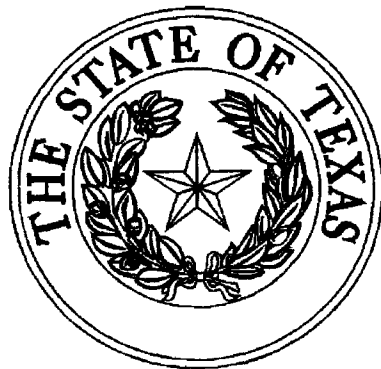


Double Diamond Utilities Co. / The Cliffs
Application for a Rate / Tariff Change
Test Year Ended 12/31/2015
Requested Water Rates / Water Revenue Proof

Line No.	Col (A)	(B)	(C)	(D)	(D)	(E)	(F)
		Billing Units	Current Rates	Revenue under Current Rates	Billing Units	Proposed Rates	Revenue under Proposed Rates
1	Meter Charge	258	\$ 36.14	\$ 111,889	258	\$ 50.00	\$ 154,800
2	3/4" or Less	13	90.36	14,096	13	125.00	19,500
3	1"	1	180.72	2,169	1	250.00	3,000
4	1 1/2"	15	289.15	52,047	15	400.00	72,000
5	2"	-	542.16	-	-	-	-
6	3"	287		\$ 180,201	287		\$ 249,300
7	Subtotal						
8	Volumetric Charge (per 1,000 gal)	5,260	\$ 2.60	\$ 13,677	5,260	\$ 3.50	\$ 18,411
9	0 - 3,000	6,142	3.00	18,425	6,142	4.00	24,558
10	3,001 - 10,000	2,655	5.07	13,463	2,655	6.50	17,253
11	10,001 - 15,000	1,958	8.56	16,763	1,958	10.50	20,562
12	15,001 - 20,000	8,708	8.56	74,538	8,708	10.50	91,431
13	20,001 +	24,724		\$ 136,867	24,724		\$ 172,215
14	Subtotal						
15	Total			\$ 317,068			\$ 421,515
16	Rate Revenue Requirement			\$ 421,672			\$ 421,672
17	Over / (Under) Recovery (\$)			(104,605)			(157)
18	Over / (Under) Recovery (%)			-33%			0%
19	5,000 Gallons Increase		\$ 49.94			\$ 68.50	
20						\$ 18.56	37%
21	10,000 Gallons Increase		\$ 64.94			\$ 88.50	
22						\$ 23.56	36%
23	30,000 Gallons Increase		\$ 218.69			\$ 278.50	
24						\$ 59.81	27%
25	Revenue Increase over Test Year Calculated Revenue						\$ 104,448

Sewer



PUBLIC UTILITY COMMISSION OF TEXAS

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

UTILITY NAME Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
CCN No 20705

ADDRESS OF UTILITY 5495 Belt Line Road, Suite 200
Street, P.O. Box and/or suite number
Dallas 75254
City and Zip Code

PHONE NUMBER (214) 706-9801
area code

NAME OF PERSON TO CONTACT REGARDING THIS FILING.

NAME: Randy Gracy

PHONE (214) 706-9801

EMAIL ADDRESS rgracy@ddresorts.com

PUC CLASS SIZE B C (circle one)

INCREASE (DECREASE) \$ 137,399 (From Sch. I-1, Line 33)
dollar amount

67% (From Sch. I-1, Line 34)
percent above (below) current revenue requirement

DESCRIBE OWNERSHIP OF COMPANY

S-Corporation

DATE OF LAST GENERAL RATE CASE FILING 2/26/2009

DATE OF LAST NON-GENERAL RATE CHANGE* N/A

* (e.g. pass through rate change or temporary water rate provision)

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

****Please read the "Class B Investor-Owned Utilities water and/or sewer Instructions for Rate/Tariff Change Application" completing these schedules.****

These schedules are organized in a manner whereby the user can work through each section to:

- 1st Record historical test year data on Schedule I-1, Column D.
Enter your test year end on the table of contents.**
- 2nd Provide historical revenue information on Schedule 1-2.**
- 3rd Calculate operating expenses and make adjustments (Section II).**
- 4th Calculate return for rate making purposes (Section III).**
- 5th Calculate adjusted taxes other than income (Section IV).**
- 6th Calculate federal income taxes (Section V).**
- 8th Determine revenue requirements (Schedule I).**
- 9th Design proposed rates (Section VI).**

These schedules are intended to assist the utility in calculation of its new rates. The process consists of a number of relatively complex steps. Utilities are required to provide all the information necessary to support amounts included in the schedules and to cross-reference all information.

If the applicant does not use a schedule, it should be noted as "N/A", and an explanation provided.

UTILITY NAME Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 GENERAL WATER RATE/TARIFF CHANGE APPLICATION
 SCHEDULES

**Complete all of the following schedules for your Class A or B utility
 (if the schedule does not apply, include it marked "N/A")**

TABLE OF CONTENTS (Page 1 of 2)

