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UTILITY NAME: Rankin Park Maintenance & Utilities

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION

FOR TEST YEAR ENDED: 2015

**SCHEDULE II-1(a): WATER PRODUCTION:
(COMPANIES WITH METERED RATE CUSTOMERS)**

Line No.	Water Production (1,000 Gallons)	A	B	C= A+B	D
		Test Year	K & M Changes	Adjusted Test Year	Reference
1	Total water pumped	17140800			PUC Annual Report
2	Total water purchased	0			PUC Annual Report
3	Total water produced	17140800			Line 1 + line 2
4	Total water sold	11680000			PUC Annual Report
5	Total accounted for non-revenue water*	0			
6	Total unaccounted for water	5460800			Lines 3 less 4 less 5
7	Percentage	0.3185			Line 6 divided by Line 3

* Describe the tracking technique for calculating line 5 and provide the records reflecting the calculation.

Known and measurable calculations and explanations:

**SCHEDULE II-1(b) WATER PRODUCTION
(COMPANIES WITH UNMETERED (FLAT) RATE CUSTOMERS)**

Line No.	Description	A Test Year	B K & M Change	C=A+B Adjusted Test Year	D Reference
1	Water Purchased (1,000 gallons)	N/A			PUC report Sch. D-1
2	Water Pumped (1,000 gallons)	N/A			PUC report Sch. D-1
3	Total production (1,000 gallons)	N/A			Lines 13 + 14

UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-3 OTHER REVENUES & EXPENSES PASSED THROUGH
 FOR TEST YEAR ENDED: 2015

II-3(a) Purchased Water or Other Pass Through Expenses

Line No.	A	B	C	D	D
	Purchased from:	Units purchased (in _____) (e.g. 1,000 gal, AC - FT)	Price Per Unit	Total Calculated Cost (B x C)	Actual Cost paid per financial records
1.	NONE				
2.					
3.					
4.	Total *				

* Must agree with Schedule II-1(a), Line 2, column A, or provide a reconciliation.

II-3(b) Other revenues collected from customers

Line No.	A	B	C	D
	Item passed thru or type of other revenue	Test year historical revenues collected		Test year revenues netted against COS
1.	Tap Fees*	0		-0-*
2.	Late Fees	0		0
3.	Meter Test Fees	0		0
4.	Reconnect Fees	0		0
5.	Purchased Water Fees	0		0
6.	Groundwater Conservation District Fees	0		0
7.	Other (attach detail**)	Grease Trap		1200
8.	Total Other Revenues	Grease Trap		1200

(to Sch. I-2, line 5)

(to Sch. I-1, line 35)

* Tap fees should be reported on Sch. III-8-CIAC, Line 1.

** If the utility provides other than residential retail service (wholesale, industrial, etc),
 provide a work paper with the detail of this account by NARUC sub account number.

UTILITY NAME: Rankin Park Maintenance & Utilities
 II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE
PURCHASED POWER
 FOR TEST YEAR ENDED: 2015

This page is supplemental information. It is required to complete Schedule I-1.

References below refer to Schedule I-1.

Line No.	Account No.	Account Name
2.	615.1	Purchased Power (electric) -production

II-4(a) Volume related expenses (Electric used for production of water/sewer)

List the amount spent on purchased power (electricity) for the last two record periods and actual for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

* A large item is more than 10% of the test year account balance and more than \$1,000.

	Year	Amount
	2013	\$ 10,028.00
	2014	\$ 12,091.00
Test Year	2015	\$ 11,085.00
K & M Change		\$ - (to I-1, Column E, Line 2)
Adjusted Test year		\$ 11,085.00 (to I-1, Column F, Line 2)

Explanation and calculations of known and measurable change:

II-4(b) Office related expenses (Electric used for production of water/sewer)

Line No.	Account No.	Account Name
14	615.2	Purchased Power (electric) Expense for office

Volume related expenses

List the amount spent on purchased power (electricity) for the last two record periods and actual for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items. If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

	Year	Amount
	2013	\$ -
	2014	\$ -
a. Test Year	2015	\$ -
b. K & M Change		\$ - (to I-1, Column E, Line 14)
c. Adjusted Test year (a. + b.)		\$ - (to I-1, Column F, Line 14)

Explanation and calculations of known and measurable change:

UTILITY NAME: **Rankin Park Maintenance & Utilities**

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-5 OTHER RELATED VOLUME EXPENSESFOR THE TEST YEAR ENDED: **2015**

This page is supplemental information. It is required to complete Schedule I-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
3.	618	Other volume related expenses

Other volume related expenses

List the amount spent on other volume related expenses for the last two record periods and actual for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

* A large item is more than 10% of the test year account balance and more than \$1,000.

	<u>Year</u>	<u>Amount</u>	
	<u> </u>	\$ <u> </u>	
	<u> </u>	\$ <u> </u>	
a. Test Year	<u> </u>	\$ <u> </u>	
b. K & M Change		\$ <u> </u>	(to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ <u> </u>	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

UTILITY NAME _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-6 ALLOCATION OF PAYROLL EXPENSES

FOR THE ADJUSTED TEST YEAR

SOME SALARIES MUST BE CAPITALIZED IN THIS REPORT IF EMPLOYEES INSTALL PLANT IN SERVICE

II-6(a) PAYROLL COSTS:

Line No.	Employee Name	A Test Year Payroll	B Capitalized Payroll	C Expensed Payroll	D 1st 7000 or new limit (FUTA max)	E 7,001 to 9000 or new limit (SUTA max)	F 9,001 to 118500 or new limit (or FICA max)	G over 118500 or new limit	H Total Payroll
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.	Total								
10.	Percentage Capitalized	Line 9, column F divided by line 9, column E=							

II-6(b) ALLOCATION OF PAYROLL TO EXPENSE:

Line 'Total Payroll Expenses' should equal the total from 'Expensed Payroll' (Column C, Line 9) above

Line No.	Acct. No.	Account Name	Test Yr Expense
1.	601-1	Employee labor	to Schedule I-1, Line 5.
2.	601-2	Office salaries	to Schedule I-1, Line 11.
3.	601-3	Management salaries	to Schedule I-1, Line 12.
4.		Total Payroll Expenses	(should equal II-6(a), Column C, Line 9.)

* Attach a brief summary of the utility's capitalization policy and explain any changes in capitalization rates of more the 5% per year.

** Attach an explanation and calculation for K&M salary changes from test year.



UTILITY NAME: **Rankin Park Maintenance & Utilities**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-7 MATERIALS
 FOR THE TEST YEAR ENDED: **2015**

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
6.	620	Materials

II-7(a) Materials

List the amount spent on materials for the last two record periods and for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items in the list below. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>
	<u>2013</u>	\$ <u>2,044.00</u>
	<u>2014</u>	\$ <u>3,623.00</u>
a. Test Year	<u>2015</u>	\$ <u>5,236.00</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 6)
c. Adjusted Test year (a. + b.)		\$ <u>5,236.00</u> (to I-1, Column F, Line 6)

* A large item is more than 10% of the test year account balance and more than \$1,000.00

Expensed materials may not be included in rate base in materials and supplies inventories.

