

Attachment 10
WP-3
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Double Diamond Utilities Co.
Application for a Rate / Tariff Change
Test Year Ended 12/31/2007
Direct Assignment/Contract Labor Expense

Date	Description	Total	Water	Sewer
Ground Water System Expense				
10/3/2007	LYLEJAM Checked Sewer Plant and Did Readings 6 Tim	300		300
10/17/2007	LYLEJAM Checked Sewer Plant and Did Readings 6 Tim	300		300
10/31/2007	LYLEJAM Checked Sewer Plant and Did Reading 6 Time	300		300
11/19/2007	LYLEJAM Checked Sewer Plant and did Reading 6 Time	300		300
12/8/2007	LYLEJAM Checked Sewer Plant and did Readings 6 Tim	1,500		1,500
	Subtotal	\$ 3,000		\$ 3,000
Surface Water System Expense				
1/29/2007	SELFAND Water Treatment Operator	425	425	
2/26/2007	SELFAND Water Treatment Operator/February	425	425	
3/26/2007	SELFAND Water Treatment Operator	425	425	
5/1/2007	SELFAND Water Treatment Operator-April 2007	425	425	
5/29/2007	SELFAND Water Treatment Operator-May 2007	425	425	
7/4/2007	SELFAND water treatment operator	425	425	
	Subtotal	\$ 2,550	\$ 2,550	\$ -
	Total	\$ 5,550	\$ 2,550	\$ 3,000

630
376

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Attachment EP-20

Detail Trial Balance

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Includes Activities from January 1, 2007 to December 30, 2007
Double Diamond Utilities Co.

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GL Account No.: 7010-0000..9999-9999, Department Filler: 6090

Retreat

Posting Date	Doc Type	Document No.	Source Code	Sour Type	Source No.	Description	Debit Activities	Credit Activities	Balance
Total Activities							1,143.78	800.00	543.78

Account: 8230-0000 Property Taxes Ending Balance 543.78

Account: 8250-0000 Professional Fees Beginning Balance 0.00

02/08/07	Invoi	PJ0013407	PURCHJNL			CEE/Renew WW Permit-Permit#	315.00		
04/12/07	Invoi	PJ0013857	PURCHJNL			CONSENV Submittal of Wastewat	800.00		
07/20/07	Invoi	PJ0014751	PURCHJNL			CONSENV 1st-Payment-Propose	1,086.86		
07/30/07	Invoi	PJ0014855	PURCHJNL			TCEQ Field Citation-Failure to Ob	210.00		
12/30/07		JE0002838	GENJNL			reless conservy acceptance of pr	4,800.00		
Total Activities							7,291.86	0.00	7,291.86

Handwritten notes:
 <315.00> WW permit
 <800.00> WW permit
 <1,086.86> R/C - Sewer
 <210.00> Penalty - 1/2 byes
 <4,800.00> 1/2 water - 2,400
 1/2 sewer - 2,400

