box (5)	1					
Base charge per meter equivalent or for each unmetered	[2]	[C] \$24.36				
connection [A]÷[B] and then divide by 12	,				y.	

Base charge per meter size

5/8" x $3/4$ " or unmetered	Multiply [C] by 1	<u>a</u>	24.26	5.02	9	0	24.26
	Multiply [C] by 1.5	E	N/A		9		N/A
1"	Multiply [C] by 2.5	E	N/A		9		N/A
1 1/2"	Multiply [C] by 5.0	[0]	NA		(N/A
2"	Multiply [C] by 8.0	H	N/A		9		N/A
3"	Multiply [C] by 15.0	Ξ	N/A		9		N/A
Other:		E			9		

(6) From Table IX. A., Line [D]

Page 30 of 41

TCEQ-10423 (04/01/2013)

SECTION X - ALTERNATE METHOD OF RATE DESIGN - SEWER

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]	\$ 3.03	This is the rate that you think is appropriate
Total # of 1,000 Gallons billed	[B]	30,953	From Table IX. A., Line [C]
Total Cost to be recovered through gallonage charge	[c]	\$111,121	Multiply Line [A] times Line [B]
Total Revenue Requirement	[<u>a</u>]	\$471,032	From Table VI. A., Line [T] ®
Total to be recovered through base rate	[E]	\$ 377,232	Subtract Line [C] from Line [D]
Total number of meter Equivalents	[F]	1084	From Table VII, Line [K], Box ©
Base rate per meter equivalent	[G]	\$29.00	Divide Line [E] by Line [F] & then divide by 12months Enter this in Table X. B, Line [A] Column (1)

Table X. B.

		Line		# of 1000 gallons in base	Variable cost per	Variable cost added to base	Total base bill per
				bill	1,000 gals		meter size
			①	(2)	(3)	(4)=(2)*(3)	(5=(1)+4)
r equiva	Base charge per meter equivalent or for each unmetered	[A]	\$ 29.00				
le X. A,	connection From Table X. A, Line [G]						
Base rate per meter size							,,200
5/8" x 3/4" or unmetered	Multiply [A] (1) by 1	[B]	29.00	0	9	0	29.00
	Multiply [A] (1) by 1.5	[<u>C</u>]	N/A	0	9	0	N/A
	Multiply [A] (1) by 2.5	<u>e</u>	N/A	0	9	0	N/A
	14)	Œ	N/A	0	9	0	N/A
		[F]	N/A	0	9	0	N/A
	Multiply [A] (1) by 15.0	[G]	N/A	0	9	0	N/A
		HI			9		

(6) From Table X. A., Line [A]

AFFIDAVIT WATER &/OR SEWER RATE/TARIFF CHANGE

AFFIDAVIT

STATE OF TEXAS
COUNTY OF Harris
I, Michael Martz being duly sworn, file this NOTICE OF PROPOSED RATE CHANGE as Owner (indicate relationship to Utility, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Utility); that, in such capacity, I am qualified and authorized to file and verify such NOTICE; and that all statements made and matters set forth herein are true and correct.
I further represent that a copy of the attached NOTICE was provided by (mail or hand delivery) to each customer or other affected party on or about , 20
AFFIANT (Utility's Authorized Representative)
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

SEAL

Note: Applicant did not wish to execute this form until dates when notice can be provided to customers is specified by TCEC or PUC. He will execute Affidavit immediately after receiving notice of authorized notification date.

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

TCEQ-10423 (04/01/2013)

NOTICE OF RATE/TARIFF CHANGE TO BE PROVIDED TO CUSTOMERS

NO CE OF PROPOSED RATE CHANGE

INLINE DEVELOPMENT LCC.

0129966500

Company Name

CCN Number

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:

SUGARBERRY PLACE

Subdivisions or Systems Affected by Rate Change

21755 145 BLDG #11 SPRING TX 177388 281465111126 Company Address City State Zip Telephone

\$433,201

Annual Revenue Increase

Date Customer Notice Mailed

MEVER MONIFILY VARIABLE DATE .

Date of Last Rate Change

Date Meters Typically Read

Page 34 of 41

EFFECTIVE DATE OF PROPOSED INCREASE: SEPTEMBER 182012

Reason(s) for proposed Rate Change:

TO PROVIDE HIGH QUALITY SERVICE

BILLING COMPARISON

Water

Existing 10,000 gallons: \$ 40 /mo Existing 30,000 gallons: \$ 30 /mo Proposed 10,000 gallons: \$ 65,90 /mo Proposed 30,000 gallons: \$ 119,90 /mo

<u>Sewer</u>

Existing 10,000 gallons: \$ 40 cm /mo Proposed 10,000 gallons: \$ 59.30 /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.