Explanation and calculations of known and measurable change:

II-7(b) Large Items:

Description	Amount	Date in service
NONE		

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UTILITY NAME: **Rankin Park Maintenance & Utilities**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-8 CONTRACT WORK
 FOR THE TEST YEAR ENDED: **2015**

This page is supplemental information. It is required to complete Schedule I-1.

References below refer to Schedule I-1.

Line No.	Account No.	Account Name
7.	631, 635, 636	Contract work (non-capitalized engineering, testing, other)

II-7(a) Contract work

List the amount spent on contract work for the last two record periods and for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase.

Year	Amount
	\$ _____
<u>2013</u>	\$ <u>9,540.00</u>
<u>2014</u>	\$ <u>10,241.00</u>
a. Test Year <u>2015</u>	\$ <u>10,162.00</u>
b. K & M Change	\$ <u>0.00</u> (to I-1, Column E, Line 7)
c. Adjusted Test year (a. + b.)	\$ <u>10,162.00</u> (to I-1, Column F, Line 7)

* A large item is more than 10% of the test year account balance more than \$1,000.

Explanation and calculations of known and measurable change:

II-8(b) Large Items:

Description	Amount	Date in service
NONE		

UTILITY NAME: <u>Rankin Park Maintenance & Utilities</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-9 TRANSPORTATION FOR THE TEST YEAR ENDED: <u>2015</u>
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This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

Line No.	Account No.	Account Name
8.	650	Transportation expense

II-9(a) Transportation expense

List the type of vehicles used by the utility and allocate the percent used for business purposes. For example, is there one vehicle used solely for the utility, or is it used for non-business activities too? Is there a vehicle involved that is part of the Company's Plant in Service and thus is already depreciated?

Vehicle expenses reported using a cost per unit (say 34 cents per mile) have the depreciation factor included. A vehicle which is part of the Plant in Service should show only actual operating and maintenance expenses (oil, gas, repairs, maintenance) excluding insurance. The purpose of this supplemental page is to ensure that vehicle expense will be recorded properly and that vehicle depreciation is not listed twice or totally omitted.

	Year	Amount	
	<u>2013</u>	\$ <u>-</u>	
	<u>2014</u>	\$ <u>-</u>	
a. Test Year	<u>2015</u>	\$ <u>-</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 8)
c. Adjusted Test year (a. + b.)		\$ <u>-</u>	(to I-1, Column F, Line 8)

Explanation and calculations of known and measurable change:

II-9(b) Large Items*:

Description	Amount	Date in service
NONE		

* A large item is more than 10% of the test year account balance and more than \$1,000.

UTILITY NAME: **Rankin Park Maintenance & Utilities**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-10 OTHER PLANT MAINTENANCE
 FOR THE TEST YEAR ENDED: **2015**

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
9.	664	Other plant maintenance

II-10(a) Other plant maintenance

List the amount spent on other plant maintenance for the last two record periods and estimated for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>
	<u>2013</u>	\$ <u>28,111.00</u>
	<u>2014</u>	\$ <u>26,868.00</u>
a. Test Year	<u>2015</u>	\$ <u>36,021.00</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 9)
c. Adjusted Test year (a. + b.)		\$ <u>36,021.00</u> (to I-1, Column F, Line 9)

* A large item is more than 10% of the test year account balance more than \$1,000.

Explanation and calculations of known and measurable change:

II-10(b) Large Items:

Description	Amount	Date in service
SMOKE TEST	\$ 9,700.00	August -2015

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UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-11 EMPLOYEE PENSIONS AND BENEFITS
 FOR THE TEST YEAR ENDED: **2015**

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

Line No.	Account No.	Account Name
13.	604	Employee pensions and benefits

Employee pensions and benefits

List the amount spent on Employee's pensions and benefits for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all items by category. For example, Pensions includes such items as ESOPs and IRAs. The "Other" column includes such items as dental, vision, life insurance, etc. Also include the number of employees covered and charged to account 674 and indicate the cost per employee. As applicable, provide information on any qualified pensions offered to employees and documentation, such as actuarial studies, discussing net pension costs as well as current funding status of the utility's projected benefit obligation. If the Test Year amount is higher than previous years, indicate the reason for the anticipated change:

List types of Pensions & Benefits:

NONE	\$	\$	\$	\$	\$
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Cost per Employee:

NONE	\$	\$	\$	\$	\$
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Number of Employees covered:

Cost per Employee:

List types of Pensions & Benefits:

NONE	\$	\$	\$	\$	\$
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Number of Employees covered:

Cost per Employee:

*(use % on Sch 11-6(a), line 10)

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UTILITY NAME **Rankin Park Maintenance & Utilities**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-12 BAD DEBTS

FOR THE TEST YEAR ENDED: **2015**

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

Line No.	Account No.	Account Name
15.	670	Bad Debts

II-12 Bad debts/Uncollectibles

List the recorded amount the company was unable to collect for the last two years, and estimate the uncollectible amount for the Test Year. If the the Test Year is higher than previous years, indicate the reason for the anticipated increase.

	Year	Amount
	2013	\$ -
	2014	\$ -
a. Test Year	2015	\$ -
b. K & M Change		\$ - (to I-1, Column E, Line 15)
c. Adjusted Test year (a. + b.)		\$ - (to I-1, Column F, Line 15)

Explanation and calculations of known and measurable change:

II-12(b) Large Items*:

Description	Amount	Date in service
NONE		

* A large item is more than 10% of the test year account balance and more than \$1,000.

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UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-13 OFFICE SERVICES AND RENTALS
 FOR THE TEST YEAR ENDED: 2015

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

Line No.	Account No.	Account Name
16.	678	Office services & rentals

II-13(a) Office services and rentals

List the amount spent on office services and rentals for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	Year	Amount
	<u>2013</u>	\$ <u>-</u>
	<u>2014</u>	\$ <u>-</u>
a. Test Year	<u>2015</u>	\$ <u>-</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 16)
c. Adjusted Test year (a. + b.)		\$ <u>-</u> (to I-1, Column F, Line 16)

Explanation and calculations of known and measurable change:

* A large item is more than 10% of the test year account balance and more than \$1,000.

II-13(b) Large Items:

Description	Amount	Date in service
NONE		

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UTILITY NAME **Rankin Park Maintenance & Utilities**

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-14 OFFICE SUPPLIESFOR THE TEST YEAR ENDED: **2015**

This page is supplemental information. It is required to complete Schedule I-1.
References below refer to Schedule I-1.

Line No.	Account No.	Account Name
17.	681	Office supplies & expenses

II-14(a) Office supplies & expenses

List the amount spent on office supplies and expenses for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	Year	Amount	
	2013	\$ 606.00	
	2014	\$ 382.00	
a. Test Year	2015	\$ 405.00	
b. K & M Change		\$ -	(to I-1, Column E, Line 17)
c. Adjusted Test year (a. + b.)		\$ 405.00	(to I-1, Column F, Line 17)

Explanation and calculations of known and measurable change:

* A large item is more than 10% of the test year account balance and more than \$1,000.