FOR TEST YEAR ENDED: 12/31/2015
 DATE SUBMITTED TO PUC: July 2016

	Attachment Schedule	Items Checked
SECTION I		
<u>REVENUES AND REVENUE REQUIREMENT</u>		
Revenue Requirement Summary	I-1	<input checked="" type="checkbox"/>
Historical Revenue Summary	I-2	<input checked="" type="checkbox"/>
 <u>Include the appropriate schedules:</u>		
Metered Active Connections by Meter Size	I-3	<input checked="" type="checkbox"/>
Unmetered Active (Flat Rate) Customers	I-4	<input checked="" type="checkbox"/>
 SECTION II		
<u>OPERATIONS AND EXPENSES</u>		
Water Production (no unmetered rates)	II-1(a)	<input checked="" type="checkbox"/>
Water Production (with unmetered rates)	II-1(b)	<input checked="" type="checkbox"/>
Other Revenues & Expenses passed through	II-3	<input checked="" type="checkbox"/>
Purchased Power	II-4	<input checked="" type="checkbox"/>
Other Volume Related Expenses	II-5	<input checked="" type="checkbox"/>
Payroll Cost Allocation	II-6	<input checked="" type="checkbox"/>
Materials	II-7	<input checked="" type="checkbox"/>
Contract Work	II-8	<input checked="" type="checkbox"/>
Transportation Expenses	II-9	<input checked="" type="checkbox"/>
Other Plant Maintenance	II-10	<input checked="" type="checkbox"/>
Employee Pensions/Benefits	II-11	<input checked="" type="checkbox"/>
Bad Debts/uncollectables	II-12	<input checked="" type="checkbox"/>
Office Services and Rentals	II-13	<input checked="" type="checkbox"/>
Office Supplies and Expense	II-14	<input checked="" type="checkbox"/>
Professional Services	II-15	<input checked="" type="checkbox"/>
Insurance	II-16	<input checked="" type="checkbox"/>
Rate Case Expense	II-17	<input checked="" type="checkbox"/>
Regulatory Commission Expense	II-18	<input checked="" type="checkbox"/>
Miscellaneous Expense	II-19	<input checked="" type="checkbox"/>

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 GENERAL WATER RATE/TARIFF CHANGE APPLICATION
 SCHEDULES
 TABLE OF CONTENTS (Page 2 of 2)

**Complete all of the following schedules for your Class A or B utility
 (if the schedule does not apply, include it marked "N/A")**

	Attachment Schedule	Items Checked
SECTION III <u>RETURN AND RATE BASE</u>		
Requested Return	III-1	<input checked="" type="checkbox"/>
Rate Base	III-2	<input checked="" type="checkbox"/>
Utility Plant	III-3	<input checked="" type="checkbox"/>
Utility Plant reconciled to previous filing	III-3(a)	<input checked="" type="checkbox"/>
Developer Construction work in progress	III-4(a)	<input checked="" type="checkbox"/>
Materials and Supplies Inventory	III-4(b)	<input checked="" type="checkbox"/>
Working Cash	III-5	<input checked="" type="checkbox"/>
Notes Payable	III-6	<input checked="" type="checkbox"/>
Accumulated Depreciation	III-7	<input checked="" type="checkbox"/>
Advances for Construction	III-8(a)	<input checked="" type="checkbox"/>
Contributions in Aid of Construction	III-8(b)	<input checked="" type="checkbox"/>
Deferred Income Taxes	III-9(a)	<input checked="" type="checkbox"/>
Deferred Investment Tax Credits	III-9(b)	<input checked="" type="checkbox"/>
Deferred Assets	III-10(a)	<input checked="" type="checkbox"/>
SECTION IV <u>TAXES OTHER THAN INCOME</u>		
Property, Payroll and Other Taxes	IV(a)	<input checked="" type="checkbox"/>
Revenue Related Taxes	IV(b)	<input checked="" type="checkbox"/>
SECTION V <u>FEDERAL INCOME TAXES (FIT)</u>		
Income Taxes at Present Rates-effective rate	V	<input checked="" type="checkbox"/>
SECTION VI <u>RATE DESIGN</u>		
Rate Design Worksheet	VI	<input checked="" type="checkbox"/>

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
SCHEDULES - CLASS B RATE/TARIFF CHANGE
SECTION I - REVENUE REQUIREMENTS AND REVENUES

The purpose of Section I is to summarize the revenue requirement and provide revenues and meter information for the test year.

Instructions for Section I - Revenue Requirement and Revenues

Carefully complete the label for each workpaper. Your application docket number should be included on each page.

Schedule I-1 is a **SUMMARY**. Complete column D, historical test year information first using financial records, then work through the remainder of the sections and schedules other than the rate design, Schedule VI, to calculate the utility's changes to its historical test year in Column E. Column G provides the workpaper source for amounts in Columns E & F.

Schedule I-2 reports historical revenues collected and Schedules I-3 and I-4 report connection information. Use historical financial data and data from recent annual reports (PUC Rpt.) to complete the schedules.

Please complete Schedule II-3 prior to I-2.

Insert and reference additional workpapers as necessary. For example, you may wish to add schedules that apply to unique situations in your utility.

The schedules are based on NARUC chart of accounts and include sub-accounts as necessary for detail needed to determine reasonable and necessary expenditures.

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer) SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY PUC Docket No. _____ Test Year End: 12/31/2015						
A	B	C	D	E	F=D+E	G
			Historical Test Year	K & M Changes	Adjusted Test Year	
Line No.	Acct. No.	Account Name				Reference/ Instructions
		Volume related expenses:				
1	610	Purchased water	-	-	-	Schedule II-3
2	615	Power Expense-production only	3,292	-	3,292	Schedule II-4
3	618	Other volume related expenses	373	-	373	Schedule II-5
4		Total volume related exp.	3,665	-	3,665	Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor	50,903	36,047	86,950	Schedule II-6, Line 10
6	620	Materials	1,363	-	1,363	Schedule II-7
7	631-636	Contract work	10,084	-	10,084	Schedule II-8
8	650	Transportation expenses	13,261	-	13,261	Schedule II-9
9	664	Other plant maintenance	57,231	-	57,231	Schedule II-10
10		Total non-volume related exp.	132,842	36,047	168,889	Add Lines 5-9
		Admin. & general expenses:				
11	601-2	Office salaries	-	-	-	Schedule II-6, line 2
12	601-3	Mgmt. salaries	-	-	-	Schedule II-6, line 3
13	604	Employee pensions & benefits	-	-	-	Schedule II-11
14	615	Purchased power-Office only	-	-	-	Schedule II-4
15	670	Bad debt expense	-	-	-	Schedule II-12
16	676	Office services & rentals	-	-	-	Schedule II-13
17	677	Office supplies & expenses	5,069	-	5,069	Schedule II-14
18	678	Professional services	3,028	-	3,028	Schedule II-15
19	684	Insurance	9,363	-	9,363	Schedule II-16
20	666	Regulatory (rate case) expense	-	-	-	Schedule II-17
21	667	Regulatory expense (other)	21,886	-	21,886	Schedule II-18
22	675	Miscellaneous expenses	18,681	-	18,681	Schedule II-19
23		Total admin. & general expense	58,027	-	58,027	Add Lines 11-22
24		Total operating Expenses	194,534	36,047	230,581	Lines 4 + 10 + 23
25	403	Depreciation	38,159	(12,214)	25,946	Sch III-3, Col E, Line 50
26	408	Taxes Other than Income	9,035	935	9,970	Sch IV(b), Line 8
27	409/10	Income Tax Expense	-	9,780	9,780	Schedule V, Line 7
28		TOTAL EXPENSES	241,728	34,549	276,277	
29		TOTAL HISTORIC REVENUE	205,300			Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN	(36,428)			Line 30 less Line 29
31		REQUESTED RETURN			66,422	Schedule III-1, Line 3
32		TOTAL REVENUE REQUIREMENT			342,699	Line 30 plus Line 34
33		REQUESTED ANNUAL REVENUE INCREASE		(to notice)	137,399	Line 32 less Line 29
34		PERCENTAGE INCREASE			67%	Line 36 divided by Line 33
35		LESS OTHER REVENUES			(2,418)	Sch. II-3(b), Col D, Line 8
36		Revenue for Rate Design		(to VI, line 1)	340,281	Line 33 minus Line 35