Account: 8250-0000 Professional Fees Ending Balance 7,291.86

Account: 8260-0000 Insurance Expense Beginning Balance 0.00

01/28/07		JE0009687	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	956.00		
01/29/07		JE0010048	GENJNL			WMGEO-Pvt Risk Ins-P1	86.02		
02/25/07		JE0010042	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	806.00		
02/25/07		JE0010042	GENJNL			WMGEO-Pvt Risk Ins	86.02		
02/28/07		JE0010093	GENJNL			WMGEO-Pvt Risk Ins	86.02		
04/01/07		JE0010093	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	806.00		
04/29/07		JE0010201	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	806.00		
04/29/07		JE0010201	GENJNL			WMGEO-Pvt Risk Ins	86.02		
05/27/07		JE0010322	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	806.00		
05/27/07		JE0010322	GENJNL			WMGEO-Pvt Risk Ins	86.02		
07/01/07		JE0010430	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	806.00		
07/01/07		JE0010430	GENJNL			WMGEO-Pvt Risk Ins	86.02		
07/29/07		JE0010567	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	806.00		
07/29/07		JE0010567	GENJNL			WMGEO-Pvt Risk Ins	86.02		
08/28/07		JE0010680	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	806.00		
08/28/07		JE0010680	GENJNL			WMGEO-Pvt Risk Ins	86.02		
09/30/07		JE0010798	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	806.00		
09/30/07		JE0010798	GENJNL			WMGEO-Pvt Risk Ins	86.02		
10/28/07		JE0010899	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	808.00		
11/25/07		JE0010984	GENJNL			Pkg, Umbrella, E&O, Auto Ins.	806.00		
11/25/07		JE0010984	GENJNL			WMGEO-Pvt Risk Ins	129.34		
12/30/07		JE0011067	GENJNL			Pkg, Umbrella, E&O, Auto Ins	806.00		
12/30/07		JE0011067	GENJNL			WMGEO-Pvt Risk Ins	129.34		

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Detail Trial Balance

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Includes Activities from January 1, 2007 to December 30, 2007
Double Diamond Utilities Co.

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G/L Account: No., 7010-0000, 6999-6999, Department Filter: 6090

Posting Date	Doc Type	Document No.	Source Code	Source Type	Source No.	Description	Debit Activities	Credit Activities	Balance
Account: 6410-0000		R&M Equipment				Balance Forward	1,039.08	0.00	0.00
05/31/07	Invoi	PJ0014546	PURCHJNL			VERMEQU Tooth Pockets	120.00		
06/18/07	Invoi	PJ0014566	PURCHJNL			EAGLAUT Filters-Backhoe	54.08		
06/25/07	Invoi	PJ0014577	PURCHJNL			HUNDENT Hose & Orfs Female	35.37		
07/02/07	Invoi	PJ0014742	PURCHJNL			HOLTCAT Cable As	101.28		
07/02/07	Invoi	PJ0014743	PURCHJNL			HOLTCAT Cable As	54.16		
07/02/07	Invoi	PJ0014745	PURCHJNL			HUNDENT Hydraulic Hose-420D	30.00		
07/12/07	Credi	PJ0014744	PURCHJNL			HOLTCAT Cable As		98.55	
07/30/07	Invoi	PJ0000033	PURCHJNL			EAGLAUT Shop Supplies	46.61		
07/30/07	Invoi	PJ0014903	PURCHJNL			VERMEQU Rock Saw Teeth	554.38		
08/18/07	Invoi	AP0011407	PURCHASE	Vend HACKWEL		Invoice 11410	500.00		
08/27/07	Invoi	PJ0014955	PURCHJNL			HOLTCAT Swing Cylinder	742.06		8410
08/27/07	Invoi	PJ0014956	PURCHJNL			HUNDENT Seal Kit, Test Small C	110.29		
08/27/07	Invoi	PJ0015000	PURCHJNL			VERMEQU Bolt Kit	271.91		
08/27/07	Invoi	PJ0015181	PURCHJNL			VERMEQU Clamp, Gasket, Battery	59.53		
08/27/07	Invoi	PJ0015182	PURCHJNL			VERMEQU Turbocharger	586.88		
08/27/07	Invoi	PJ0015183	PURCHJNL			VERMEQU Pockets	123.78		
08/12/07	Invoi	PJ0015169	PURCHJNL			VERMEQU Engine Mounts	16.10		
08/12/07	Invoi	PJ0000185	PURCHJNL			EAGLAUT Grease Cartridges	25.54		
08/12/07	Invoi	PJ0015244	PURCHJNL			UNITREN Fuel for Backhoe	56.63		
08/19/07	Invoi	PJ0015205	PURCHJNL			HOLTCAT Rebuild Hoe Boom on	861.50		
08/28/07	Invoi	PJ0015246	PURCHJNL			Tires	337.70		
10/10/07	Invoi	PJ0015354	PURCHJNL			HUNDENT Fitting for Backhoe	12.85		
10/29/07	Invoi	PJ0015448	PURCHJNL			HOLTCAT Boom Lock Cable, Roll	445.93		
11/05/07	Invoi	PJ0015470	PURCHJNL			WRIGTR Tire for Utility Pickup	183.48		
11/26/07	Invoi	PJ0015984	PURCHJNL			VERMEQU Clamp, gasket, battery	52.13		
11/27/07	Invoi	PJ0016814	PURCHJNL			TIRETEA Tires for Backhoe	146.23		
11/27/07	Invoi	PJ0015715	PURCHJNL			TIRETEA Rear Tire Flat Repair, B	57.13		
11/29/07	Invoi	PJ0015721	PURCHJNL			WRIGTR Tube, Valve Stem	12.00		
12/06/07	Invoi	PJ0015774	PURCHJNL			EAGLAUT Oil	37.32		
Total Activities							6,847.81	98.55	6,549.26
Account: 8410-0000		R&M Equipment				Ending Balance			6,549.26 ✓

Account: 8421-0000		R&M Chemicals				Beginning Balance			0.00
01/12/07	Invoi	PJ0013483	PURCHJNL			LONESTA CL2 Bottle Rent	26.94		
02/12/07	Invoi	PJ0013880	PURCHJNL			LONESTA CL2 Bottle Rental	26.94		
02/13/07	Invoi	PJ0013878	PURCHJNL			LONESTA 2 Chlorine Gas Cylindr	208.30		
04/02/07	Invoi	PJ0014078	PURCHJNL			LONESTA CL2 Bottle Rental	5.39		
04/12/07	Invoi	PJ0014080	PURCHJNL			LONESTA CL2 Bottle Rental	21.55		
05/29/07	Invoi	PJ0014313	PURCHJNL			LONESTA CL2 Bottle Rental	21.55		
06/11/07	Invoi	PJ0014526	PURCHJNL			LONESTA CL1 Bottle Rent	21.55		
07/11/07	Invoi	PJ0014798	PURCHJNL			LONESTA CL2 Bottle Rent	21.35		
Balance to Carry Forward							354.57	0.00	0.00

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Detail Trial Balance

Includes Activities from January 1, 2007 to December 30, 2007
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G/L Account No.: 7010-0000..9999-9999, Department Filter: 8090

Posting Date	Doc Type	Document No.	Source Code	Source Type	Source No.	Description	Debit Activities	Credit Activities	Balance	
Account: 8421-0000 R&M Chemicals							Balance Forward	354.57	0.00	0.00
08/27/07	Invoi	PJ0015008	PURCHJNL			LONESTA 150# Chlorine Gas Cyl	207.36			
08/27/07	Invoi	PJ0015010	PURCHJNL			LONESTA CL2 Bottle Rent	10.88			
08/27/07	Invoi	PJ0015126	PURCHJNL			USABLU Sewer Tests	27.61			
08/10/07	Invoi	PJ0015188	PURCHJNL			LONESTA CL2 Bottled Rent	21.36			
10/09/07	Invoi	PJ0015308	PURCHJNL			LONESTA CL2 Bottle Rent	21.35			
11/06/07	Invoi	PJ0015543	PURCHJNL			LONESTA 150# Chlorine Gas Cyl	618.41			
11/26/07	Invoi	PJ0015603	PURCHJNL			LONESTA CL2 Bottle Rent	10.88			
12/12/07	Invoi	PJ0015813	PURCHJNL			LONESTA CL2 Bottle Rent	37.36			
Total Activities							1,209.37	0.00	1,209.37	