II-14(b) Large Items:

Description	Amount	Date in service
NONE		

UTILITY NAME: **Rankin Park Maintenance & Utilities**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-15 PROFESSIONAL SERVICES
 FOR THE TEST YEAR ENDED: **2015**

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

Line No.	Account No.	Account Name
18.	682	Professional services

II-15(a) Professional services

List the amount spent on professional services for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items*. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	Year	Amount	
	<u>2013</u>	\$ <u>2,075.00</u>	
	<u>2014</u>	\$ <u>575.00</u>	
a. Test Year	<u>2015</u>	\$ <u>620.00</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 18)
c. Adjusted Test year (a. + b.)		\$ <u>620.00</u>	(to I-1, Column F, Line 18)

Explanation and calculations of known and measurable change:

* A large item is more than 10% of the test year account balance and more than \$1,000.

II-15(b) Large Items:

Description	Amount	Date in service
None		

UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-16 INSURANCE

FOR THE TEST YEAR ENDED: **2015**

**This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.**

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
19.	684	Insurance

Insurance

List the amount spent on insurance for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items*. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>	
	<u>2013</u>	\$ <u>-</u>	
	<u>2014</u>	\$ <u>-</u>	
a. Test Year	<u>2015</u>	\$ <u>-</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 19)
c. Adjusted Test year (a. + b.)		\$ <u>-</u>	(to I-1, Column F, Line 19)

Types of insurance:

<u>\$</u>	<u>Year</u>	<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>
<u>\$</u>	<u>Year</u>	<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>
<u>\$</u>	<u>Year</u>	<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>

Explanation and calculations of known and measurable change:

UTILITY NAME **Rankin Park Maintenance & Utilities**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-17 REGULATORY EXPENSE
 FOR THE TEST YEAR ENDED: **2015**

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
20.	666	Regulatory (Rate Case) Expense

II-17(a) Regulatory commission expense

List the amount spent on rate case expense for the last two years and for the Test Year. Typically, the commission separates rate case expense from the revenue requirement and allows recovery through a surcharge. The known and measurable adjustment would decrease this expense to zero in this case. In any event, if the applicant does not file every year, the expense must be amortized over the time between filings and only one year's worth should be charged to customers. Record Commission filing fees or fees to consultants, attorneys, etc. in formal and informal rate cases, complaints, or other dealings with the Commission, which are not reported under Professional Services. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>	
	<u>2013</u>	<u>\$ 9,154.00</u>	
	<u>2014</u>	<u>\$ 1,922.00</u>	
a. Test Year	<u>2015</u>	<u>\$ 1,250.00</u>	
b. K & M Change	\$	<u>-</u>	(to I-1, Column E, Line 20 - see instructions above)
c. Adjusted Test year (a. + b.)	\$	<u>1,250.00</u>	(to I-1, Column F, Line 20 - see instructions above)

Explanation and calculations of known and measurable change:

* A large item is more than 10% of the test year account balance and more than \$1,000 .

II-17(b) Large Items:

Description	Amount	Date in service
NONE		

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UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-18 REGULATORY EXPENSEFOR THE TEST YEAR ENDED: 2015

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
21.	667	Regulatory commission expense

II-18(a) Regulatory commission expense

List the amount spent on regulatory commission expense for the two record periods and for the Test Year. Include TCEQ inspection fees or permit permit fees, and other regulatory expense. Do not include the regulatory assessment; this is a pass through expense. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>	
	<u>2013</u>	\$ <u>-</u>	
	<u>2014</u>	\$ <u>-</u>	
a. Test Year	<u>2015</u>	\$ <u>-</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ <u>-</u>	(to I-1, Column F, Line 21 - see instructions above)

Explanation and calculations of known and measurable change:

* A large item is more than 10% of the test year account balance and more than \$1,000.

II-18 (b) Large Items:

Description	Amount	Date in service
NONE		

UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-19 MISCELLANEOUS EXPENSE
 FOR THE TEST YEAR ENDED: 2015

This page is supplemental information. It is required to complete Schedule I-1.
 References below refer to Schedule I-1.

Line No.	Account No.	Account Name
22.	675	Miscellaneous

II-19 (a) Miscellaneous expense

List the amount spent on general miscellaneous for the last two record periods and for the Test Year. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	Year	Amount
	2013	\$ 4,997.00
	2014	\$ 4,929.00
a. Test Year	2015	\$ 6,370.00
b. K & M Change	\$ -	(to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test year (a. + b.)	\$ 6,370.00	(to I-1, Column F, Line 22 - see instructions above)

Explanation and calculations of known and measurable change:

* A large item is more than 10% of the test year account balance.

II-19 (b) Large Items:

Description	Amount	Date in service
NONE		

UTILITY NAME: <u>Rankin Park Maintenance & Utilities</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE III-1 REQUESTED RETURN FOR THE TEST YEAR ENDED: <u>2015</u>

RETURN ON RATE BASE:

Line No.	Description	Amount
1	Test year end rate base (from III-2, Line 16)	114,973
2	Requested ROR (Col G, Line 7 below)	10.23%
3	Return on rate base (Line 1 x Line 2)	11,762

Rate of Return:

A Line No.	B Description	C Amount	D Percentage	E Rate	F Reference	G Weighted Average Rate
			Amount from previous column divided by Line 6, Column C			$G=(E \times F)$
4.	Equity (Rate base less Line 5, Column D)	39973	0.3476		Col E = Requested return on equity	4.3600%
5.	Long Term Debt and Advances from associated companies from Schedule III-6	75000	0.652		Col E = From Sch. III-6, Column H, Line 9	5.87
6.	Total capitalization (Rate Base Sch III-2, Line 16)	114973				
7.	Return on rate base Col G, Line 6 rounded to nearest 0.01%)				Line 4 + Line 5	10.23%

To Line 2 above

* ROE = Return on Equity

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-2 RATE BASE SUMMARY
 FOR THE TEST YEAR ENDED: _____

Line No.	Description	Amount	Reference
1	Additions:		(From)
2.	Utility plant (Original Cost)	251335.99	Schedule III-3, Line 50, Col D
3.	Construction work in progress	0	Schedule III-4, Line 5
4.	Materials and supplies	0	Schedule III-4, Line 8
5.	Working cash (capital)	9261.5	Schedule III-5, Line 2
6.	Prepayments	0	Schedule III-4, line 8
7.	Other Additions	0	Add schedule
8.	TOTAL ADDITIONS (Add Lines 2 through 6)	260597.49	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	145624.87	Schedule III-3, Col F, Line 50
10.	Advances for construction	0	Schedule III-8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	0	Schedule III-8(b), Col G, Line 6
12.	Accumulated deferred income taxes	0	Schedule III-9(a), Line 3
13.	Accumulated deferred investment tax credits	0	Schedule III-9(b), Line 3
14.	Other Deductions	0	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	145624.87	
16.	RATE BASE (Line 8, less Line 15)	114972.62	

UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION

0

Schedule III-3

(Provide a schedule for each PWS system)

Add schedules as needed, provide a summary also

Line No.	Item	Date of Installation	Service Life (yrs) **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Time in Service			Depreciation		Net Book Value (\$)
							Years in Service	Months	Days	[E] = (D)/(C) Annual (\$)	[F] (S) (Reserve)	
1	303 Land and land rights											
2	307 Wells		50									
	Well Pumps:											
3	311 5 hp or less		5									
4	311 Greater than 5 hp		10									
	Booster Pumps:											
5	311 5 hp or less		5									
6	311 Greater than 5 hp		10									
7	320 Chlorinators		10									
	Structures:											
8	304 Wood		15									
9	304 Masonry		30									
10	305 Storage Tanks		50									
11	311 Pressure Tanks		50									
12	331 Distribution System (mains and lines)		50									
13	334 Meters and Service (taps not covered by fees)		20									
14	340 Office Equipment		10									
15	341 Vehicles		5									
16	343 Shop Tools		15									
17	345 Heavy Equipment		10									
18	348 Fencing		20									
	Other: (Please list)											
19	PLEASE SEE ATTACHED											
20	DEPRECIATION SCHEDULE			251,335.99						8,295.19	145,624.87	105,711.12
50	Total											

To Sch III-2,
line 2

To Sch I-1, line 27 To Sch III-2, line 9

Add detailed worksheets if necessary to support this Schedule.