UTILITY NAME: <u>Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE FOR TEST YEAR ENDED: <u>12/31/2015</u> I-2 HISTORICAL REVENUE SUMMARY				
Line No	NARUC A/C	Description	Historical Test Year	
1.	461	Metered connections base rate revenue	\$ 208,037	From financial records
2.	461	Metered connection gallonage rate revenue	n/a	From financial records
3.	460	Unmetered (Flat rate) revenue	\$ -	From financial records
4.		Total Metered & Flat Rate Revenue	\$ 208,037	
5.		Plus. Total Other Revenues	\$ (2,737)	From II-3, Column B, line 7
6.		Total Historic Test Year Revenues per income statement and Annual Report*	\$ 205,300	Line 4 plus line 5

(to I-1, Column D, line 29)

*Provide all calculations and explanations for any differences between the applicant's annual report and this schedule.

* 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.

Note: Annual Report is reported on a consolidated basis for four systems while the schedule above reflects one system only; therefore, they cannot be reconciled.

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 I-3 METERED ACTIVE CONNECTIONS BY METER SIZE
 FOR TEST YEAR ENDED: 12/31/2015

A	B	C	D	E	F	G	H
		Number of Connections					
Line No.	Meter Size	End of Prior Year	Test Year Additions	End of Test Year	Average	Meter Ratios	Meter Equivalencies End of TY
		PUC report Sch. 9		(C+D)	(C + E) /2		(E x G)
1.	5/8" x 3/4"	214	6	220	217	1.0	220
2.	3/4"	0	0	0	0	1.5	-
3.	1"	4	0	4	4	2.5	10
4.	1 1/2"	1	0	1	1	5.0	5
5.	2"	14	0	14	14	8.0	112
6.							
7.							
8.							
9.	Total	233	6	239	236		347
10	Average	46.6	1.2	47.8	47.2		69

UTILITY NAME <u>Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE I-4 UNMETERED (FLAT RATE) ACTIVE CONNECTIONS FOR TEST YEAR ENDED: 12/31/2015

A	B	C	D	E	F
		Number of Active Connections			
Line No.	Flat Rate Unt	End of Prior Year	Test Year Additions	End of Year	Average
		PUC report Sch. 9		(C + D)	(C + E) / 2
1	NONE				
2.					
3.					
4.					
5	Total				

UTILITY NAME: Double Diamond Utility Company, Inc
SCHEDULES - CLASS B RATE/TARIFF CHANGE
SECTION II - OPERATIONS AND MAINTENANCE

The purpose of Section II is to report expense information and allow for for the known and measurable changes to operating expenses to determine the revenue requirement in Schedule I-1.

Instructions for Section II

Compile financial and source information to determine known and measurable changes to the test year expenses. Provide copies of source documents, such as increased utility bill notices, to verify the applicant's proposed known and measurable changes. Show calculations and explanations for all known and measurable changes on all schedules, where applicable. Attach extra workpapers if needed.

Working through Schedules II-4 through II-19, complete each and transfer test year amounts to column G of Schedule I-1. Depreciation expense, other taxes, FIT and return will be determined using later schedules. Wait until those schedules are complete, and then transfer the amounts to Schedule I-1.

Insert and reference additional workpapers as necessary. For example, the applicant may use additional schedules that address unique aspects of the utility.

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION
 FOR TEST YEAR ENDED: 12/31/2015

**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	NOT APPLICABLE			PUC Annual Report
2	Total water purchased				PUC Annual Report
3	Total water produced				Line 1 + line 2
4	Total water sold				PUC Annual Report
5	Total accounted for non-revenue water*				
6	Total unaccounted for water				Lines 3 less 4 less 5
7	Percentage				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	B	C=A+B	D
		Test Year	K & M Change	Adjusted Test Year	Reference
1	Water Purchased (1,000 gallons)	NOT APPLICABLE			PUC report Sch D-1
2	Water Pumped (1,000 gallons)				PUC report Sch D-1
3	Total production (1,000 gallons)				Lines 13 + 14

Known and measurable calculations and explanations:

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-3 OTHER REVENUES & EXPENSES PASSED THROUGH
 FOR TEST YEAR ENDED: 12/31/2015

