

Exhibit 3

Modified PUC Water and Sewer Tariff Rate Change Forms

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.

Table III. B.									
[A] Item	[B] Date Of Installation	[C] Service Life (Yrs) * **	[Original Cost when Installed	Depreciation				[F] Accumulated (\$)	[G] - [D] - [F] Net Book Value (\$)
				Years in Service			[E] = [D]/[C] Annual (\$)		
				YR ⓪	Mos ⓪⓪	Days ⓪⓪⓪			
Land		n/a							
Wells	1/1/2004	50	303281	15.3			5065.6	92803.9	210477
5 hp or less		5							
Greater than 5 hp	1/1/2004	10	20065	14			2006	20065	0
5 hp or less		5							
Greater than 5 hp	1/1/2004	10	14715	10			1471	14715	0
Chlorinators		10							
Wood	1/1/2001	15	53188	13			3546	46098	7090
Masonry		30							
Storage Tanks	1/1/2004	50	197272	12			3945	47345	149927
Pressure Tanks	1/1/2000	50	55289	12			1106	13269	42020
Distribution System (mains and lines)	1/1/2004	50	359149	12			17957	215489	144260
Meters and Service (taps not covered by fees)	1/1/2004	20	85496	12			8550	85496	0
Office Equipment		10							
Vehicles		5	0						
Shop Tools		15	0						
Heavy Equipment (diesel gen.)	1/1/2009	10	133550	5			13355	56775	56775
Fencing	1/1/2004	20	33189	12			1659	19913	132756
Other: (Please list)									
Total			2335213				81317①	881706②	1573589③

* TCEQ Suggested Service Life ** Other Service Life

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 -

E. INVESTED CAPITAL & RETURN - WATER

Table IV. E.

Net Book Value - From Table III. B., Box (3)	[A]	\$1,573,589
Working cash allowance -Amount From Table VI. A., Line [L] Column (3), Box (7) (+@)	[B]	\$35,015
Materials and supplies	[C]	\$112,033
Subtotal - Sum of [A] thru [C]	[D]	\$1,720,637
Developer Contributions - From Table III. C., Box (1)	[E]	\$0
Total invested capital [D] - [E]	[F]	\$1,720,637
Rate of return - From Table IV. D., Box (6)	[G]	11.0%
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], Column (2)	[H]	\$189,270

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]	\$189,270
Interest Calculation		
Total Invested Capital - From Table IV. E., Line [F]	[B]	\$147,048
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box (6)	[C]	11.0%
Interest [B]*[C]	[D]	\$16,175
Taxable Income [A] - [D]	[E]	\$173,095
Enter Income Tax from Tax Table (Appendix A)	[F]	\$56,536

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

SECTION IX - RATE DESIGN - WATER

A. VARIABLE RATE CALCULATIONS

Table IX. A.	
Line	Instructions
[A]	\$104,252 From Table VI. A., Line [T], Box ⑥ or Line [U], Box ⑥
[B]	30.084M From Table VIII, Line [B]
[C]	30.084 Divide Line [B] by 1,000
[D]	\$3.47 Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box ⑥

B. BASE RATE CALCULATIONS

Table IX. B.	
Line	
[A]	\$ 240,959
[B]	669
[C]	\$ 26.37
Total fixed costs - From Table VI. A., Line [T], Box ⑥ or Line [U], Box ⑥	
Total meter equivalents at end of test year - From Table VII, Line [K], Box ⑥	
Base charge per meter equivalent or for each unmetered connection [A] ÷ [B] and then divide by 12	
Base charge per meter size	
5/8" x 3/4" or unmetered	[D] 26.37
3/4"	[E] 39.56
1"	[F] 65.93
1 1/2"	[G] 131.85
2"	[H] 210.98
3"	[I] 395.55
Other:	[J]
Total base rate per meter size	
Variable cost per 1,000 gals	
# of 1000 gallons in base bill	
Variable cost to be added to base rate	
Total base rate per meter size	

⑥ From Table IX. A., Line [D]

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	This is the rate that you think is appropriate Enter in Table X. B., Column ③, Lines [B] through [H]
Cost per 1,000 gallons	[A] \$ 3.47
Total # of 1,000 Gallons billed	[B] 30,084
Total Cost to be recovered through gallonage charge	[C] \$ 104,391
Total Revenue Requirement	[D] \$ 315,915
Total to be recovered through base rate	[E] \$ 211,524
Total number of meter equivalents	[F] 669
Base rate per meter equivalent	[G] \$ 26.37

Table X. B.