¹ Any amount paid for an item that was not incurred by the utility, such as by a customer, is deducted from the original cost. The adjusted original cost amount here, Column D-2, labeled "Adjusted Original Cost for Customer CIAC" Column D-2 will then be depreciated and the net book value will be calculated (Column G). For an item with the entire amount of its original cost paid for by customer(s), Columns D-2, E, F and G would be zero. See Schedule III-8 for developer CIAC.

11

B. ORIGINAL COST & DEPRECIATION SCHEDULE – SEWER

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

Table III. B.

[A] Item	[B] Date of Installation	[C] Service Life (yrs)		[D] Original Cost (\$)	Years in Service			Depreciation		[G] = [D] - [F] Net Book Value (\$)
		*	**		Yrs ⑦	Mos ⑦⑦	Days ⑦⑦⑦	[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$)	
Land		n/a								
Collection Sewers										
Gravity	9/1/1980	50		135,800.00	36	0	0	2,716.00	97,776.00	38,024.00
Force	9/1/1980	50		39,600.00	36	0	0	792.00	28,512.00	11,088.00
Pumping Equipment	7/3/2011	5		5,938.25	5			1,187.65	5,938.25	0.00
Treatment & Disposal Equipment	5/12/2012	25		65,000.00	4			2,600.00	10,400.00	54,600.00
Structures										
Wood		15								
Masonry		30								
Plant Sewers		50								
Outfall sewer lines		50								
Laboratory Equipment		10								
Meters and Service (taps not covered by fees)		20								
Office Equipment		10								
Vehicles		5								
Shop Tools		15								
Heavy Equipment		10								
Fencing		20								
Other: (Please list)	Pumping Equipment - Lift Station	6/3/2013	5	4,997.74	3			999.54	2,998.62	1,999.12
Total				251,335.99				8,295.19	145,624.87	105,711.12

* Commission Suggested Service Life ** Other Service Life

- 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-

ADD TO
SEWER
4 ft x 5
3-3

372

UTILITY NAME: **Rankin Park Maintenance & Utilities**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE
 FOR TEST YEAR ENDED: **2015**

ORIGINAL COST DATA

A	B	C	D
Line No.	Description	Amount	Amount
1.	Beginning Gross Plant balance - (from previous rate case)	Must match previous rate case	\$ -
2.	Plant additions after previous rate case		
3.	Lift Pumping Equipment	\$ 5,938.25	
4.	Treatment & Disposal Equipment	\$ 65,000.00	
5.	Pumping Equipment - Left Station	\$ 4,997.74	
6.			
7.			
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)		\$ 75,936.00
12.	Test year plant retirements after previous rate case:		
13.		\$ -	
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.	Total retirements (add line 13 through 20, Col C)		\$ -
22.	Ending balance (line 1 + line 11 - line 21)	Equals as III-3, Column D, line 50	\$ 75,936.00

Please provide a full explanation of any adjustments to accounts from the prior period.

UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
**III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS,
 MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS**
 FOR THE TEST YEAR ENDED: 2015

***DO NOT include construction work in progress in rate base, unless the utility meets the requirements of PUC Subst. Rule 24.31C(4).

III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS:

A	B	C
Line No.	Description	Test Year Amount
1.	Beginning balance	0
2.	Test year costs added	0
3.	Test year construction costs completed	0
4.	Ending balance	0
5.	Average balance - test year (line 1 plus line 4, divided by 2)	0

Typically zero, to Schedule III-2, Line 3

		Materials & Supplies inventory	Prepaid Expenses
6.	Sum of 12 test year month end balances		
7.	One month prior to the test year, month end balance		0
8.	13 Month Average balance (line 6 plus line 7, divided by 13)		0

To III-2, Line 4.

To III-2, Line 6.

***DO NOT include construction work in progress in rate base, unless the utility meets the requirements of PUC Subst. Rule 24.31C(4).

UTILITY NAME: Rankin Park Maintenance & Utilities

SCHEDULES FOR CLASS B RATE/TARIFF CHANGE

III-5 WORKING CASH ALLOWANCE CALCULATIONSFOR THE TEST YEAR ENDED: 2015

1. No working cash allowance is permitted when a utility bills its customers in advance and provides service to flat rate customers only. Sewer connections count for the purposes of this schedule.

2. A utility which has all metered customers and bills monthly shall divide its annual Operating and Maintenance (O&M) expenses (excluding all taxes and depreciation) by 12 if it is a Class B utility, or by 8 if it is a Class C utility filing a Class B package to calculate working cash allowance. An example follows:

	Class B	Class C
1. Annual Expenses	\$70,000	\$70,000
2. Taxes and depreciation	(10,000)	(10,000)
3. Net Expenses (Line 1 - Line 2)	60,000	60,000
4. Working Cash (Line 3 / line 5)	\$5,000	\$7,500
5. Divisor	12	8

A Line No	B Description	Class B		Class C	
		Water	Sewer	Water	Sewer
1	Annual O & M Expenses				74092
2	Working Cash (Line 3 / Line 5)				9261.5
3	Divisor	12	12	8	8

From Sch I-1, line 25

To Sch III-2, line 5

UTILITY NAME: Rankin Park Maintenance & Utilities

SCHEDULES - CLASS B RATE/TARIFF CHANGE

III-6 LONG TERM DEBT/ NOTES PAYABLE – WATER AND SEWER

FOR THE YEAR ENDED: 2015

List the following information concerning debt and equity of the utility and attach copies of notes payable used. Round all percentages to two (2) decimal places.

If debt from affiliated interests is allocated to the utility, provide workpapers demonstrating and justifying the allocation.

	(A) Long Term Debt 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)=Col E, Line 20 x Col F, Line 20 Weighted Average
1	Part 1 - Debt						
2							
3	Bailar Hospitality Services	1/24/2012	1/24/2017	75000	97127	9%	
4							
5							
6							
7							
8							
9	Total			75000	97127		6%

1 to Sch III-1,
Column G,
Line 5

List short term debt, if any:

UTILITY NAME: <u>Rankin Park Maintenance & Utilities</u>
SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE
FOR THE TEST YEAR ENDED: 2015

ACCUMULATED DEPRECIATION:

Line No.	Description	Dollar Amount
1.	Ending-Prior Rate Case (Docket No. 34374)	0
2	Ending balance per Sch III-3, Column F, Line 50	145624.87
	Describe accounting adjustments made between the prior rate case and the current rate case:	
	Pumping Equipment	5938.25
	Treatment and Disposal Equipment	65000
	Pumping Equipment - Lift Station	4997.74

Must match previous rate case.

UTILITY NAME: Rankin Park Maintenance & Utilities

SCHEDULES - CLASS B RATE/TARIFF CHANGE

**III-8 ADVANCES FOR CONSTRUCTION AND
CONTRIBUTIONS IN AID OF CONSTRUCTION**

FOR THE TEST YEAR ENDED: 2015

III-8(a) ADVANCES FOR CONSTRUCTION:

	A	B	C	D	E	F	G
Line No.	Item	Date of Installation	Total Cost	Amount of Advance	Repayments made to developer	(F)=(D)-(E) Rate base Value (to Sch III-2)	Amount to be refunded in the future*
1.	NONE						
2.							
3.							
4.							
5.							
6.	Total						

*If any advances or CIAC from developers or customers are refundable, please provide the potential date of refunding, if known

III-8(b) DEVELOPER CONTRIBUTIONS IN AID OF CONSTRUCTION*:

	A	B	C	D	E	F	G
Line No.	Item	Date of Installation or Contribution	Total Cost	Amount of Developer Contribution	Annual amortization	Accumulated Amortization	(G)=(D) - (F) Rate Base Value (to Sch III-2)
1.	NONE						
2.							
3.							
4.							
5.							
6.	Total						

*Customer CIAC is entered directly on III-3

UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-9 DEFERRED INCOME TAXES AND
DEFERRED INVESTMENT TAX CREDITS
 FOR THE TEST YEAR ENDED: 2015

To the extent that new line items have been included within the calculation of ADIT since the last rate filing, provide a complete description of the underlying issues that give rise to the new category of ADIT.

III-9(a) ACCUMULATED DEFERRED INCOME TAXES:

Line No.	Description	Test Year Amount
1.	Beginning balance	0
2.	Test year amount	0
3.	Ending balance	0

III-9(b) ACCUMULATED DEFERRED INVESTMENT TAX CREDITS:

Line No.	Description	Test Year Amount
1.	Beginning balance	0
2.	Test year amortization	0
3.	Ending balance	0

UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-10 OTHER DEFERRED ASSETS
 FOR THE TEST YEAR ENDED: 2015

III-10(a) : Other Deferred Assets

Line No.	Description	Test Year Amount
1.	NONE	0
2.		0
3.		0

III-10(b) ACCUMULATED AMORTIZATION ON OTHER DEFERRED ASSETS

Line No.	Description	Test Year Amount	Total Accum Amort End of test year
1.	NONE		
2.			
3.			

UTILITY NAME: Rankin Park Maintenance &
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 IV(a) ESTIMATE OF TAXES OTHER THAN INCOME
 FOR THE TEST YEAR ENDED: 2015

PROPERTY TAXES:

A	B	C	D	E
Line No.	Description	Amount	Amount	Reference
1	Property taxes paid in in test year		2,740	per property tax bills
2	Utility plant added in test year	75,936		Schedule III-3(a), Line 11
3	Utility plant retirements in test year	-		Schedule III-3(a), Line 21
4	Net additions	75,936		Line 2 minus line 3
5	Net Property tax rate	-		Line 1 / beginning of test year gross plant balance from III-3 (a), Col. D, Line 1
6	Test year property tax on additions		-	Line 4 times Line 5
7	Adjusted Test year property tax expense		2,740	Line 1 + Line 6
8	Known and measurable change	-		Line 7 minus Line 1

PAYROLL TAXES (BASED ON ADJUSTED TEST YEAR NUMBERS):

A	B	C	D	E	F	G
Line No.	Tax Type	Wage Level	Tax Rate	Taxable Wages	Reference	Tax
					SCHEDULE II-6	(D x E)
9	FICA	wages to _____	%		Column D+E+F Line 9	
10	Medicare	wages to _____	%		Column H Line 9	
11	Added Medicare (Affordable Care Act)	wages to _____	%			
12	Federal unemployment	wages to _____	%		Column D Line 9	
13	State unemployment	wages to _____	%		Column D+E Line 9	
14	Total (add Lines 11 through 14)					
15	Less: Capitalized	Use % on Sch. II-6(a), Line 10	%			
16	Test year Payroll Tax Expense	Line 13 less 14				
17	Known and measurable change				(Line 13 minus Line 14)	

OTHER TAXES:

A	I	J	K	L
Line No.	Description	Test year	K & M change	Adjusted Test Year
18	Other taxes & licenses	NONE		
19				
20				
21	Total Other Taxes (Line 18 + Line 19 + Line 20)			
22	Total this page - taxes other than income (Line 7) + (Col G, Line 16) + (Col L, Line 21)			
23	Sch IV(a), Total known and measurable change (Line 8 plus line 17, Column G plus line 21, Column K)			

UTILITY NAME: **Rankin Park Maintenance & Utilities**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV(b) REVENUE RELATED TAXES AND EXPENSES
 FOR THE TEST YEAR ENDED: **2015**

A		B	C	D	E	F=B+C+D+E
Line		Texas Margins Tax	City Franchise Taxes	Bad Debt Expense	Other Revenue Related	Totals
1	Test year expense					
2	Test year effective rate (test year tax expense/historic test year revenues-Sch I-1)					52,770.0000
3	Gross up factor (1.0 divided by (1.0 minus Line (example below))					1.0000
4	Change in revenue requirement (Sch I-1, line 33)					56,379.00
5	Adjusted revenue requirement (Line 3 x Line 4)					56,379.00
6	Adjusted expense (Line 3 times Line 4)					56,379.00

UTILITY NAME: Rankin Park Maintenance & Utilities
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE
 2015
 FOR THE TEST YEAR ENDED: _____

A	B	C	D
Line		Amount	Reference
1	Requested Return	11,762	Schedule III-1, Line 3 or II-1, line 34
2	Less: Synchronized Interest	6,749	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return	5,013	Line 1 minus Line 2
4	Income taxes at proposed rates	7,500	Line 17 below
5	Effective tax rate	1.5	Line 4 divided by Line 3
6	Total gross up factor	2	1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax	15,000	Line 4 times line 6

To Sch I-1, Line 27

FEDERAL INCOME TAX CALCULATION:

Line No.	Tax Rate	Taxable Income	Tax Rate	Tax
		(Portion of Taxable Income in Level)		(C x D)
12	1st 50,000 of taxable income	50,000	15%	7,500
13	Next 25,000 of taxable income	25,000	25%	
14	Next 25,000 of taxable income	25,000	34%	
15	Next 235,000 of taxable income	235,000	39%	
16	Over 335,000 of taxable income		34%	
17	Total before gross up		To Line 4	7,500



UTILITY NAME: Rankin Park Maintenance & Utilities
SCHEDULES - CLASS B RATE/TARIFF CHANGE