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

Line No	A	B	C	D	D
	Purchased from:	Units purchased (in _____)	Price Per Umt	Total Calculated Cost (B x C)	Actual Cost paid per financial records
	Not Applicable	(e.g. 1,000 gal, AC - FT)			
1.					
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
1	Tap Fees*	(5,155)		0*
2	Late Fees	2,111		
3	Meter Test Fees	-		
4	Reconnect Fees	307		
5	Purchased Water Fees	-		
6	Groundwater Conservation District Fees	-		
7	Other (attach detail**)	-		
8	Total Other Revenues	(2,737)		

(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 Double Diamond Utility Company, Inc. THE CLIFFS (Sewer) II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE PURCHASED POWER FOR TEST YEAR ENDED 12/31/2015

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
	TME 12/31/13	\$ 3,267
	TME 12/31/14	\$ 3,709
a. Test Year	TME 12/31/15	\$ 3,292
b. K & M Change		\$ - (to I-1, Column E, Line 2)
c. Adjusted Test year (a.+b.)		\$ 3,292 (to I-1, Column F, Line 2)

Explanation and calculations of known and measurable change: N/A

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
	TME 12/31/13	\$ -
	TME 12/31/14	\$ -
a. Test Year	TME 12/31/15	\$ -
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: N/A

UTILITY NAME: Double Diamond Utility Company, Inc THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-5 OTHER RELATED VOLUME EXPENSES
 FOR THE TEST YEAR ENDED: 12/31/2015

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

Line No.	Account No.	Account Name
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.

	Year	Amount
	TME 12/31/13	\$ 440
	TME 12/31/14	\$ 412
a. Test Year	TME 12/31/15	\$ 373
b. K & M Change		\$ - (to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ 373 (to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change: N/A

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)

If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

Not Applicable

Large Items:

Description	Amount	Date in service
Not Applicable	\$ -	N/A

UTILITY NAME Double Diamond Utility Company, Inc THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-6 ALLOCATION OF PAYROLL EXPENSES
 FOR THE TEST YEAR ENDED 12/31/2015

SOME SALARIES MUST BE CAPITALIZED IN THIS REPORT IF EMPLOYEES INSTALL PLANT IN SER II-6(a) PAYROLL COSTS:

Line No	A		B	C	D	E	F	G	H
	Employee Name	Test Year Payroll							
1	Austin Comblous	11,440	-	11,440	3,500	1,000	6,940	-	11,440
2	Kelton K Leggett	14,560	-	14,560	3,500	1,000	10,060	-	14,560
3	Joshua Nolle	22,500	-	22,500	3,500	1,000	18,000	-	22,500
4	Buck W Nunley	7,250	-	7,250	3,500	1,000	2,750	-	7,250
5	Bryce R. Talley	10,400	-	10,400	3,500	1,000	5,900	-	10,400
6	Christopher C Fields	10,400	-	10,400	3,500	1,000	5,900	-	10,400
7	Camaron Brett Kirby	10,400	-	10,400	3,500	1,000	5,900	-	10,400
8									
9	Total	86,950	-	86,950	24,500	7,000	55,450	-	86,950
10								0.64	

Line 9 column F divided by line 9, column E=

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

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

Line No	Acct. No	Test Yr Expense
1	601-1	86,950
2	601-2	-
3	601-3	-
4		86,950

to Schedule I-1, Line 5
 to Schedule I-1, Line 11
 to Schedule I-1, Line 12
 (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 than 5% per year

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

Capitalization Policy: Employees do not perform construction activities; therefore, 0.00% of labor is capitalized

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-7 MATERIALS
 FOR THE TEST YEAR ENDED: 12/31/2015

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>TME 12/31/13</u>	\$ <u>522</u>
	<u>TME 12/31/14</u>	\$ <u>760</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>1,363</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 6)
c. Adjusted Test year (a.+b.)		\$ <u>1,363</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: N/A

UTILITY NAME: Double Diamond Utility Company, Inc THE CLIFFS (Sewer) SCHEDULES - CLASS B RATE/TARIFF CHANGE II-8 CONTRACT WORK FOR THE TEST YEAR ENDED: 12/31/2015

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. The increase in the Test Year is due to normal cost fluctuations.

	Year	Amount
	<u>TME 12/31/13</u>	\$ <u>12,744</u>
	<u>TME 12/31/14</u>	\$ <u>9,454</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>10,084</u>
b. K & M Change		\$ <u> -</u> (to I-1, Column E, Line 7)
c. Adjusted Test year (a.+b.)		\$ <u>10,084</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: N/A

 UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)

If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

N/A

II-8(b) Large Items:

Description	Amount	Date in service
Not Applicable	\$ -	N/A

UTILITY NAME: Double Diamond Utility Company, Inc THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 II-9 TRANSPORTATION
 FOR THE TEST YEAR ENDED: 12/31/2015

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>
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>TME 12/31/13</u>	\$ <u>10,165</u>
	<u>TME 12/31/14</u>	\$ <u>13,744</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>13,261</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 8)
c. Adjusted Test year (a.+b.)		\$ <u>13,261</u> (to I-1, Column F, Line 8)

Explanation and calculations of known and measurable change: N/A

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)

If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

Not Applicable

II-9(b) Large Items*:

Description	Amount	Date in service
Not Applicable	\$ -	N/A

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-10 OTHER PLANT MAINTENANCE
 FOR THE TEST YEAR ENDED: 12/31/2015

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
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:

	Year	Amount
	TME 12/31/13	\$ 27,408
	TME 12/31/14	\$ 51,107
a. Test Year	TME 12/31/15	\$ 57,231
b. K & M Change		\$ - (to I-1, Column E, Line 9)
c. Adjusted Test year (a.+b.)		\$ 57,231 (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: N/A

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)

If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

Test Year increase due to increases in R&M Water Plant and R&M Sewer Plant

II-10(b) Large Items:

Description	Amount	Date in service
Not Applicable	\$ -	N/A

UTILITY NAME Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 II-11 EMPLOYEE PENSIONS AND BENEFITS
 FOR THE TEST YEAR ENDED. 12/31/2015

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:

<u>TME 12/31/15</u>	\$	-	\$	-	\$	-	\$	-	\$	-
Year		Total Amount		Pensions		Health		Other		Amount Capitalized*

Cost per Employee:

-

<u>TME 12/31/15</u>	\$	-	\$	-	\$	-	\$	-	\$	-
Year		Total Amount		Pensions		Health		Other		Amount Capitalized*

Number of Employees covered:

-

Cost per Employee:

-

List types of Pensions & Benefits:

<u>TME 12/31/15</u>	\$	-	\$	-	\$	-	\$	-	\$	-
Year		Total Amount		Pensions		Health		Other		Amount Capitalized*

Number of Employees covered:

-

Cost per Employee:

-

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

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-12 BAD DEBTS
 FOR THE TEST YEAR ENDED: 12/31/2015

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>
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.