Account: 8421-0000 R&M Chemicals Ending Balance 1,209.37

Account: 8450-0000 R&M - Water Plant Beginning Balance 0.00

01/01/07	Invoi	PJ0013326	PURCHJNL			HDWAT#2 Check Boosters Not R	171.55		
01/01/07	Invoi	PJ0013327	PURCHJNL			HOMDEP Replace Alternator In	368.57		
02/28/07	Invoi	PJ0013710	PURCHJNL			HDWATER 3/4 Ball MV-380 Rotat	459.03		
02/28/07	Invoi	PJ0013718	PURCHJNL			LONESTA Well #1	361.07		
02/28/07	Invoi	PJ0013787	PURCHJNL			SCOOP High/Low Ejector	470.00		
04/02/07	Invoi	PJ0014100	PURCHJNL			WALLELE Service Call at Well #1	240.00		
04/30/07	Invoi	PJ0014177	PURCHJNL			MCCLMECH Repair Water Well	1,631.00		
05/28/07	Invoi	PJ0014330	PURCHJNL			MCCLMECH Repair Solenoid Vav	348.00		
08/10/07	Invoi	PJ0014547	PURCHJNL			WALLELE Connect lift station at d	408.88		
06/18/07	Invoi	PJ0014506	PURCHJNL			DEALELE Fuse	89.56		
07/02/07	Invoi	PJ0014750	PURCHJNL			WALLELE Well #1-Check Well #1	8,345.93		
07/20/07	Invoi	PJ0014688	PURCHJNL			MCCLMECH Repair water well co	380.00		
07/31/07	Invoi	PJ0014900	PURCHJNL			WALLELE Well #2 Not Running,	268.56		
08/28/07	JED002450	GENJNL				reclass modlmech water well emer	1,400.00		
08/27/07	Invoi	PJ0015118	PURCHJNL			PKAUTOS Motor Head, Check Va	676.55		
08/27/07	Invoi	PJ0015198	PURCHJNL			POLLWAT Motor Head, Check Va	7,375.39		
08/28/07	Invoi	PJ0015228	PURCHJNL			HUNTELE Replace Stonco Holder	84.58		
11/28/07	Invoi	PJ0015686	PURCHJNL			DEALELE Photo Cell-Well Light	12.84		
12/20/07	Invoi	PJ0015811	PURCHJNL			HOMDEP PVC Bushing	2.47		
Total Activities							18,076.79	0.00	18,076.79

Account: 8450-0000 R&M - Water Plant Ending Balance 18,076.79

Account: 8455-0000 R&M - Sewer Plant Beginning Balance 0.00

02/26/07	Invoi	PJ0013739	PURCHJNL			WALLELE Check Flow Meter	245.00		
04/02/07	Invoi	PJ0013943	PURCHJNL			USABLU Check DPD, Chlorin Colo	585.14		
Balance to Carry Forward							810.14	0.00	0.00

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Attachment EP-25

Rate of Return Worksheet See Note (1)

Step		%
A	Most current Baa Public Utility Bond average. (Call TCEQ staff at 512/239-6960 to get this number.) See Note (2)	7.45
B	Add 2% - for utilities with 200 or less customers See Note (3)	1.00
C	Add 1% if the utility can demonstrate that it has both:	0.00
	1 Debt/equity ratio is greater than 60% (Table IV. D. -- + -) AND	
	2 No affiliated companies with access to revenues or other funds to support utility operations	
D	Add 1% if the utility can demonstrate that it has at least 2 of the following 4 conditions:	1.00
	1 unstable population - Weekender/seasonal population: a. >25% of total customers; OR b. >10% of total customers and do not use seasonal reconnect fee;	X
	2 commercial customers account for more than 15% of revenues	
	3 low growth a. less than 5% customer growth over the last three years; OR b. documentation of potential customer growth of less than 5% over the next three years; declining population See Note (4)	X
	4 aging system a. more than 50% depreciated; OR b. low rate base (<\$500/customer)	
E	Add 1% if the utility is a stand alone sewer system with no agreement for either billing and collection or discontinuance for nonpayment with the water supplier.	0.00
F	Add 1% if the utility can demonstrate that it has at least 3 of the 4 following conditions:	0.00
	1 Number of complaints 2 complaints or less per year to TCEQ for less than 200 customer system	
	2 No major deficiencies in the most recent PWS inspection report	
	3 No current or prior enforcement actions under current management within the last 3 years	
	4 Good faith efforts to solve any current problems	
G	Add 1% if the utility can demonstrate that it has at least 4 of the following 5 conditions:	1.00
	1 well-maintained, up-to-date books and records	X
	2 effective communications and good customer relations	X
	3 consistently timely in meeting reporting requirements (ex. annual reports for last 3 years) and payment of fees	X
	4 exhibit fiscal responsibility with respect to rate filings, including completeness, accuracy and frequency	X
	5 Less than 12% unaccounted for water - (Section VIII of the Application - Page 16 of 41)	

TCEQ 10423 (11/02)

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(1)

H	Add 1% if the utility can demonstrate that it has at least 4 of the following 5 conditions:		1.00
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. higher use pays higher cost	X	
2	drought contingency plan included in tariff and enforced (if applicable)	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	X	
5	unaccounted for water a. 10% and/or b. successful program to reduce losses (ex. leak detection & repair) (within last 3 years 25% reduction since program implemented)		
I	Total Rate of Return %		11.45

(1) As a business entity, Double Diamond Utilities ("DDU") operates water systems at three separate locations. No individual system has access to its own capital. As such, this worksheet has been completed to arrive at a return on equity applicable to all systems under DDU's ownership and operation.

(2) Baa bond average source - E-mail from Elsie Pascan to Chris Ekruat dated 1/20/2010

(3) 1% added for Utilities with 201 - 1,000 customers per Staff Guidance Document on Ratemaking

(4) DDU's total water connections were 947 and 939 for December 2008 and December 2009, respectively. As such, the Utility has seen a decline in total population served.

Attachment EP-26

Schedule CDE-1
Page 1 of 1

Double Diamond Utilities Co.
SOAH Docket No. 582-08-4288
TCED Docket No. 2009-0505-UCR

Comparison of Requested Revenue Requirement to Revenue Requirement Presented in Application

	Application Value		Requested Revenue Requirement		Variance	
	Groundwater	Surface Water	Groundwater	Surface Water	Groundwater	Surface Water
Salaries and Wages	\$ 131,082	\$ 98,301	\$ 121,878	\$ 81,381	\$ (9,204)	\$ (16,920)
Contract Labor	2,824	5,033	2,824	3,633	-	-
Purchased Water	-	10,846	-	10,846	-	-
Chemicals for Treatment	5,048	5,001	5,048	5,001	-	-
Utilities	104,288	27,961	104,288	27,961	-	-
Repairs / Maintenance / Supplies	177,796	209,927	88,890	132,512	(88,906)	(77,416)
Office Expenses	4,440	5,122	4,440	5,122	-	-
Accounting & Legal Fees	10,100	18,674	10,100	18,674	-	-
Insurance	18,475	10,005	16,244	7,813	(2,231)	(2,191)
Miscellaneous	63,502	83,326	60,334	77,156	(3,568)	(16,470)
Subtotal	\$ 517,955	\$ 472,797	\$ 414,046	\$ 370,089	\$ (103,909)	\$ (102,697)
Payroll Taxes	\$ 12,775	\$ 13,055	\$ 11,189	\$ 10,196	\$ (1,537)	\$ (2,859)
Property and Other Taxes	3,352	2,454	3,332	2,412	(21)	(41)
Annual Depreciation and Amortization	117,281	81,214	185,233	73,069	67,941	(8,246)
Income Taxes	33,796	35,364	53,661	19,863	19,865	4,499
Return	116,124	52,790	184,380	58,249	68,256	15,460
Subtotal	\$ 801,253	\$ 637,673	\$ 851,829	\$ 543,888	\$ 50,596	\$ (93,785)
Other Revenues	\$ 12,116	\$ 9,622	\$ 12,116	\$ 9,622	\$ -	\$ -
Total Cost of Service	\$ 789,117	\$ 628,051	\$ 899,713	\$ 534,266	\$ (93,785)	\$ (43,189)

\$ 43,189 - reduction from the application.

Exhibit EP-26

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DDU012728