Schedule VI-1 RATE DESIGN

FOR THE TEST YEAR ENDED: 2015

Line No.	A	B	C
		Reference	
	DETERMINATION OF FIXED COSTS		
1.	Gross revenues to be recovered:	Sch I-1, Line 36	107949
	Less variable costs:		
2.	Purchased water - Account 610	Sch I-1, Col. F, line 1	0
3.	Purchased power - Account 615	Sch I-1, Col. F, line 2	14028
4.	Other volume related - Account 618	Sch I-1, Col. F, line 3	0
5.	Other volume related or allocated (attach schedule)		
6.			
7.			
8.			
9.			
10.	FIXED COSTS (Line 1 minus Lines 2-9)		93921
11.	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE		87 %
12.	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		93921
	RECAP:		
13.	RECOVERED THROUGH BASE SERVICE CHARGE	Line 10	93921
14.	RECOVERED THROUGH VOLUMETRIC RATE	Line 1 - Line 10	14028
	TOTAL	Equals Line 1	107949
	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		
15.	TOTAL METER EQUIVALENTS	Sch I-3, Col H, line 9	204
16.	CHARGE PER 5/8" X 3/4" METER	Line 13 / Line 15	38.36
	TO BE RECOVERED THROUGH VOLUMETRIC RATE		
17.	TOTAL WATER SALES IN 1,000 GALS	Sch II-1(a), Col C, line 4	11680
18.	VOLUMETRIC RATE (CHARGE PER 1,000 GALS)	Line 14 / Line 17	1.2
	PROPOSED RATES:		
19.	FOR ALL WATER DELIVERED PER 1,000 gallons	Line 18 or attach calc	3
	BASE SERVICE CHARGE (PER 5/8" X 3/4")		26.91
	Meter size	Line 16	Equivalency
20.	5/8 X 3/4"	26.91	X 1.0 = 26.91
21.	3/4"	26.91	X 1.5 = 40.36
22.	1"	26.91	X 2.5 = 67.27
23.	1 1/2"	26.91	X 5.0 = 134.55
24.	2"	26.91	X 8.0 = 215.28
25.	3"	26.91	X 15.0 = 403.65
26.	4"		X 25.0 =

If the utility is setting a tiered rate, calculations for all tiers must be provided with total collections for all tiers compared to the revenue requirement requested.

SEWER Rate Design

CALCULATIONS

Proposed Rate

All Water Delivered PER 1,000. Gallons	\$3.00
Multiply by Volume Related Expenses	\$14,028.00
Equals	\$42,084.00

Gross Revenue	\$107,949.00
Less Variable Costs	\$42,084.00
Equals Fixed Revenue	\$65,865.00

Fixed Revenue	\$65,865.00
Divided by Total Meter Equivalents	204
Equals	\$322.86

Divided by 12 months	\$26.91
----------------------	---------

NOTICE OF PROPOSED RATE CHANGE
TO BE PROVIDED TO CUSTOMERS
PURSUANT TO TEX. WATER CODE § 13.1871

RANKIN PARK MAINTENANCE & UTILITIES CO., INC.
P.O. BOX 9648
SPRING, TX 77387

February 17, 2016

Rankin Park Utilities Customers

Re: Proposed Water/Sewer Rate Change
Docket #45491

Dear Customer:

You were recently advised of a proposed utility rate increase. The calculations used in determining the rate increase utilized those criteria provided by the Texas Commission of Environmental Quality. However, during the latter part of 2015, the Public Utility Commission (PUC) assumed responsibility for all public utility rate increases utilizing a completely different procedure and format for rate determinations. Therefore, this letter is again being provided to you reflecting the proposed rate schedule utilizing the new PUC required format.

As you may be aware, a wastewater treating plant was constructed and placed on line during the summer of 2012 at a cost exceeding \$123,000.00. In addition, to improve system reliability, a new water storage facility with booster pumps and automated control panels was installed late last year at a cost of over \$70,000.00. The amortization of these capital expenditures, in addition to the significant increase in operating costs associated with these facilities, have far exceeded system revenues. In an effort to maintain the economic viability of the Rankin Park Utility System, a State Representative was requested to complete a full economic review. The representative has determined that the water and sewer utility tariff must be increased to assure the continued operation and viability of the system.

The current water and sewer utility tariff rate schedule was approved by the state twelve years ago in June 2004. The sewer utility tariff rate was adequate until Rankin Park Utility was forced to construct and operate its own wastewater treating plant in 2012. Prior to start-up of the plant, all of the wastewater was being treated by a neighboring Municipal Utility District (MUD) at the cost of \$1,000.00/month. In 2011 the MUD refused any further wastewater treating and ordered our system to be disconnected from their treating facilities, thus requiring the immediate construction of our own plant.

The State Representative has determined that the increased water and sewer utility tariff rate is required to provide for both the amortization of capital expenditures and increased operating expenses. Although the proposed rate may be considered high as compared to other systems, it should be noted that most utility systems have hundreds of customers allowing for a broader cost distribution. Rankin Park Utility is a small system with only 50 customers to support all capital and operational costs. The new water and sewer utility rate schedule, as recommended by the State Representative, was proposed to the PUC for final review and approval. A copy of the proposed rate schedule is attached for your information.

Very truly yours

A handwritten signature in cursive script that reads "Lori Keyser".

Lori Keyser
Vice President

Attachments

AFFIDAVIT

STATE OF TEXAS

COUNTY OF HARRIS

I, Pete Garland being duly sworn, file this **NOTICE OF PROPOSED RATE CHANGE** as President/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

to each customer or other affected party on or about

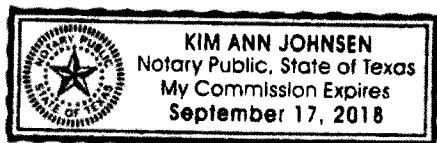
March 25, 20 18 ^{Mail}
(method of delivery)
[Signature]
AFFIANT
(Utility's Authorized Representative)

Rankin Park Maintenance & Utilities
NAME OF UTILITY

If the Affiant to this form is any person other than the sole owner, partner, officer of the Utility, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME,
this the 22nd day of February, 20 18, to certify
which witness my hand and seal of office.

SEAL



Kim Ann Johnsen
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Kim Ann Johnsen
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 9-17-2018

P.U.C. DOCKET NO. 45491 *

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

Rankin Park Maintenance & Utilities

Water - 12228

Sewer - 20789

Company Name

CCN Number(s)

has filed a rate change application with the Public Utility Commission of Texas (Commission or PUC). The application may be reviewed online at interchange.puc.texas.gov. You may also inspect a copy of the rate change application at your utility's office at the address below or at the Commission's office (1701 N. Congress Ave, Austin, TX 78701). The proposed rates will apply to service received after the effective date provided below, unless modified or suspended by the Commission. If the Commission receives a sufficient number of protests, separately or in a combined protest letter, from at least 5 [number of] ratepayers (10 percent of the utility's customers over whose rates the Commission has original jurisdiction) or from any affected municipality before the 91st day after the proposed effective date, the matter will be set for hearing. **See Protest Form on the next page for instructions on how to protest.**

EFFECTIVE DATE OF PROPOSED INCREASE: 5/1/2016

(must be at least 35 days after notice is provided to customers and 35 days after application is filed)

(Proposed rates requested by the utility are not final. The Commission may modify the rates and order a refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest.)

Reason(s) for proposed Rate Change:

Installation of treating plant and cost of operations has increased. Installation of additional pumps, storage tank and pressure tank. It has been 11 years and 8 months since our last rate/tariff change. Inflation.