	<u>Year</u>	<u>Amount</u>
	<u>TME 12/31/13</u>	\$ <u> -</u>
	<u>TME 12/31/14</u>	\$ <u> -</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u> -</u>
b. K & M Change		\$ <u> -</u> (to I-1, Column E, Line 15)
c. Adjusted Test year (a. + b.)		\$ <u> -</u> (to I-1, Column F, Line 15)

Explanation and calculations of known and measurable change: N/A

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**

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-13 OFFICE SERVICES AND RENTALS
 FOR THE TEST YEAR ENDED. 12/31/2015

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>
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:

	<u>Year</u>	<u>Amount</u>
	<u>TME 12/31/13</u>	\$ -
	<u>TME 12/31/14</u>	\$ -
a. Test Year	<u>TME 12/31/15</u>	\$ -
b. K & M Change		\$ - (to I-1, Column E, Line 16)
c. Adjusted Test year (a. + b.)		\$ - (to I-1, Column F, Line 16)

Explanation and calculations of known and measurable change: N/A

* 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		

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 II-14 OFFICE SUPPLIES
 FOR THE TEST YEAR ENDED: 12/31/2015

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
	TME 12/31/13	\$ 6,169
	TME 12/31/14	\$ 5,457
a. Test Year	TME 12/31/15	\$ 5,069
b. K & M Change		\$ - (to I-1, Column E, Line 17)
c. Adjusted Test year (a.+b.)		\$ 5,069 (to I-1, Column F, Line 17)

Explanation and calculations of known and measurable change: N/A

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

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)

If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

Not applicable

II-14(b) Large Items:

Description	Amount	Date in service
Not Applicable	\$ -	N/A

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 II-15 PROFESSIONAL SERVICES
 FOR THE TEST YEAR ENDED. 12/31/2015

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
	TME 12/31/13	\$ 1,041
	TME 12/31/14	\$ 17,329
a. Test Year	TME 12/31/15	\$ 3,028
b. K & M Change		\$ - (to I-1, Column E, Line 18)
c. Adjusted Test year (a.+b.)		\$ 3,028 (to I-1, Column F, Line 18)

Explanation and calculations of known and measurable change: N/A

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

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)

If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

Not Applicable

II-15(b) Large Items:

Description	Amount	Date in service
Not Applicable	\$ -	N/A

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 II-16 INSURANCE
 FOR THE TEST YEAR ENDED. 12/31/2015

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
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:

	Year	Amount
	<u>TME 12/31/13</u>	\$ <u>10,016</u>
	<u>TME 12/31/14</u>	\$ <u>10,080</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>9,363</u>
b. K & M Change		\$ <u> </u> (to I-1, Column E, Line 19)
c. Adjusted Test year (a.+b.)		\$ <u>9,363</u> (to I-1, Column F, Line 19)

Types of insurance:

	\$	<i>See Insurance Section in Attached Workpapers</i>			
Year		Total amount	Period Covered	Type	Company
Year	\$	<i>See Insurance Section in Attached Workpapers</i>			
		Total amount	Period Covered	Type	Company
Year	\$	<i>See Insurance Section in Attached Workpapers</i>			
		Total amount	Period Covered	Type	Company

Explanation and calculations of known and measurable change: N/A

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)

If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

Not Applicable

Large Items:

Description	Amount	Date in service
Not Applicable	\$ -	N/A

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 II-17 REGULATORY EXPENSE
 FOR THE TEST YEAR ENDED: 12/31/2015

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
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:

	Year	Amount	
	<u>TME 12/31/13</u>	\$ <u>-</u>	
	<u>TME 12/31/14</u>	\$ <u>-</u>	
a. Test Year	<u>TME 12/31/15</u>	\$ <u>-</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 20 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ <u>-</u>	(to I-1, Column F, Line 20 - see instructions above)

Explanation and calculations of known and measurable change: N/A

* 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
Not applicable		

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer) SCHEDULES - CLASS B RATE/TARIFF CHANGE II-18 REGULATORY EXPENSE FOR THE TEST YEAR ENDED: 12/31/2015

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
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 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:

	Year	Amount	
	<u>TME 12/31/13</u>	\$ <u>14,742</u>	
	<u>TME 12/31/14</u>	\$ <u>20,623</u>	
a. Test Year	<u>TME 12/31/15</u>	\$ <u>21,886</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test year (a.+b.)		\$ <u>21,886</u>	(to I-1, Column F, Line 21 - see instructions above)

Explanation and calculations of known and measurable change: N/A

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

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)

If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

The increase in Sewer Regulatory Expense is due to increases in Sewer Tests expense.

II-18 (b) Large Items:

Description	Amount	Date in service
Not Applicable	\$ -	N/A

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-19 MISCELLANEOUS EXPENSE
 FOR THE TEST YEAR ENDED: 12/31/2015

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>
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
	<u>TME 12/31/13</u>	\$ <u>548</u>
	<u>TME 12/31/14</u>	\$ <u>19,906</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>18,681</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test year (a.+b.)		\$ <u>18,681</u> (to I-1, Column F, Line 22 - see instructions above)

Explanation and calculations of known and measurable change: N/A

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

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)

If the actual for the Test Year is higher than previous years, indicate the reason for the increase:

N/A

II-19 (b) Large Items:

Description	Amount	Date in service
Not Applicable	\$ -	N/A

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE SECTION III RATE BASE INSTRUCTIONS

Section III provides working tables to allow the calculation of rate base and return on rate base.

