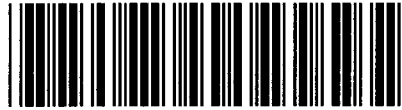




Control Number: 46245



Item Number: 280

Addendum StartPage: 0

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2016 SEP -9 AM 9:40
PUBLIC UTILITY COMMISSION
FILING CLERK

Ric Hayward
45 Muirfield Ct., Graford, Texas 76449
(940) 779 2450 home + (940) 654 0804 cell
ric@ponderapk.com

August 16, 2016

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

Gentlemen:

Enclosed are the required ten (10) copies of my Ratepayer Protest form concerning P.U.C. Docket No. 46245 and the water and sewer rate increases proposed by Double Diamond Utilities Company of Dallas, Texas servicing The Cliffs Resort on Possum Kingdom Lake to be effective October 1, 2016.

These proposed rate increases are egregious. The proposal for the water Base Rate increase is + 38 %. The 0-3,000 gallon rate is a + 35 % increase and the 3,001 - 10,000 gallon increase is + 33 %. Usage at 10,001 - 15,000 sees the rate go up + 28 %. How can this possibly be justified?

The proposed rate increases for sewer are just as onerous. They want the sewer Base Rate to go from \$ 49.37 to \$ 72.00, an outrageous + 46 % increase. For every thousand gallons processed above the minimum of 3,000 gallons, they want the rate to go from \$ 8.25 to \$ 12.00, an almost equally high + 45 % increase.

In their notice of proposed rate change, Double Diamond's Billing Comparison is totally misleading and does not reflect what actual usage charges would be. As an example, I have enclosed my latest invoice from Double Diamond for water services from 6/27/16 to 7/27/16 (sic). During that period our household consumed 14,220 gallons of water. The water amount was \$ 86.34 and the sewer amounted to \$49.37 for a total bill of \$ 137.07, already high by most municipal standards. If the new rates were in effect and we had water/sewer usage at this level, our water bill would be \$ 149.00 and our sewer bill would be \$ 72.00 for a total of \$ 217.00. This amounts to an increase of \$ 80.00 for the month or an incredible + **58 % increase!**

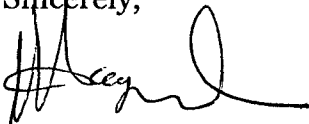
In addition to these incredible increases, Double Diamond is proposing what they call a Rate Case Expense Surcharge which is to be determined. What it appears they are trying to do is pass on their costs to defend themselves in a rate case hearing caused by protest. Absurdly, they want the ratepayer to pay for their legal costs to defend indefensible rate increases.

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Additional information that the P.U.C. and the TCEQ need to know is this water system being run by Double Diamond is an absolute disaster. The infrastructure used to deliver water and sewer services to ratepayers on their system is woefully constructed and experiences multiple failures on a regular basis. Our water pressure ranges between 50 psi and zero. We have experienced at least a dozen breaks in the water delivery lines this year alone and may set a new record for needed repairs in the current calendar year. We experience regular periods of no water delivery for up to six hours at a time. Over the Independence Day holiday, we were out of water or had little or no pressure for nearly fourteen hours. Every time the water pressure dips below the required minimum we have to boil our water for a specified period to remove harmful bacteria and contaminants. This procedure has happened a half a dozen times since the first of the year alone and is not only horribly inconvenient but patently unsafe.

I would encourage the TCEQ to look into the practices and procedures of Double Diamond and initiate some kind of investigation into the crumbling infrastructure of their system which utilizes the water from Possum Kingdom Lake. Double Diamond is claiming that the "current rates [are] not providing adequate recovery of revenue requirements." If these proposed rate increases or any rate increases are approved, I sincerely hope that Double Diamond will be monitored closely to ensure that the money goes into permanently repairing and improving the infrastructure and not into Double Diamond's pocket.

Sincerely,

A handwritten signature in black ink, appearing to read "Ric Hayward", with a large, stylized flourish at the end.

Ric Hayward