BILLING COMPARISON

Water **BASED on 1" Meter size**

Existing	5,000 gallons:	\$ <u>79.00</u> /mo	Proposed	5,000 gallons:	\$ <u>98.38</u> /mo
Existing	10,000 gallons:	\$ <u>94.00</u> /mo	Proposed	10,000 gallons:	\$ <u>113.38</u> /mo
Existing	30,000 gallons:	\$ <u>154.00</u> /mo	Proposed	30,000 gallons:	\$ <u>173.38</u> /mo

Sewer

Existing	5,000 gallons:	\$ <u>43.00</u> /mo	Proposed	5,000 gallons:	\$ <u>82.27</u> /mo
Existing	10,000 gallons:	\$ <u>58.00</u> /mo	Proposed	10,000 gallons:	\$ <u>97.27</u> /mo

Rankin Park Maintenance & Utilities

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

P.O. Box 9648

Spring

TX

77387

Company Address

City

State

Zip

(713) 937-1959

Company Phone Number

103,433.00

3/25/2016

Annual Revenue Increase

Date Notice Delivered

6/17/2004

15th of each month

Date of Last Rate Change

Date Meters Typically Read

* Prior to providing notice, the utility shall file a request for the assignment of a docket number for the application.

P.U.C. DOCKET NO. 45491

RATEPAYER PROTEST

If you wish to PROTEST the proposed rate change, you must submit this form and 10 copies to:

**Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326**

Unless protests are received from at least 10% of ratepayers or from any affected municipality, or the Commission Staff requests a hearing, no hearing will be held and the rates will be effective as proposed.

CUSTOMER INFORMATION (to be completed by customers submitting protests)

First Name: _____ Last Name: _____

Phone Number: _____ Fax Number: _____

Address, City, State: _____

Location where service is received: _____

(if different from the mailing address)

Please fill out the following:

I wish to PROTEST the following proposed rate action/s:

☐ Water Rate Change ☐ Sewer Rate Change ☐ Both Water and Sewer Rate Change

☐ Other (please specify below)

Signature of Protester:

_____ Date: _____

**Si desea informacion en Espanol, puede llamar al
1-888-782-8477**

**Hearing- and speech-impaired individuals with text telephones may contact the PUC's Customer Assistance
Hotline at
512-936-7136**

NOTICE OF PROPOSED RATE CHANGE –WATER

CURRENT RATES			PROPOSED RATES		
Monthly base rate including _____ 2,000 gallons			Monthly base rate including _____ 0 gallons		
Meter Size:			Meter Size:		
RESIDENTIAL			RESIDENTIAL		
5/8" or 3/4"	\$	44.00	5/8" or 3/4"	\$	50.03
1"	\$	70.00	1"	\$	83.38
1 1/2"	\$	134.00	1 1/2"	\$	166.75
2"	\$	211.00	2"	\$	266.80
3"	\$	391.00	3"	\$	500.25
Other:	\$		Other:	\$	
GALLONAGE CHARGE:			GALLONAGE CHARGE:		
TIER	VOLUME	CHARGE per 1000 gals.	TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	N/A to gals.	\$ /1000 gals.	Tier 1	N/A to gals.	\$ /1000 gals.
Tier 2	N/A to gals.	\$ /1000 gals.	Tier 2	N/A to gals.	\$ /1000 gals.
Tier 3	N/A to gals.	\$ /1000 gals.	Tier 3	N/A to gals.	\$ /1000 gals.
Tier 4	N/A to gals.	\$ /1000 gals.	Tier 4	N/A to gals.	\$ /1000 gals.
Tier 5	N/A to gals.	\$ /1000 gals.	Tier 5	N/A to gals.	\$ /1000 gals.
MISCELLANEOUS FEES			MISCELLANEOUS FEES		
Tap Fee	\$	ACTUAL COST	Tap Fee	\$	ACTUAL COST
Reconnect fee: Non-payment	\$	25.00	Reconnect fee: Non-payment (Maximum - \$25.00)	\$	25.00
Customer's Request	\$	25.00	Customer's Request	\$	25.00
Transfer Fee	\$	25.00	Transfer Fee	\$	25.00
Late Charge	\$	0.10	Late charge: (Indicate either \$5.00 or 10%)	\$	0.10
Returned Check Charge	\$	25.00	Returned Check Charge	\$	30.00
Deposit	\$	50.00	Deposit (Maximum \$50.00)	\$	50.00
Meter test fee	\$	25.00	Meter test fee (Maximum - \$25.00)	\$	25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

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

NOTICE OF PROPOSED RATE CHANGE –SEWER

CURRENT RATES		PROPOSED RATES	
Monthly base rate including _____ 2,000 gallons		Monthly base rate including _____ 0 gallons	
Meter Size:		Meter Size:	
RESIDENTIAL		RESIDENTIAL	
5/8" or 3/4"	\$ 23.00	5/8" or 3/4"	\$ 40.36
1"	\$ 34.00	1"	\$ 67.27
1 1/2"	\$ 63.00	1 1/2"	\$ 134.55
2"	\$ 97.00	2"	\$ 215.28
3"	\$ 176.00	3"	\$ 403.65
Other:	\$	Other:	\$
GALLONAGE OR FIXED CHARGE:		GALLONAGE OR FIXED CHARGE:	
\$ 3.00		\$ 3.00	
<input type="checkbox"/> per month; OR		<input type="checkbox"/> per month; OR	
<input checked="" type="checkbox"/> for each additional 1,000 gallons over the minimum.		<input checked="" type="checkbox"/> for each additional 1,000 gallons over the minimum.	
Gallage charges are determined based on average consumption for winter period which includes the following months:		Gallage charges are determined based on average consumption for winter period which includes the following months:	
MISCELLANEOUS FEES		MISCELLANEOUS FEES	
Tap Fee \$ <u>ACTUAL COST</u>		Tap Fee \$ <u>ACTUAL COST</u>	
Reconnect fee: Non-payment	\$ 25.00	Reconnect fee: Non-payment (Maximum - \$25.00)	\$ 25.00
Customer's Request	\$ 25.00	Customer's Request	\$ 25.00
Transfer Fee	\$ 25.00	Transfer Fee	\$ 25.00
Late Charge	\$ 0.10	Late charge: (Indicate either \$5.00 or 10%)	\$ 0.10
Returned Check Charge	\$ 25.00	Returned Check Charge	\$ 30.00
Deposit	\$ 50.00	Deposit (Maximum \$50.00)	\$ 50.00
Meter test fee	\$ 25.00	Meter test fee (Maximum - \$25.00)	\$ 25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

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

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VERIFICATION

OATH

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

State of Texas as:

County of Harris

Pete Garland
(Name of affiant)

makes oath and says that he/she is President/Owner
(Official title of affiant)

of Benkin Park Maintenance and Utilities
(Exact legal title or name of the respondent)

The signed officer has reviewed the application

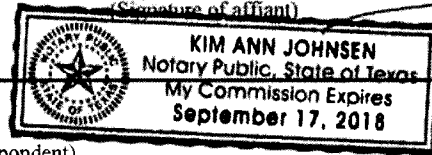
Based on the officer's knowledge, the applicatpm does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Based on such officer's knowledge, the financial information, and other information included in the application is consistent with the accounting and other record the utility for the periods presented in this application.

He/she swears that all other statements contained in the said application are true, and that the said application is correct and complete for all information requested consistent with the books and records of the applicant.

Subscribed and sworn to and before me, a Pete Garland
in and for the State and County above-named, this 22 day of Feb. 2016

My commission expires 9-17-2018 Kim Ann Johnsen
(Signature of officer authorized to administer oaths)



SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of _____ as:

County of _____

(Name of affiant) or _____
(Official title of affiant)

of _____
(Exact legal title or name of the respondent)

that he/she has carefully examined the foregoing report; that he/she swears that all statements of fact contained in the said report are true, and that the said report statement of the business and affairs of the above named respondent during the period of time from and including _____ to and including _____

Subscribed and sworn to before me, a _____
in and for the State and County above-named, this _____ day of _____

My commission expires _____
(Signature of officer authorized to administer oaths)

(Signature of affiant)

WATER AND WASTEWATER UTILITIES ANNUAL REPORT

Docket No._____

(this number will be assigned by the Public Utility Commission after your document is filed)

of

Rankin Park Maintenance & Utilities

Exact Legal Name of Utility/Respondent

12228

Certificate of Convenience and Necessity (CCN) No.

Submitted to the



for the

Calendar Year Ended

12/31/2015

Section 1: Utility InformationUtility Name Rankin Park Maintenance & UtilitiesAddress P.O. Box 9648Spring, TX. 77387

Please check this box if your Official Address, which is noted on the enclosed letter, has changed.

Telephone Number (713) 937-1959 Fax Number (713) 937-1956E-mail Address Lyng46@gmail.comContact Person Linda Gaddy Title Office Manager

Check the business ownership entity of the utility as filed with the Internal Revenue Service

☐ Individual

 ☐ Partnership

 ☒ Corporation

 ☐ Nonprofit Association
Section 2: Utility Background

Water CCN No.

12228

Number of PWSs

1

TCEQ PWS ID No.

TCEQ PWS ID No.

(if the utility has more PWS ID Nos., please indicate in Section 10)

Number of Wastewater Systems

1

Sewer CCN No.

20789

TCEQ Sewer Discharge Permit No.

WQ0014621001

TCEQ Sewer Discharge Permit No.

(if the utility has more Discharge Permit Nos., please indicate in Section 10)

Section 3: Revenues

	Water	Wastewater	Total Water + Wastewater
OPERATING REVENUES:			
Utility Service/Sales	\$ 90,134.04	\$ 52,770.00	\$ 142,904.04
Fees (Tap, Reconnection, etc.)	\$ 14,610.56	\$ 0.00	\$ 14,610.56
OTHER REVENUES:			
Please Identify:			\$ 0.00
TOTAL REVENUES	\$ 104,744.60	\$ 52,770.00	\$ 157,514.60

Section 4: Expenses

	Water	Wastewater	Total Water + Wastewater
Salaries & Wages	\$ 0.00	\$ 0.00	\$ 0.00
Contract Labor	\$ 5,782.00	\$ 10,162.00	\$ 15,944.00
Purchased Water	\$ 0.00	\$ 0.00	\$ 0.00
Chemicals for Treatment	\$ 1,309.00	\$ 5,236.00	\$ 6,545.00
Utilities (electricity)	\$ 4,572.00	\$ 14,028.00	\$ 18,600.00
Repairs/Maintenance/Supplies	\$ 23,211.00	\$ 36,021.00	\$ 59,232.00
Office Expenses	\$ 405.00	\$ 405.00	\$ 810.00
Professional Fees (Accounting, Legal)	\$ 7,370.00	\$ 620.00	\$ 7,990.00
Insurance	\$ 0.00	\$ 0.00	\$ 0.00
Depreciation & Amortization			\$ 0.00
Miscellaneous (describe in remarks below)	\$ 1,015.00	\$ 6,370.00	\$ 7,385.00
Subtotal	\$ 43,664.00	\$ 72,842.00	\$ 116,506.00
Taxes:			
Federal Income Taxes	\$ 3,380.00	\$ 3,380.00	\$ 6,760.00
Property and Other Taxes (Payroll, etc.)	\$ 1,405.00	\$ 2,740.00	\$ 4,145.00
Regulatory Expenses (Rate Case, Permits)	\$ 16,858.00	\$ 1,250.00	\$ 18,108.00
Other (describe in remarks below)			\$ 0.00
TOTAL EXPENSES	\$ 65,307.00	\$ 80,212.00	\$ 145,519.00

Remarks: Miscellaneous = LAB

Section 5: Operating Items

Debt Information:

Annual interest expense on long and/or short term debt?	\$ 10,250.00
Annual principal payment on debt?	\$ 0.00
Annual interest rate on debt?	5 %
Annual debt principal and interest?	\$ 155,250.00
Principal balance on outstanding debt at end of this reporting period?	\$ 145,000.00

Regulatory Assessment Fee:

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

\$ 1,265.00

Rate Change:

What was the effective date of the last Rate Change?

01/13/2004

Section 6: Customer Information

Connection Type Water	Number of Connections at	
	Beginning of the Calendar Year	End of the Calendar Year
Total	48	50

Connection Type Wastewater	Number of Connections at	
	Beginning of the Calendar Year	End of the Calendar Year
Total	48	50

Section 7: Water Production & Consumption

A What is the total amount of water produced/pumped?	<u>17,140,800.00</u>	gallons
B What is the total amount of water sold/billed?	<u>11,680,000.00</u>	gallons
C How much water was lost?	<u>5,460,800.00</u>	gallons
What is the total percent of water loss?	<u>32.00</u>	%

To calculate the above, please reference the attached document Water and Wastewater Utilities
Annual Report Instructions. Comments?

Section 8: Wastewater Treated

What is the total amount of wastewater treated?	<u>7,667,000.00</u>	gallons
Comments?		

Section 9: Utility Management & Operations Assessment

Utility Policy and Procedures

Do you have an Application Form or Formal Process for New Customers?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have a copy of your approved tariff and drought contingency plan for customers to review?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Operating Procedures for Routine Operations?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Emergency Actions Plan(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Personnel Procedures?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Risk Management & Safety Policies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Customer Service Policies (including billing & collection)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have a Written Budget (normally updated annually)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Did you or any utility staff attend any other utility/business related conferences?
this year? If so, please list them in Section 10.

Do you record complaints or keep a complaint log?

☒ Yes ☐ No

Is a customer service representative, water system employee, or
answering service accessible by phone at all times to all customers?

☒ Yes ☐ No

Rules and Regulations

If you own/operate a public water system, do you have a copy of
or have access to 30 Texas Administrative Code (TAC) Chapter 290?

☒ Yes ☐ No

If you own/operate a sewer system, do you have a copy of or have access
to 30 TAC 30 Subchapter J, 30 TAC 217, 30 TAC 308, and 30 TAC 309?

☒ Yes ☐ No

Do you have a copy of or have access to the TAC 16?

☒ Yes ☐ No

Do you have a copy of or have access to Texas Water Code Chapter 13?

☒ Yes ☐ No

Administrative Information

Do you notify customers prior to shutting down the system for repairs?

☒ Yes ☐ No ☐ Sometimes ☐ Only if greater than 2 hours

How do you keep your customers informed?

☐ Billing Statements ☒ Newsletter ☐ Meetings

Other _____

Are water records kept separate from other business and personal records?

☒ Yes ☐ No

Are records kept for additions to fixed assets?

☒ Yes ☐ No

Is the financial position of the system reviewed at least quarterly?

☒ Yes ☐ No

Are accounting records for water and wastewater kept separately?

☒ Yes ☐ No