Instructions for Section III

- 1 Complete Schedules III-3 through III-9 as they apply to your company.**
- 2 Transfer resulting year end balances (last line of each table) to Schedule III-2.**
- 3 Complete Schedule III-1**

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-2 RATE BASE SUMMARY
 FOR THE TEST YEAR ENDED: _____ 12/31/2015

Line No.	Description	Amount	Reference
1	Additions:		(From)
2.	Utility plant (Original Cost)	3,110,615	Schedule III-3, Line 50, Col D
3.	Construction work in progress	-	Schedule III-4, Line 5
4.	Materials and supplies	-	Schedule III-4, Line 8
5.	Working cash (capital)	28,823	Schedule III-5, Line 2
6.	Prepayments	-	Schedule III-4, line 8
7.	Other Additions	-	Add schedule
8.	TOTAL ADDITIONS (Add Lines 2 through 6)	3,139,438	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	2,356,168	Schedule III-3, Col F, Line 50
10.	Advances for construction	-	Schedule III-8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	(5,155)	Schedule III-8(b), Col G, Line 6
12.	Accumulated deferred income taxes	-	Schedule III-9(a), Line 3
13.	Accumulated deferred investment tax credits	-	Schedule III-9(b), Line 3
14.	Other Deductions	-	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	2,351,013	
16.	RATE BASE (Line 8, less Line 15)	788,425	

UTILITY NAME Double Diamond Utility Company, Inc THE CLIFFS (Sewer) SCHEDULES - CLASS B RATE/TARIFF CHANGE III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION 12/31/2015										Schedule III-3 (Provide a schedule for each PWS system) Add schedules as needed, provide a summary also		
Line No	[A] Item	[B] Date of Installation	[C] Service Life (yrs)	[D.1] Original Cost when installed \$	[D.2] Customer CIAC amount	[D]-[D.1]-[D.2] Adjusted Original Cost for Customer CIAC	Depreciation			[F] Accumulated (Reserve)	[G]-[D]-[F] Net Book Value (\$)	
							Years in Service	Months	Days			
1	303 Land and land rights	various		48,645		48,645	various				48,645	
2	307 Wells	various	50				various					
3	Well Pumps:											
3	311 5 lip or less		5									
4	311 Greater than 5 lip		10									
	Booster Pumps:											
5	311 5 lip or less		5									
6	311 Greater than 5 lip		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 (manus and lines)		50									
13	334 Meters and Service (taps not covered by fees)		20									
14	340 Office Equipment		10									
15	341 Vehicles		5	11,346		11,346	various		567	9,455	1,891	
16	343 Shop Tools		15									
17	345 Heavy Equipment		10									
18	348 Energy		20									
19	Other: (Please list)											
20	Engineering & Surveys		5									
21	Improvements 50		50									
22	Miscellaneous Assets (Negligible NBV)		various	34,518		34,518	various		2,102	31,262	3,257	
23	Improvements 20		20	1,152,777		1,152,777	various		4,670	79,491	33,614	
24	Sewer Plant - 50		50	179,512		179,512			2,712	46,529	91,263	
25	Sewer Interceptor & Collection System		50	1,683,818		1,683,818			15,894	310,838	575,778	
50	Total			3,110,615		3,110,615			25,946	477,575	754,448	

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

Add detailed workpapers if necessary to support this Schedule

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 (ColumnC) 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.

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE
FOR TEST YEAR ENDED: 12/31/2015

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	\$ 3,033,560
2.	Plant additions after previous rate case		
3	2008 Additions	\$ -	
4.	2009 Additions	\$ 6,796	
5	2010 Additions	\$ 30,860	
6	2011 Additions	\$ 4,235	
7	2012 Additions	\$ 28,878	
8	2013 Additions	\$ -	
9.	2014 Additions	\$ 6,286	
10.	2015 Additions	\$ -	
11.	Total additions (add lines 3 through 10, Col C)		\$ 77,055
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 \$0	\$ 3,110,615

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

UTILITY NAME: Double Diamond Utility Company, Inc THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
**III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS,
 MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS**
 FOR THE TEST YEAR ENDED: 12/31/2015

*****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	-	-
8.	13 Month Average balance (line 6 plus line 7, divided by 13)	-	-

To III-2, Line 4. To III-2, Line 6

PUC Subst. Rule 24 31C(4).

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES FOR CLASS B RATE/TARIFF CHANGE
III-5 WORKING CASH ALLOWANCE CALCULATIONS
 FOR THE TEST YEAR ENDED. 12/31/2015

- 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	Water		Sewer	
		Class B	Class C	Class B	Class C
1	Annual O & M Expenses	N/A	N/A	286,150	230,581
2	Working Cash (Line 3 / Line 5)	N/A	N/A	35,769	28,823
3	Divisor	12	12	8	8

From Sch I-1, line 25
 To Sch III-2, line 5

UTILITY NAME: Double Diamond Utility Company, Inc THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE
 FOR THE TEST YEAR ENDED: 12/31/2015

ACCUMULATED DEPRECIATION:

Line No	Description	Dollar Amount	
1.	Ending-Prior Rate Case (Docket No. _____)	\$ 468,933	Must match previous rate case.
2	Ending balance per Sch III-3, Column F, Line 50	\$ 477,575	
	Describe accounting adjustments made between the prior rate case and the current rate case:		
	Depreciation accruals		

UTILITY NAME. Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-8 ADVANCES FOR CONSTRUCTION AND
CONTRIBUTIONS IN AID OF CONSTRUCTION
 FOR THE TEST YEAR ENDED: 12/31/2015