Line	# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost added to base	Total base bill per meter size
Base charge per meter equivalent or for each unmetered connection From Table X. A, Line [G]	①	③	④=②*③	⑤=①+④
5/8" x 3/4" or unmetered	0	3.47	0	26.37
3/4"	0	3.47	0	39.56
1"	0	3.47	0	65.93
1 1/2"	0	3.47	0	131.85
2"	0	3.47	0	210.96
3"	0	3.47	0	395.55
Other:				

⑥ From Table X. A., Line [A]

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.

Table III. B.									
[A] Item	[B] Date of Installation	[C] Service Life (yrs)		[D] Original Cost when installed (\$)	Depreciation			[F] Accumulated (\$)	[G] = [D]- [F] Net Book Value (\$)
		•	**		Years in Service		[E] = [D]/[C] Annual (\$)		
					Yrs 0	Days 000			
Land		n/a							
Collection Sewers									
Gravity	1/1/2002	50		1099681	12		21994	26923	835757
Force	1/1/2002	50		77898	12		1558	18695	59202
Pumping Equipment		5		0					
Treatment & Disposal Equipment	1/1/2002	25		1331991	12		53279	639356	692635
Structures									
Wood		15		0					
Masonry		30		0					
Plant Sewers	1/1/2002	50		324006			6480	71281	252725
Outfall sewer lines		50		0					
Laboratory Equipment		10		0					
Meters and Service (taps not covered by fees)	1/1/2002	20		277482	10		13874	138741	138741
Office Equipment	1/1/2002	10		27687	12		2769	27687	0
Vehicles		5							
Shop Tools		15							
Heavy Equipment (Diesel Gen.)	1/1/2002	10		120159	12		120159	120159	0
Fencing		20							
Other: (Please list)									
Lift Stations	1/1/2002	50		66399	14		1328	18592	47807
Total				3325303			221441	1279842	2026867

* Commission Suggested Service Life ** Other Service Life

- 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-

C. DEVELOPER CONTRIBUTIONS - SEWER

If any of the Items listed in the Depreciation Schedule were contributed by a developer, please list those

Item	Date of installation or Contribution	Total Cost	Amount of Developer Contribution	Net Book Value (from Table III.B.)
Total				(1)

items and the associated cost below.

Table III. C.

4. EQUITY

How much equity or total capital does the company have in the utility? \$1,086,889

① this

Enter also in Table IV. D., Box ③ below

3. RATE OF RETURN

amount

What rate of return (profit) on investment in plant (equity) is expected? 11.0%

Enter also in Table IV. D., Box (4) below

in

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.

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D. DEBT & EQUITY - SEWER

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] Name of Bank/Lender	[B] Date of Issue	[C] Date of Maturity	[D] Original Amount of Loan	[E] Outstanding or Unpaid Balance- End of Test Year	[F] Interest Rate	[G] Weighted Average [E] \times [F]
Part I - Debt			\$	\$	%	%
			\$	\$	%	%
SEWER PORTION 60%			\$	\$1,086,892	9.5%	9.5%
			\$	\$	%	%
			\$	\$	%	%
Total			\$ (1)	\$ (2)		9.5% (6)
Part 2 - Investment/Equity						
			\$100%		11.0% (4)	119.558% (7)
Total Debt & Equity			\$1,086,892	(5)		
					Rate of Return	% (8)

- (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.
- (5) Total of (2)+(3)
- (6) Total weighted average of debt - To Table V, Line [C]
- (7) Weighted average of Investment/Equity (3)+(5)*(4)
- (8) Sum of (6) + (7) - To Table IV. E., Line [G]

E. INVESTED CAPITAL & RETURN - SEWER

Table IV. E.

Net Book Value - From Table III. B., Box ③	[A]	\$2026867
Working cash allowance - (Amount From Table VI. A., Line [L] Column ③, Box ②(+ 8)	[B]	\$39210
Materials and supplies	[C]	\$60419
Subtotal - Sum of [A] thru [C]	[D]	\$2125496
Developer Contributions - From Table III. C., Box ①	[E]	\$0
Total invested capital [D] - [E]	[F]	\$2125496
Rate of return - From Table IV. D., Box ⑥	[G]	11.10%
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], Column ②	[H]	\$233804

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]	\$233804
Interest Calculation		
Total Invested Capital - From Table IV. E., Line [F]	[B]	\$2125496
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box ⑥	[C]	9.5%
Interest [B]*[C]	[D]	\$201922
Taxable Income [A] - [D]	[E]	\$31882
Enter Income Tax from Tax Table (Appendix A)	[F]	\$5647

① To Table VI. A., Line [P], Column ②

SECTION VI - UTILITY INCOME & EXPENSE INFORMATION - SEWER

A. 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 variable portion.

TABLE VI. A.