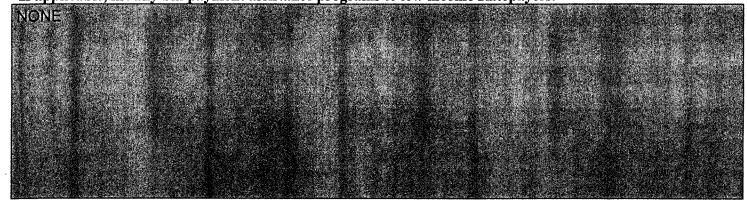
NOTICE OF PROPOSED RATE CHANGE -WATER (Cont.)

CURRENT RATES	erica in the contract of the c	PROPOSED RATES	99.752 C. 17.26
Monthly base rate including	O gallons	Monthly base rate including	g 0 🐪 🧎 gallons
Meter Size:		Meter Size:	
RESIDENTIAL		RESIDENTIAL	
"5/8/or ³ / ₄ "	\$20,00	"5/8/or ¾"	\$30.00 (4.1)
1"	\$	1"	\$ STATEMENT OF THE STAT
1 1/2"	\$ Charles and the second second	1 1/2"	\$ 168 September 1997 For Supply
2"	\$ 44.5	2"	\$ water to the desiration of the second
3"	\$	3"	\$ News to the second of
Other:	\$ 2000 1000 1000 1000 1000 1000 1000 100	Other:	\$
GALLIONACE CHARCE:		CALLONACE CHARGE	· · · · · · · · · · · · · · · · · · ·
\$ 200 for each additions	al 1000 gallons over the	\$ 3.59 for each additi	onal 1000 gallons over the
the minimum.	-	the minimum.	

MISCELLANDOUSEDDS		MINODILLANDORS DE	Ŋ	
Tap Fee	\$ 500.00 (# # # # 1) +	Tap Fee	\$	500.00
Reconnect fee:		Reconnect fee:		
Non-payment		Non-payment		inders an sign redoom belannske had be kinds on de de stadier bland de stadier beske beske beske beske beske be
(Maximum - \$25.00)	\$ 25000742344	(Maximum - \$25.00)	\$	25.00
Customer's Request	\$	Customer's Request	\$	
Transfer Fee	\$ 225 (0.00)	Transfer Fee	\$	Z5.10)
		Late charge: (Indicate		
Late Charge	\$ 10%	either \$5.00 or 10%)	\$	1889//
Returned Check Charge	\$ 0	Returned Check Charge	\$	(25) ((B)
Deposit	\$ 510) rici	Deposit (Maximum		
_		\$50.00)	\$	5 (0) (0)(0)
Meter test fee	\$ 25(1)()	Meter test fee	\$	2/2/01/0

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

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

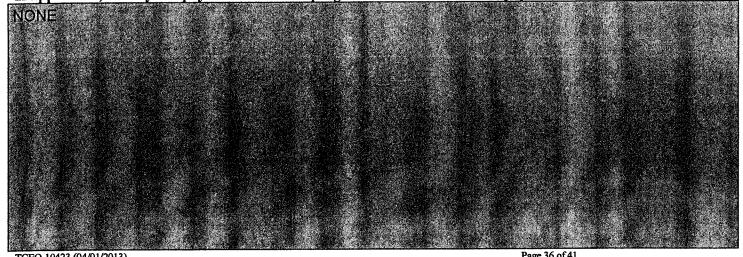


NOTICE OF	PROPOLD RATE CH	ANCE SEWED	.) Page 3
NOTICE OF	PROPO ED RATE CH	ANGE - SEWER (COM	.) rage 3
CUR	RENTRATES	PROP	OSED RATES
Monthly base rate incl	uding 0 gallons	Monthly base rate incl	uding 0 gallons
Meter Size:		Meter Size:	
RESIDENTIAL		RESIDENTIAL	
5/8/or ³ / ₄ "	\$25,00	5/8/or ³ / ₄ "	\$ 29 (n)
1"	\$	1"	\$
1 1/2	\$	1 1/2	\$
2"	\$	2"	\$
3"	\$	3"	\$
Other:	\$	Other:	\$
GALILI	DNACE CHARGE:	TATE GALLO	NACDOHARGO:
\$ 2.00 for ea	ach additional 1000 gallons	\$ 3.03 for each	additional 1000 gallons
over the minimum	_	over the minimum	
	determined based on average		determined based on average
	er period which includes the	consumption for winte	r period which includes the
following months:		following months:	

MISCELLI	AMEOUSERES	MISCRIE	MODESTERES
Tap Fee	\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	Tap Fee	\$2500 00
Reconnect fee:		Reconnect fee:	
Non-payment		Non-payment	
(Maximum - \$25.00)	S 2/5) ((0)	(Maximum - \$25.00)	\$ 2/5/00
Customer's Request		Customer's Request	\$
Transfer Fee	\%_225 b]e}	Transfer Fee	\$25 9(e)
Late Charge	\$5 : £61:1/2.	Late charge: (Indicate	
	44	either \$5.00 or 10%)	\$ 10%
Returned Check Charge	\$ ₂ 2(a) (a(a)	Returned Check Charge	\$20 00
Deposit		Deposit	
4	'> 5(6) 6(6)	(Maximum \$50.00)	\$ 5(0,0)0
Meter test fee		Meter test fee	\$ (25,00)

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

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



Page 36 of 41

TCEQ-10423 (04/01/2013)

WATER & SEWER

TARIFF PAGES



(Water Utility Name)

Water Tariff Page No.
Revision Date:

SECTION 1.0 -RATE SCHEDULE

Section 1.01 - Rates

Section 1.01 - Rates		
Monthly base rate including	0	gallons
Meter Size:		
Reside	ential	
	5/8" or ³ / ₄ "	\$ 28.00
	1"	\$
	1 ½"	\$
	2"	\$
	3"	\$
Other:		\$
Gallon	age Charge:	\$ 3,59

for each additional 1000 gallons over the minimum.

Regulatory Assessment Fee

1%

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

Section 1.02 - Miscellaneous Fees

TAP FEE

\$ 500.00

TAP FEE IS BASED ON THE UTILITY=S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF e" X : " METER.

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEE DISCONNECTED FOR THE FOLLOWING REASONS:

a) Non payment of bill (Maximum \$25.00)

\$ (25):00) \$

b) Customer's request
Or other reasons listed under Section 20CF of this tariff

TRANSFER FEE

\$

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

LATE CHARGE (Not more than \$5.00 or 10%)(Indicate one)

\$10%:

A ONE TIME PENALTY MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE

\$ 25 00

CUSTOMER DEPOSIT (Maximum \$50)

\$ 500.000

METER TEST FEE (actual cost of testing the meter up to)

\$ (25.4%)

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

RATES LISTED ARE EFFECTIVE ONLY IF THIS PAGE HAS TCEO APPROVAL STAMP

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Sewer Tariff Page No. 2

(Sewer Utility Name)

Revision Date:

SECTION 1.0 – RATE SCHEDULE

Monthly base rate including	0 1	gallons
Meter Size:		
Reside	ential	
	5/8" or 3/4"	\$ 25 00
	1"	\$ 100
	1 ½"	\$
	2"	\$
	3"	\$
Other:		\$
		 - Annual Control of the Control of t
Gallona	age Charge:	\$ % 5e}

for each additional 1000 gallons over the minimum.

Regulatory Assessment Fee

1% 1% F

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

Gallonage charges are determined based on average consumption for winter period which includes the following months:

Section 1.02 - Miscellaneous Fees

TAP FEE

\$ 500,00 250

TAP FEE IS BASED ON THE UTILITY=S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEE DISCONNECTED FOR THE FOLLOWING REASONS

a) Non payment of bill (Maximum \$25.00)

25) eje) 25) eje).

b) Customer's request

Or other reasons listed under Section 20CF of this tariff

TRANSFER FEE

\$ 25,00 (1)

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

LATE CHARGE (Not more than \$5.00 or 10%)(Indicate one)

\$ #10%**%** | 10%

A ONE TIME PENALTY MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE

\$ 20,000

CUSTOMER DEPOSIT (Maximum \$50)

\$ Fig. etc.

RATES LISTED ARE EFFECTIVE ONLY IF THIS PAGE HAS TCEO APPROVAL STAMP

INCOME TAX TABLE

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TCEQ-10423 (04/01/2013) Page 41 of 41



		RATE OF RETURN WORKSHEET		
Step				%
A	1	ost current Baa Public Utility Bond average. (Call TCEQ staff at 512/239-4691 to get this mber.)		4.98
В	A	ld 2% - for utilities (include affiliates) with 0-200 OR		
	A	ld 1.5% - for utilities (include affiliates) with 201-500 connections OR		
	Ac	ld 1.0% - for utilities (include affiliates) with 501-1,000 connections	·	1.0
С	A	ld 1% if the utility can demonstrate that it has both:		1.0
	1	Debt/equity ratio is greater than 50% (Table IV. D Box 2 ÷ Box 3) AND		
	2	No affiliated companies with access to revenues or other funds to support utility operations	X	
D	A	ld 1% if the utility can demonstrate that it has at least 1 of the following 3 conditions:		1.0
	1	unstable population - Weekender/seasonal population: a. >25% of total customers; OR b. >10% of total customers and do not use seasonal reconnect fee;		
	2	low growth a. less than 5% customer growth over the last three years; OR b. documentation of potential anticipated future customer growth of less than 5% over a three year period; declining population		
	3	aging system a. 50% or more depreciated; OR b. low rate base (<\$500/customer)	X	
E		dd 1% if the utility is a stand alone sewer system with no agreement for: billing and collection R discontinuance for nonpayment with the water supplier.		•
F	A	dd 1% if the utility can demonstrate that it has at least 3 of the 4 following conditions:		1.0
	1	Number of complaints 2 complaints or less per year to TCEQ for every 200 connections served by system	X	
	2	No major deficiencies in the most recent PWS inspection report		
	3	No current or prior enforcement actions under current management within a three year period including the test year	X	
	4	Good faith efforts to solve any current problems	X	
G	Ac	ld 1% if the utility can demonstrate that it has at least 3 of the following 5 conditions:		1.0
	1	well-maintained, up-to-date books and records	X	
	2	Effective communications and good customer relations (ex: evidence of a community outreach plan funded without utility revenues from customers; program which includes information about utility policies; evidence reflecting cooperation and service within the community AND/OR a semi-annual newsletter.)		
	3	Consistent and timely in meeting reporting requirements (ex: annual reports for last 3 years) and payment of fees	X	

TCEQ-10423-inst (09/06/12)

	4	exhibit fiscal responsibility with respect to rate filings, including completeness, accuracy and frequency	X	
	5	Less than 15% line loss - (Section VIII of the Application - Page 16 of 41)	X	

Н	A	dd 1% if the utility can demonstrate that it has at least 4 of the following 5 conditions:		1.0
	1	rate structure - any two of the following a. zero gallons included in minimum bill b. gallonage rate set high enough to encourage conservation (> \$2.00/1000 gal.) c. use of inclining blocks, (i.e. with at least \$1.00 between rate tiers which meets other regulatory requirements for inclining block structures)	X	
	2	drought contingency plan included in tariff with written evidence of use in years required	X	
	3	conservation plan including encouragement of the use of water conserving devices, efficient lawn watering, or xeriscaping	X	
	4	program to educate the customers about the nature of the system, its production and distribution ability, PWS standards, and the need for water conservation	Х	
	5	Line Loss a. less than or equal to 15% and b. successful program to reduce losses (ex., leak detection & repair) (within a three year period reflecting a 25% or more reduction in line loss since program implementation)	X	
I		Total Rate of Return	%	11.0

Summary

- A. 4.98
- B. 1.0
- C. 1.0
- D. 1.0
- E. 0
- F. 1.0
- G. 1.0
- H. 1.0

I.10.98

11.0% was used for convenience.

TCEQ-10423-inst (09/06/12)

Page 26 of 26

WATER AND WASTEWATER UTILITIES

ANNUAL REPORT

of

INLINE DEVELOPMENT LLC

Exact Legal Name of Utility/Respondent

WATER 12848 SEWER 20870

Certificate of Convenience and Necessity (CCN) No.

Submitted to the

State of Texas



Texas Commission on Environmental Quality

for the

Calendar Year Ended December 31, 2013

TCEQ-20052 (Rev. 1/2014) CON No. _____

1 of 7

ATTACHMENT 1.

Section 1: Utility Information		
Utility Name INLINE DEVELOPMENT LLC		
Address 21755 I-45 BLDG, #11		and the state of t
SPRING TX 77388		
Please check this box if your Official Addres	s, which is noted on the enclo	sed letter, hus changed.
Telephone Number 281.651.1130	Fax Number 83	2.482.3178
E-mail Address Inlineutilities 2007 @ yahoo	.com	
Contact Person LIZ GOWLES		Title ACCTS MANAGER
Check the business ownership entity of the	utility as filed with the Inte	rnal Revenue Service
Individual Partnership	Corporation	NonProfit Association

ischarge Permit No. TDES-13942-002 ischarge Permit No.	Water CCN No. 12946	Number of PWSs 2	
(If the Utility has more PWS ID Nos., pleaso indicate in Section 10) Sewer CCN No. 20879 Number of Wastewater Systems 1 Itischarge Permit No. TDES-13942-002 Itischarge Permit No.		PWS ID No. 1013804	
Nos., please indicate in Section 10) Sewer CCN No. 20879 Number of Wastewater Systems 1 Pischarge Permit No. TDES-13942-002 Pischarge Permit No.		PWS ID No. 1013271	
Sewer CCN No. 20879 Number of Wastewater Systems 1 ilischarge Permit No. TDES-13942-002 ilischarge Permit No.		(if the Utility has more PWS ID	
discharge Permit No. TDES-13942-002 Discharge Permit No.		Nos., please indicate in Section	10)
ischarge Permit No.	Sewer CCN No. 20879	Number of Wastewater Systems	<u> </u>
	lischarge Permit No. TDES-13942-002		
400 t. Stillian hair was Dischause Harris	ischarge Permit No.		
(if the Other) has more Discharge Fermit	(if the Utility has more Discharge Pem	rit	

TCEQ-20052 (Rev.1/2014) CCN No.

2 of 7

Section 3: Revenues

Section b. Actendes	Water	Wastewater	Total
			Water + Wastewater
OPERATING REVENUES:			
Utility Service/Sales	180,380.49	335,739.20	516,119.69
Fees (Tap, Reconnection, etc.)	7,603.09	8,875.54	16,478.63
OTHER REVENUES:			
Please Identify: LATE FEES	15,762.81	7,061.66	22,824.47
TOTAL REVENUES	203,746.39	351,676.40	555,422.79

Section 4: Expenses

	Water	Water Wustewater	Total
			Matet + Mastemater
Salaries & Wages		,	34,000.00
Contract Labor			117,484.78
Purchased Water			0.00
Chemicals for Treatment			18,503.14
Utilities (electricity)			36,034.47
Repairs/Maintenance/Supplies			10,599.46
Office Expenses			44,259.48
Professional Fees (Accounting, Legal)			58,217.84
Insurance			7,885.03
Depreciation & Amortization			0.00
Miscellaneous (describe in remarks below)			0.00
Subtotal			347,360.84
Taxes:			
Federal Income Taxes			0.00
Property and Other Taxes (Payroll, etc.)			16,192.86
Regulatory Expenses (Rate Case, Permits)			7,478.48
Other (describe in remarks below)			220,390.86
TOTAL EXPENSES			591,423.04

Remarks:

SLUDGE REMOVAL \$20,296.66 SUGARBERRY PLACE PHASE I REGIONAL WATER FEES \$54,167.75 SUGARBERRY PLACE PHASE II PRINCIPAL AND INTEREST CHARGES \$\$142,926.45

TCEQ-20052	(Rev. 1/2014)
CON No	

Section 5: Operating Items

Debt Information:

Annual interest expense on long and/or short term debt?

Annual principal payment on debt?

Annual Interest rate on debt?

Annual debt principal and interest?

Principal balance on outstanding debt at end of this reporting period?

\$ 126,891.43

\$ 18,935.02

9.5 %

\$ 145,928.45

\$ 1,811,481.64

Regulatory Assessment Fee:

What was the Regulatory Assessment fee amount submitted to TCEQ for the Calendar Year 2013?

\$ 5161.20

Rate Change:

What was the effective date of the last Rate Change?

NONE

Section 6: Customer Information

	Number of C	onnections at
Connection Type Water	Beginning of Calendar Year 2013	End of Calendar Year 2013
Total	647	669

	Number of Connections at	
Connection Type Wastewater	Beginning of Calendar Year 2013	End of Calendar Year 2013
Total	1048	1084

TCEQ-20052	(Rev.1/2014)
CCN No	