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.	Not Applicable							
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.	Tap Fees	Various	(5,155)	0	0	0	(5,155)
2.							
3.							
4.							
5.							
6.	Total		(5,155)	0	0	0	(5,155)

*Customer CIAC is entered directly on III-3

UTILITY NAME. Double Diamond Utility Company, Inc. THE CLIFFS (Sewer) SCHEDULES - CLASS B RATE/TARIFF CHANGE III-9 DEFERRED INCOME TAXES AND DEFERRED INVESTMENT TAX CREDITS FOR THE TEST YEAR ENDED: 12/31/2015

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	-
2	Test year amount	-
3.	Ending balance	-

III-9(b) ACCUMULATED DEFERRED INVESTMENT TAX CREDITS

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

UTILITY NAME Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-10 OTHER DEFERRED ASSETS
 FOR THE TEST YEAR ENDED 12/31/2015

III-10(a) : Other Deferred Assets

Line No.	Description	Test Year Amount
1.	None	-
2.		-
3.		-

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: _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section IV is used to report taxes other than income for proposed revenues.

Instructions for Section IV

Follow the instructions included with individual schedules under the heading reference.

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV(a) ESTIMATE OF TAXES OTHER THAN INCOME
 FOR THE TEST YEAR ENDED: 12/31/2015

PROPERTY TAXES:

A	B	C	D	E
Line No	Description	Amount	Amount	Reference
1	Property taxes paid in in test year		721	per property tax bills
2	Utility plant added in test year	-		Schedule III-3(a), Line 11
3	Utility plant retirements in test year	-		Schedule III-3(a), Line 21
4	Net additions	-		Line 2 minus line 3
5	Net Property tax rate	0.02%		gross plant balance from III-3
6	Test year property tax on additions		-	Line 4 times Line 5
7	Adjusted Test year property tax expense		721	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	ALL	6.20%	86,950	Column D+E+F Line 9	5,391
10	Medicare	ALL	1.45%	86,950	Column H Line 9	1,261
11	Added Medicare (Affordable Care Act)	ALL	0.00%	86,950		-
12	Federal unemployment	wages to \$7000	0.60%	24,500	Column D Line 9	147
13	State unemployment	wages to \$9000	1.50%	31,500	Column D+E Line 9	473
14	Total (add Lines 11 through 14)					7,271
15	Less. Capitalized	Use % on Sch II-6(a), line B	0%			-
16	Test year Payroll Tax Expense	Line 13 less 14				6,336
17	Known and measurable change					935

OTHER TAXES:

A	I	J	K	L
Line No	Description	Test year	K & M Change	Adjusted Test Year
18	Other taxes & licenses	1,978	-	1,978
19				
20				
21	Total Other Taxes (Line 18 + Line 19 + Line 20)	1,978	-	1,978
22	Total this page - taxes other than income (Line 7) + (Col G, Line 16) + (Col L, Line 21)			9,970
23	(Line 8 plus line 17, Column G plus line 21, Column K)			935

TRUE

UTILITY NAME: Double Diamond Utility Company, Inc THE CLIFFS (Sewer) SCHEDULES - CLASS B RATE/TARIFF CHANGE IV(b) REVENUE RELATED TAXES AND EXPENSES FOR THE TEST YEAR ENDED. 12/31/2015						
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)	-	-	-	-	-
3	Gross up factor (1.0 divided by (1.0 minus Line 2))	-	-	-	-	-
4	Change in revenue requirement (Sch I-1, line 33)					-
5	Adjusted revenue requirement (Line 3 x Line 4)					-
6	Adjusted expense (Line 3 times Line 4)					-
7	Add Schedule IV(a), Line 20					-
8	Total taxes other than F11 (to Sch I-1, Col F, Line 26)					0

Example Test Year Franchise tax \$ 100
 Test Year revenues \$ 2,000
 Percentage (100/2000) 0.050
 Gross up factor (1/(1-0.05)) 1.052631579

SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section V calculated federal income tax at present rates.

Instructions for Section V

Complete SCHEDULE V per instructions found in the reference column.

UTILITY NAME: Double Diamond Utility Company, Inc THE CLIFFS (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE
 FOR THE TEST YEAR ENDED. 12/31/2015

A	B	C	D
Line		Amount	Reference
1	Requested Return	66,422	Schedule III-1, Line 3 or II-1, line 34
2	Less. Synchronized Interest	26,413	Sch. III-1, Col G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return	40,009	Line 1 minus Line 2
4	Income taxes at proposed rates	7,859	Line 17 below
5	Effective tax rate	20%	Line 4 divided by Line 3
6	Total gross up factor	1.24	1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax	9,780	Line 4 times line 6

To Sch I-1, Line 27

FEDERAL INCOME TAX CALCULATION:

See calculation on

UTILITY NAME: Double Diamond Utility Company, Inc. THE CLIFFS (Total)
 V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE

UTILITY NAME: _____
VI RATE DESIGN INSTRUCTIONS
SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section VI is used for rate design.

Instructions for Section VI:

Sheet VI-1 designs rates based on the requested revenue requirement. Complete the schedule using the referenced lines from other schedules. The schedule is for a simple base (customer charge) rate and one gallonage rate per each 1,000 gallons. If a different rate structure is requested, all calculations supporting the proposed rates must be included. Rates and resulting revenues for each class of customer and each rate tier included in the proposed tariff must be specified. If a different fixed/variable expense split is proposed, attached explanations of why the split is appropriate, and include any calculations not included on Schedule VI.