Test Year	Line	12 Month "test year" per books	Known and Measurable Changes	Revenue Requirement for next yr	% of (3) that is fixed (Note 1)	Fixed Expenses (Note 1)	Variable Expenses (Note 1)
		①	②	③ = ① + ②	④	⑤ = (③ * ④) / 100	⑥ = ③ - ⑤
	Salaries and Wages	[A] 20400		20400	50		
	Contract Labor	[B] 82225		82225	90		
	Purchased Water	[C] 0		0	0		
	Chemicals for Treatment	[D] 11161		11161	0		
	Utilities (Electricity)	[E] 21620		21620	0		
	Repairs/Maintenance/Supplies	[F] 50419		50419	50		
	Office Expenses	[G] 22130		22130	50		
	Accounting & Legal Fees	[H] 28108		28108	100		
	Insurance	[I] 3827		3827	100		
	Rate Case Expense	[J] 3738		3738	100		
	Miscellaneous	[K] 106053		106053	50		
	Subtotal-Sum of Line [A] thru Line [K]	[L] 305681		359681			
	Payroll Taxes	[M] 8096		8096	50		
	Property and Other Taxes	[N]			100		
	Annual Depreciation and Amortization-From Table III, B, Box (1)	[O] 145734			100		
	Income Taxes-From Table V, Line [F]	[P]		5647	100		
	Return -From Table IV.E., Line[H]	[Q]		2338604	100		
	Subtotal-Sum of Line [L] thru Line [Q]	[R] 459511		607228	100		
	Other Revenues	[S]					
	Total Cost-Line [R] - Line [S]	[T] 459511		607228	⑥	406842⑥	200385⑥
	Alternative Allocation between Fixed and Variable [Note 1]	[U]			67	406842⑥	200385⑥

⑥ Divide this amount by 8 and enter the result in Table IV. E., Line [B], ⑥ To Table X. A., Line [D] ⑥ To Table IX. B., Line [A] ⑥ To Table IX. A., Line [A]

SECTION VI - UTILITY INCOME & EXPENSE INFORMATION - SEWER

A 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 variable portion.

TABLE VI. A.

Test Year	Line	12 Month "test year" per books	Known and Measurable Changes	Revenue Requirement for next yr	% of (3) that is fixed (Note 1)	Fixed Expenses (Note 1)	Variable Expenses (Note 1)
	Salaries and Wages	[A] 20,400		20,400	50		
	Contract Labor	[B] 82,225		82,225	90		
	Purchased Water	[C] 0		0	0		
	Chemicals for Treatment	[D] 11,161		11,161	0		
	Utilities (Electricity)	[E] 21,620		21,620	0		
	Repairs/Maintenance/Supplies	[F] 6419		60,419	50		
	Office Expenses	[G] 22,130		22,130	50		
	Accounting & Legal Fees	[H] 28,108		28,108	100		
	Insurance	[I] 3927		3,927	100		
	Rate Case Expense	[J] 3738		3,738	100		
	Miscellaneous	[K] 108,083		108,083	50		
	Subtotal-Sum of Line [A] thru Line [K]	[L] 305,661		305,661			
	Payroll Taxes	[M] 8096		8096	50		
	Property and Other Taxes	[N]			100		
	Annual Depreciation and Amortization-From Table III. B, Box (1)	[O]			100		
	Income Taxes-From Table V, Line [F]	[P]	3178	3174	100		
	Return -From Table IV.E., Line[E]	[Q]	131,638	131,638	100		
	Subtotal-Sum of Line [L] thru Line [Q]	[R] 313,777	471,032	886,847			
	Other Revenues	[S]		134,811	100		
	Total Cost-Line [R] - Line [S]	[T] 313,777	157,256	471,032		315,591	158,441
	Alternative Allocation between Fixed and Variable [Note 1]	[U] 313,777	157,256	471,032	67	315,591	158,441

Divide this amount by 3 and enter the result in Table IV. E., Line [B], To Table X. A., Line [D], To Table IX. B., Line [A], To 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

Connection Type	Line	Beginning of period ①	End of period ②	Equivalency Factor ③	Meter Equivalents ④=②*③
Residential	[A]			1	
Commercial	[B]			1	
Standby	[C]			1	
5/8" x 3/4"	[D]	1048	1084	1	1084
3/4"	[E]			1.5	
1"	[F]			2.5	
1 1/2"	[G]			5	
2"	[H]			8	
3"	[I]			15	
Other:	[J]				
Total	[K]	1048	1084		1084 ⑤

⑤To Table IX. B., Line [B] AND Table X. A., Line [F]

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]	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	① gallons
Source of Purchased Treatment			

① To Table IX, Line [B] and Table X, Line [B]

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
Total # of 1,000 Gallons billed	[B]	30,983
Total Cost to be recovered through gallonage charge	[C]	\$93,787
Total Revenue Requirement	[D]	\$471,032
Total to be recovered through base rate	[E]	\$377,232
Total number of meter Equivalents	[F]	1084
Base rate per meter equivalent	[G]	\$29.00
This is the rate that you think is appropriate		
From Table IX. A., Line [C]		
Multiply Line [A] times Line [B]		
From Table VI. A., Line [T] ⑥		
Subtract Line [C] from Line [D]		
From Table VII, Line [K], Box ⑤		
Divide Line [E] by Line [F] & then divide by 12 months		
Enter this in Table X. B, Line [A] Column ①		

Table X. B.

	Line		# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost added to base	Total base bill per meter size
Base charge per meter equivalent or for each unmetered connection From Table X. A, Line [G]	[A]	\$29.00	①	③	④=②*③	⑤=①+④
Base rate per meter size						
5/8" x 3/4" or unmetered	Multiply [A] ① by 1	[B]	28.00	0	⑥ 0	28.00
3/4"	Multiply [A] ① by 1.5	[C]	N/A	0	⑥ 0	N/A
1"	Multiply [A] ① by 2.5	[D]	N/A	0	⑥ 0	N/A
1 1/2"	Multiply [A] ① by 5.0	[E]	N/A	0	⑥ 0	N/A
2"	Multiply [A] ① by 8.0	[F]	N/A	0	⑥ 0	N/A
3"	Multiply [A] ① by 15.0	[G]	N/A	0	⑥ 0	N/A
Other:		[H]			⑥	

⑥ From Table X. A., Line [A]

THIS DOCUMENT CONTAINED A BARCODE

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**TO VIEW DOCUMENT(S)
PLEASE GO TO
PUC'S
CENTRAL RECORDS**

(512) 936-7180

DOCKET NO. 43069

**APPLICATION OF INLINE
DEVELOPMENT LLC FOR A
RATE/TARIFF CHANGE**

§
§
§

PUBLIC UTILITY COMMISSION

OF TEXAS

2015 FEB -2 PM 2:54

PUBLIC UTILITY COMMISSION
FILING CLERK

JOINT PROCEDURAL SCHEDULE

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Joint Procedural Schedule, and would show the following:

I. BACKGROUND

On August 28, 2014, Inline Development LLC (Inline) filed an Application for Water and Sewer Rate/Tariff Change for water Certificate of Convenience and Necessity (CCN) No. 12946 and sewer CCN No. 20879 in Harris County. On December 3, 2015, Order No. 14 was issued, requiring that the parties will jointly request that this docket be unabated, file the trending study, and propose a procedural schedule for further processing no later than February 2, 2016. The request to unabate the proceeding and the trending study are included in a separate filing.

II. PROPOSED PROCEDURAL SCHEDULE

The Parties recommend the following procedural:

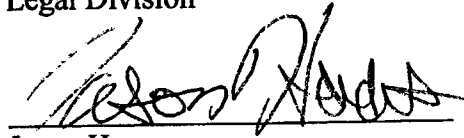
Event	Deadline
Deadline for Commission Staff to request a Hearing, OR Deadline to file a recommendation on the compliance of Inline's proposed tariff with the Texas Water Code and the PUC substantive rules	March 25, 2016
Deadline for Inline to respond to Staff's recommendation on tariff compliance or request a hearing; OR If no disputed issues exist, deadline for parties to file proposed findings of fact, conclusions of law, and ordering paragraphs:	April 8, 2016

Dated: February 2, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director

Karen Hubbard
Managing Attorney
Legal Division



Jason Haas
Attorney-Legal Division
State Bar No. 24032386
(512) 936-7295 (telephone)
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 2, 2016, in accordance with 16 Tex. Admin. Code § 22.74.


Jason Haas

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DOCKET NO. 43069

APPLICATION OF INLINE
DEVELOPMENT LLC FOR A
RATE/TARIFF CHANGE

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§
§

PUBLIC UTILITY COMMISSION

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**ORDER NO. 15
UNABATING AND ESTABLISHING PROCEDURAL SCHEDULE**

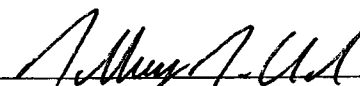
On February 2, 2016, Inline Development LLC (Inline) filed supplemental application information, a trending study, and a request to unabate this docket for continued processing. On the same date, Public Utility Commission of Texas (Commission) Staff filed a joint procedural schedule for further processing of this proceeding.

Consistent with the parties' filings, this docket is unabated for further processing and the following procedural schedule is adopted:

Event	Deadline
Deadline for Commission Staff to request a hearing or Deadline for Commission Staff to file a recommendation on the compliance of Inline's proposed tariff with the Texas Water Code and Commission Substantive Rules	March 25, 2016
Deadline for Inline to respond to Commission Staff's recommendation on the compliance of the proposed tariff or request a hearing or If no disputed issues, deadline for parties to file proposed findings of fact, conclusions of law, and ordering paragraphs	April 8, 2016

SIGNED AT AUSTIN, TEXAS the 3rd day of February 2016.

PUBLIC UTILITY COMMISSION OF TEXAS


JEFFREY J. HUHN

ADMINISTRATIVE LAW JUDGE

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DOCKET NO. 43069

APPLICATION OF INLINE
DEVELOPMENT LLC FOR A
RATE/TARIFF CHANGE

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§
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PUBLIC UTILITY COMMISSION

OF TEXAS

2016 FEB 23 PM 2:34

PUBLIC UTILITY COMMISSION
FILING CLERK

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO INLINE DEVELOPMENT LLC
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

Pursuant to 16 Tex. Admin. Code (TAC) § 22.144, the Staff of the Public Utility Commission of Texas (Staff) requests that Centerpoint Energy Houston Electric, LLC (CenterPoint Energy) by and through its attorneys of record, provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

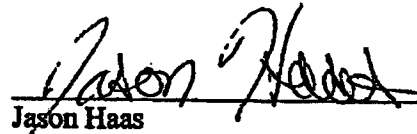
Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

Dated: February 23, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director-Legal Division


Karen S. Hubbard
Managing Attorney - Legal Division



Jason Haas
Attorney-Legal Division
State Bar No. 24032386
(512) 936-7295
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 23, 2016 in accordance with 16 TAC § 22.74.


Jason Haas

DOCKET NO. 43069

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO INLINE DEVELOPMENT LLC
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

DEFINITIONS

- 1) "Inline", "the Company" or "you" refers to Inline Development LLC and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.
- 2) "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do not exist and these documents will be provided.

DOCKET NO. 43069

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO INLINE DEVELOPMENT LLC
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

INSTRUCTIONS

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to 16 TAC § 22.144(g)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

DOCKET NO. 43069

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO INLINE DEVELOPMENT LLC
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

Staff 1-1

For the sewer application, please provide the following:

- a) A detailed list of the repairs and maintenance that total \$60,419 that the applicant is requesting in the revenue requirement column of Table VI.A., February 2, 2016 filing.
- b) Copies invoices exceeding \$500 for the expenses included in RFI No. 1.A.
- c) A detailed list of the materials and supplies that total \$60,419.00 that the applicant shows in Table IV.E., February 2, 2016, filing.
- d) Copies invoices exceeding \$500 for the expenses included in RFI No. 1.C.
- e) Provide the detail for Table IV.D in the application with regard to debt outstanding as follows:
 - 1) name of the bank or lender;
 - 2) date of issue;
 - 3) date of maturity;
 - 4) original amount of loan;
 - 5) outstanding balance;
 - 6) interest rate;
 - 7) if the loan is only partially for sewer assets or operations, please state the amount of the loan that is for sewer;
 - 8) if only part of the loan is for sewer assets or operations, please provide the basis used to determine the percentage that is allocated to sewer.

Staff 1-2

For the water application:

- a) Admit or deny that the applicant charges their customers \$2.32/1,000 for North Harris County Regional Water Authority (NHCRWA) pass through gallons in addition to the base rate and gallonage charges listed on the applicant's tariff.
- b) Admit or deny that the applicant's test year purchased water of \$54,178 as shown on table VI. A of the October 29, 2014, was for the NHCRWA pass through.

Staff 1-3

For the water application, provide the following:

- a) A detailed list of the repairs and maintenance that total \$40,280, included in the application revenue requirement column of Table VI.A., October 29, 2014 filing.
- b) A detailed list of the materials and supplies that total \$112,033, included in the application Table IV.E., February 2, 2016 filing.
- c) Provide the following detail for Table IV.D included in the application:
 - 1) name of the bank or lender;

- 2) date of issue;
- 3) date of maturity;
- 4) original amount of loan;
- 5) outstanding balance;
- 6) interest rate;
- 7) If the loan is only partially for water assets or operations, please state the amount of the loan that is for water;
- 8) If only part of the loan is for water assets or operations, please provide the basis used to determine the percentage that is allocated to water.

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