UTILITY NAME. Double Diamond Utility Company, Inc. THE CLIFFS (Sewer)			
SCHEDULES - CLASS B RATE/TARIFF CHANGE			
Schedule VI-1 RATE DESIGN			
FOR THE TEST YEAR ENDED: 12/31/2015			
Line No	A	B	C
		Reference	
DETERMINATION OF FIXED COSTS			
1	Gross revenues to be recovered:	Sch I-1, Line 36	340,281
	Less variable costs:		
2	Purchased water - Account 610	Sch I-1, Col. F, line 1	-
3.	Purchased power - Account 615	Sch I-1, Col. F, line 2	3,292
4.	Other volume related - Account 618	Sch I-1, Col. F, line 3	373
5.	Other volume related or allocated (attach schedule)		
6			
7.			
8.			
9.			
10.	FIXED COSTS (Line 1 minus Lines 2-9)		336,616
11	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE		25%
12.	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		252,462
	RECAP		
13	RECOVERED THROUGH BASE SERVICE CHARGE	Line 10	252,462
14	RECOVERED THROUGH VOLUMETRIC RATE	Line 1 - Line 10	87,819
	TOTAL	Equals Line 1	340,281
	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		
15.	TOTAL METER EQUIVALENTS	Sch I-3, Col H, line 9	347
16.	CHARGE PER 5/8" X 3/4" METER (MONTHLY)	Line 13 / Line 15 / 12	\$ 60.63
	TO BE RECOVERED THROUGH VOLUMETRIC RATE		
17.	TOTAL WATER SALES IN 1,000 GALS	Sch II-1(a), Col C, line 4	9,571
18	VOLUMETRIC RATE (CHARGE PER 1,000 GALS)	Line 14 / Line 17	\$ 9.18
	PROPOSED RATES:		
19	FOR ALL WATER DELIVERED PER 1,000 gallons	Line 18 or attach calc	\$ 9.18
	BASE SERVICE CHARGE - ALL METER SIZES		\$ 60.63
	Meter size	Line 16	Equivalency
20.			Base Rate/size
21.			
22.			
23.			
24.			
25.			
26.			
	See attached Proposed Rate Schedule		

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.

Double Diamond Utilities Co. / The Cliffs
Application for a Rate / Tariff Change
Test Year Ended 12/31/2015
Requested Sewer Rates / Sewer Revenue Proof

Line No.	Col (A)	(B) Test Year Billing Units	(C) Current Rates	(D) Revenue under Current Rates	(E) Projected Billing Units	(F) Proposed Rates	(G) Revenue under Proposed Rates
1	Meter Charge	220	\$ 49.37	\$ 130,337	220	\$ 72.00	\$ 190,080
2	3/4" or Less	4	\$ 86.29	\$ 4,142	4	\$ 126.00	\$ 6,048
3	1"	1	\$ 147.83	\$ 1,774	1	\$ 216.00	\$ 2,592
4	1 1/2"	14	\$ 221.67	\$ 37,241	14	\$ 324.00	\$ 54,432
5	2"	-	\$ 393.98	-	-	\$ 575.00	-
6	3"	239		\$ 173,493	239		\$ 253,152
7	Subtotal						
8	Volumetric Charge (per 1,000 gal)						
9	0 - 3,000	4,527	\$ -	\$ -	4,527	\$ -	\$ -
10	3,001 +	5,045	\$ 8.25	\$ 41,617	5,045	\$ 12.00	\$ 60,534
11	Subtotal	9,571	\$ -	\$ 41,617	9,571	\$ -	\$ 60,534
12	Total		\$ -	\$ 215,111		\$ -	\$ 313,686
13	Revenue Requirement			\$ 340,281		\$ 340,281	(26,595)
14	Over / (Under) Recovery (\$)			(125,170)			-8%
15	Over / (Under) Recovery (%)			-58%			
16	5,000 Gallons		\$ 65.87			\$ 96.00	
17	Increase					\$ 30.13	46%
18	10,000 Gallons		\$ 107.12			\$ 156.00	
19	Increase					\$ 48.88	46%
20	30,000 Gallons		\$ 272.12			\$ 396.00	
21	Increase					\$ 123.88	46%
22	Revenue Increase over Calculated Revenue					\$ -	\$ 98,576

Double Diamond Utility Company Inc.

White Bluff (Water & Sewer)
(For Test Year Ended December 31, 2015)

VERIFICATION

OATH

STATE OF TEXAS

COUNTY OF GRAYSON

Randy Gracy makes oath and says that he is President
(Name of Affiant) (Official Title of Affiant)

of Double Diamond Utility Company, Inc.
(Exact Legal Title or Name of the Respondent)

The signed officer has reviewed the application.

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

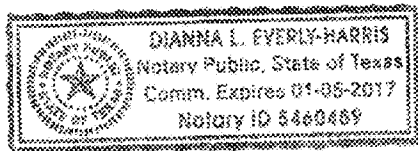
Based on such officer's knowledge, the financial statements, operations and other financial information included in the application, fairly present in all material respects the financial condition and results of operations of the preparers as of, and for, the periods presented in the application.

He swears that all other statements contained in the said application are true, and that the said application is a correct and complete statement of the business and the above-named respondent during the test year time frame of January 1, 2015 to December 31, 2015, and including any additional time frames aside from the aforementioned test year resulting from rate case requests for information.

Randy Gracy
(Signature of Affiant)

SUBSCRIBED AND SWORN TO BEFORE ME, this the 28th day of July, 2016, to certify which witness my hand and seal of office.

SEAL



Dianna L. Everly-Harris
Notary Public, State of Texas

My Commission Expires: 01-05-17

Oath required per Texas Administrative Code §24.105

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

AFFIDAVIT

STATE OF TEXAS

COUNTY OF Hill

I, Randy Gracy being duly sworn, file this **NOTICE OF PROPOSED RATE CHANGE**

President, Double Diamond Utility Company, Inc.

as

(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

U.S. Mail

(method of delivery)

to each customer or other affected party on or about August 10, 20 16

AFFIANT

(Utility's Authorized Representative)

Double Diamond Utility Company, Inc.

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 _____ day of _____, 20 16, to certify which witness my hand and seal of office.

SEAL

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES _____