

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. WHITE BLUFF (Water)
 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. WHITE BLUFF (Water)
 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. WHITE BLUFF (Water)
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 1-4 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. WHITE BLUFF (Water)						
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	73,303	-	73,303	Schedule II-4
3	618	Other volume related expenses	8,289	-	8,289	Schedule II-5
4		Total volume related exp.	81,592	-	81,592	Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor	80,105	415	80,520	Schedule II-6, Line 10
6	620	Materials	2,913	-	2,913	Schedule II-7
7	631-636	Contract work	3,298	-	3,298	Schedule II-8
8	650	Transportation expenses	13,313	-	13,313	Schedule II-9
9	664	Other plant maintenance	41,055	-	41,055	Schedule II-10
10		Total non-volume related exp.	140,685	415	141,099	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	8,716	-	8,716	Schedule II-14
18	678	Professional services	-	-	-	Schedule II-15
19	684	Insurance	9,668	-	9,668	Schedule II-16
20	666	Regulatory (rate case) expense	-	-	-	Schedule II-17
21	667	Regulatory expense (other)	24,476	-	24,476	Schedule II-18
22	675	Miscellaneous expenses	29,261	-	29,261	Schedule II-19
23		Total admin. & general expense	72,122	-	72,122	Add Lines 11-22
24		Total operating Expenses	294,398	415	294,813	Lines 4 + 10 + 23
25	403	Depreciation	78,805	31,272	110,077	Sch III-3, Col E, Line 50
26	408	Taxes Other than Income	70,146	(5,975)	64,171	Sch IV(b), Line 8
27	409/10	Income Tax Expense	-	18,378	18,378	Schedule V, Line 7
28		TOTAL EXPENSES	443,349	44,090	487,438	
29		TOTAL HISTORIC REVENUE	473,455			Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN	30,106			Line 30 less Line 29
31		REQUESTED RETURN			86,485	Schedule III-1, Line 3
32		TOTAL REVENUE REQUIREMENT			573,923	Line 30 plus Line 34
33		REQUESTED ANNUAL REVENUE INCREASE		(to notice)	100,469	Line 32 less Line 29
34		PERCENTAGE INCREASE			21%	Line 36 divided by Line 33
35		LESS: OTHER REVENUES			(5,163)	Sch. II-3(b), Col. D, Line 8
36		Revenue for Rate Design		(to VI, line 1)	568,761	Line 33 minus Line 35

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UTILITY NAME: <u>Double Diamond Utility Company, Inc. WHITE BLUFF (Water)</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	\$ 462,608	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	\$ 462,608	
5		Plus: Total Other Revenues	\$ 10,846	From II-3, Column B, line 7
6.		Total Historical Test Year Revenues per income statement and Annual Report	\$ 473,455	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 WHITE BLUFF (Water) 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"	598	8	606	602	1.0	606
2	3/4"	0	0	0	0	1.5	-
3	1"	18	0	18	18	2.5	45
4	1 1/2"	6	0	6	6	5.0	30
5	2"	9	1	10	10	8.0	80
6							
7							
8							
9	Total	631	9	640	635.5		761
10	Average	126.2	1.8	128	127.1		152

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
 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 Unit	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 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: <u>Double Diamond Utility Company, Inc. WHITE BLUFF (Water)</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION FOR TEST YEAR ENDED: <u>12/31/2015</u>
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**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	114,590	-	114,590	PUC Annual Report
2	Total water purchased	-	-	-	PUC Annual Report
3	Total water produced	114,590	-	114,590	Line 1 + line 2
4	Total water sold	56,769	-	56,769	PUC Annual Report
5	Total accounted for non-revenue water*	-	-	-	
6	Total unaccounted for water	57,821	-	57,821	Lines 3 less 4 less 5
7	Percentage	50%	-	50%	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)	0	0	0	PUC report Sch. D-1
2	Water Pumped (1,000 gallons)	0	0	0	PUC report Sch. D-1
3	Total production (1,000 gallons)	0	0	0	Lines 13 + 14

Known and measurable calculations and explanations:

UTILITY NAME: Double Diamond Utility Company, Inc WHITE BLUFF (Water)
 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 Unit	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	D
	Item passed thru or type of other revenue	Test year historical revenues collected	Test year revenues netted against
1.	Tap Fees*	5,684	
2.	Late Fees	2,673	
3.	Meter Test Fees	-	
4.	Reconnect Fees	1,872	
5.	Purchased Water Fees	-	
6.	Groundwater Conservation District Fees	-	
7.	Other (attach detail**)	618	
8.	Total Other Revenues	10,846	

(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 WHITE BLUFF (Water) II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE PURCHASED POWER FOR TEST YEAR ENDED 12/31/2015
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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
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
	<u>TME 12/31/13</u>	\$ <u>73,819</u>
	<u>TME 12/31/14</u>	\$ <u>89,144</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>73,303</u>
b. K & M Change		\$ - (to I-1 Column E, Line 2)
c. Adjusted Test year (a.+b.)		\$ <u>73,303</u> (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
	<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 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 WHITE BLUFF (Water)

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. WHITE BLUFF (Water) SCHEDULES - CLASS B RATE/TARIFF CHANGE II-5 OTHER RELATED VOLUME EXPENSES FOR THE TEST YEAR ENDED: 12/31/2015
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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	\$ 14,057
	TME 12/31/14	\$ 10,904
a. Test Year	TME 12/31/15	\$ 8,289
b. K & M Change		\$ - (to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ 8,289 (to I-1, Column F, Line 3)

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)

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 WHITE BLUFF (Water)
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 SERV
II-6(a) PAYROLL COSTS:**

Line No	Employee Name	Test Year Payroll	Capitalized Payroll	Expensed Payroll	1st 7000 or (FUTA max)	7,001 to 9000 or (SUTA max)	9,001 to 118500 or new limit (or FICA max)	over 118500 or new limit	Total Payroll
1	Jody Bledsoe	13,000	-	13,000	3,500	1,000	8,500	-	13,000
2	Clovis C Willhelm	5,460	-	5,460	1,750	500	3,210	-	5,460
3	Jerry Whitworth	10,400	-	10,400	3,500	1,000	5,900	-	10,400
4	Dwayne Cota	10,920	-	10,920	3,500	1,000	6,420	-	10,920
5	Todd Dilworth	22,050	-	22,050	3,500	1,000	17,550	-	22,050
6	Jordon Dilworth	-	-	-	-	-	-	-	-
7	Buck W Nunley	7,250	-	7,250	3,500	1,000	2,750	-	7,250
8	Danny Keeton	11,440	-	11,440	3,500	1,000	6,940	-	11,440
9	Total	80,520	-	80,520	22,750	6,500	51,270	-	80,520
10	Line 9, column F divided by line 9, column E=								0.64

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	Test Yr Expense	
1	601-1	80,520	to Schedule I-1, Line 5
2	601-2	-	to Schedule I-1, Line 11
3	601-3	-	to Schedule I-1, Line 12
4		80,520	(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

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
 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.

Line No.	Account No.	Account Name
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:

	Year	Amount
	<u>TME 12/31/13</u>	\$ <u>3,652</u>
	<u>TME 12/31/14</u>	\$ <u>3,024</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>2,913</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 6)
c. Adjusted Test year (a.+b.)		\$ <u>2,913</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.

Expensed materials may not be included in rate base in materials and supplies inventory

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)

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

Not Applicable

II-7(b) Large Items:

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
 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
	TME 12/31/13	\$ 2,812
	TME 12/31/14	\$ 2,850
a. Test Year	TME 12/31/15	\$ 3,298
b. K & M Change	-	\$ - (to I-1, Column E, Line 7)
c. Adjusted Test year (a.+b.)	3,298	\$ 3,298 (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. WHITE BLUFF (Water)

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

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

II-8(b) Large Items:

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

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

	<u>Year</u>	<u>Amount</u>
	<u>TME 12/31/13</u>	<u>\$ 19,942</u>
	<u>TME 12/31/14</u>	<u>\$ 14,774</u>
a. Test Year	<u>TME 12/31/15</u>	<u>\$ 13,313</u>
b. K & M Change		<u>\$ -</u> (to I-1, Column E, Line 8)
c. Adjusted Test year (a.+b.)		<u>\$ 13,313</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. WHITE BLUFF (Water)

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*:

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
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.

<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:

	Year	Amount
	<u>TME 12/31/13</u>	\$ <u>23,016</u>
	<u>TME 12/31/14</u>	\$ <u>56,316</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>41,055</u>
b. K & M Change		\$ <u> -</u> (to I-1, Column E, Line 9)
c. Adjusted Test year (a.+b.)		\$ <u>41,055</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: N/A

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)

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

Not Applicable

II-10(b) Large Items:

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
 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		<u>Total Amount</u>		<u>Pensions</u>		<u>Health</u>		<u>Other</u>		<u>Amount Capitalized*</u>

Cost per Employee: -

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

Number of Employees covered: -
 Cost per Employee: -

List types of Pensions & Benefits:

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

Number of Employees covered: -
 Cost per Employee: -

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
 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. WHITE BLUFF (Water)
 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:

	Year	Amount
	<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: <u>Double Diamond Utility Company, Inc. WHITE BLUFF (Water)</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-14 OFFICE SUPPLIES FOR THE TEST YEAR ENDED: <u>12/31/2015</u>

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
	<u>TME 12/31/13</u>	\$ <u>8,721</u>
	<u>TME 12/31/14</u>	\$ <u>9,846</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>8,716</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 17)
c. Adjusted Test year (a.+b.)		\$ <u>8,716</u> (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. WHITE BLUFF (Water)

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. WHITE BLUFF (Water)
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.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
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>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 18)
c. Adjusted Test year (a.+b.)	\$ <u>-</u> (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. WHITE BLUFF (Water)

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. WHITE BLUFF (Water)
 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>10,226</u>
	<u>TME 12/31/14</u>	\$ <u>10,149</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>9,668</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 19)
c. Adjusted Test year (a.+b.)		\$ <u>9,668</u> (to I-1, Column F, Line 19)

Types of insurance:

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

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)

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 WHITE BLUFF (Water)
 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.

<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:

	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. WHITE BLUFF (Water)
 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.

<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 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>TME 12/31/13</u>	\$ <u>10,648</u>
	<u>TME 12/31/14</u>	\$ <u>1,180</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>24,476</u>
b. K & M Change		\$ - (to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test year (a.+b.)		\$ <u>24,476</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. WHITE BLUFF (Water)

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

The increase in Water Regulatory Commission Expense is due to the increase in Regulatory Water Fees.

II-18 (b) Large Items:

<u>Description</u>	<u>Amount</u>	<u>Date in service</u>
Regulatory Water Fees	\$ 14,226	1/14/15
	\$ 7,820	8/7/15

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
 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>21,338</u>
	<u>TME 12/31/14</u>	\$ <u>29,279</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>29,261</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test year (a.+b.)		\$ <u>29,261</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. WHITE BLUFF (Water)

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

Not Applicable

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. WHITE BLUFF (Water)
SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-1 REQUESTED RETURN
FOR THE TEST YEAR ENDED: 12/31/2015

RETURN ON RATE BASE:

Line No.		
1	Test year end rate base (from III-2, Line 16)	1,026,569
2	Requested ROR (Col G, Line 7 below)	8.42%
3	Return on rate base (Line 1 x Line 2)	86,485

Rate of Return:

A	B	C	D	E	F	G
Line No.	Description	Amount	Percentage	Rate	Reference	Weighted Average Rate
			Amount from previous column divided by Line 6, Column C			G=(E x F)
4.	Equity (Rate base less Line 5, Column D)	\$ 453,382	44.16%	11.49%	Col E = Requested return on equity	5.07%
5.	Long Term Debt and Advances from associated companies from Schedule III-6	\$ 573,187	55.84%	6.00%	Col E = From Sch. III-6, Column H, Line 9	3.35%
6.	Total capitalization (Rate Base Sch III-2, Line 16)	\$ 1,026,569				
7.	Return on rate base Col G, Line 6 rounded to nearest 0.01%)				Line 4 x Line 5	8.42%

To Line 2 above

* ROE = Return on Equity

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
 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)	3,791,956	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)	24,568	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)	3,816,524	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	1,603,728	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	1,186,227	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)	2,789,955	
16.	RATE BASE (Line 8, less Line 15)	1,026,569	

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UTILITY NAME Double Diamond Utility Company, Inc. WHITE BLUFF (Water)										Schedule III-3			
SCHEDULES - CLASS B RATE/TARIFF CHANGE										(Provide a schedule for each PWS system)			
III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION										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 ¹	Depreciation			[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$) (Reserve)	[G] = [D]-[F] Net Book Value (\$)
			Years in Service	Time in Service									
				Months				Days					
1	303 Land and land rights	various			42,160	-	42,160	various			-	-	42,160
2	307 Wells		50		-	-	-	various			-	-	-
	Well Pumps:												
3	311 5 hp or less		5		-	-	-				-	-	-
4	311 Greater than 5 hp	various	10		139,765	-	139,765	various			13,975	46,265	93,500
	Booster Pumps:												
5	311 5 hp or less		5		-	-	-				-	-	-
6	311 Greater than 5 hp	various	10		4,783	-	4,783	various			478	4,271	512
7	320 Chlorinators		10		-	-	-				-	-	-
	Structures:												
8	304 Wood		15		-	-	-				-	-	-
9	304 Masonry		30		-	-	-				-	-	-
10	305 Storage Tanks	various	50		178,018	-	178,018	various			3,560	65,375	112,643
11	311 Pressure Tanks	various	50		36,042	-	36,042	various			722	10,547	25,495
12	331 Distribution System (mains and lines)	various	50		2,649,427	-	2,649,427	various			52,990	981,133	1,668,294
13	334 Meters and Service (taps not covered by fees)	various	20		686,660	-	686,660	various			34,335	462,889	223,771
14	340 Office Equipment		10		-	-	-				-	-	-
15	341 Vehicles		5		-	-	-	various			-	-	-
16	343 Shop Tools	various	15		38,362	-	38,362				2,557	21,912	16,450
17	345 Heavy Equipment	various	10		12,463	-	12,463	various			1,246	8,512	3,951
18	348 Fencing	various	20		4,277	-	4,277	various			214	2,824	1,453
19	Other: (Please list)												
20													
21													
22													
23													
24													
25													
50	Total				3,791,956	-	3,791,956				110,077	1,603,728	2,188,228

To Sch III-2,
line 2

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

Add detailed workpapers 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.

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
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	\$ -
2.	Plant additions after previous rate case		
3.		\$ 3,791,956	
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)		\$ 3,791,956
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 to III-3 Column D line 50	\$ 3,791,956

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

UTILITY NAME: <u>Double Diamond Utility Company, Inc. WHITE BLUFF (Water)</u> 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. WHITE BLUFF (Water)
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	
1	Annual O & M Expenses	294,813	277,819	N/A	N/A
2	Working Cash (Line 3 / Line 5)	24,568	23,152	N/A	N/A
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. WHITE BLUFF (Water)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-6 LONG TERM DEBT/ NOTES PAYABLE – WATER AND SEWER
 FOR THE YEAR ENDED: 12/31/2015

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	██████████	3/7/2013	4/7/2017	3,000,000	2,619,493	6.00%	157,170
3							
4							
5							
6							
7							
8							
9	Total				2,619,493	6.00%	157,170

To Sch III-1,
Column G,
Line 5

List short term debt, if any.

DDU001738

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
 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. _____)	\$ -
2	Ending balance per Sch III-3, Column F, Line 50	1,603,728
	Describe accounting adjustments made between the prior rate case and the current rate case:	
	Depreciation accruals	

Must match previous rate case.

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water)
 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:

Line No.	A Item	B Date of Installation	C Total Cost	D Amount of Advance	E Repayments made to developer	F (F)=(D)-(E) Rate base Value (to Sch III-2)	G 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*:

Line No.	A Item	B Date of Installation or Contribution	C Total Cost	D Amount of Developer Contribution	E Annual amortization	F Accumulated Amortization	G (G)=(D) - (F) Rate Base Value (to Sch III-2)
1.	303 Land and land rights	Various	42,160	21,480	-	-	21,480
2.	305 Storage Tanks	Various	178,018	16,820	336	8,399	8,421
3.	331 Distribution System (mains and lines)	Various	2,649,427	1,907,900	38,157	757,437	1,150,463
4.	334 Meters and Service (taps not covered)	Various	686,660	39,722	1,985	33,897	5,825
5.	348 Fencing	Various	4,277	180	9	142	38
6.	Total		3,560,542	1,986,102	40,487	799,875	1,186,227

*Customer CIAC is entered directly on III-3

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water) 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. WHITE BLUFF (Water) 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. WHITE BLUFF (Water)
 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		54,977	per property tax bills
2	Utility plant added in test year	58,282		Schedule III-3(a), Line 11
3	Utility plant retirements in test year	-		Schedule III-3(a), Line 21
4	Net additions	58,282		Line 2 minus line 3
5	Net Property tax rate	0.83%		gross plant balance from III-3
6	Test year property tax on additions		483	Line 4 times Line 5
7	Adjusted Test year property tax expense		55,460	Line 1 + Line 6
8	Known and measurable change	483		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%	80,520	Column D+E+F Line 9	4,992
10	Medicare	ALL	1.45%	80,520	Column H Line 9	1,168
11	Added Medicare (Affordable Care Act)	ALL	0.00%	80,520		-
12	Federal unemployment	wages to \$7000	0.60%	22,944	Column D Line 9	138
13	State unemployment	wages to \$9000	1.50%	29,500	Column D+E Line 9	442
14	Total (add Lines 11 through 14)					6,740
15	Less: Capitalized	Use % on Sub III-4(a), Line 10	0%			-
16	Test year Payroll Tax Expense					13,198
17	Known and measurable change					(6,458)

OTHER TAXES:

A	I	J	K	L
Line No.	Description	Test year	K & M Change	Adjusted Test Year
18	Other taxes & licenses	1,971	-	1,971
19				
20				
21	Total Other Taxes (Line 18 + Line 19 + Line 20)	1,971	-	1,971
22	Total this page - taxes other than income (Line 7) + (Col G, Line 16) + (Col L, Line 21)			64,171
23	Sch IV(a), Total known and measurable change (Line 8 plus line 17, Column G plus line 21, Column K)			(5,975)

TRUE

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Water) 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 (example below)	-	-	-	-	-
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 FIT (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. WHITE BLUFF (Water)
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	86,485	Schedule III-1, Line 3 or II-1, line 34
2	Less: Synchronized Interest	34,391	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return	52,094	Line 1 minus Line 2
4	Income taxes at proposed rates	13,585	Line 17 below
5	Effective tax rate	26%	Line 4 divided by Line 3
6	Total gross up factor	1.35	1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax	18,378	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. WHITE BLUFF (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. WHITE BLUFF (Water)				
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	568,761	
	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	73,303	
4.	Other volume related - Account 618	Sch I-1, Col. F, line 3	8,289	
5.	Other volume related or allocated (attach schedule)			
6.				
7.				
8.				
9.				
10.	FIXED COSTS (Line 1 minus Lines 2-9)		487,169	
11.	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE		50%	
12.	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		243,584	
	RECAP:			
13.	RECOVERED THROUGH BASE SERVICE CHARGE	Line 10	243,584	
14.	RECOVERED THROUGH VOLUMETRIC RATE	Line 1 - Line 10	325,176	
	TOTAL	Equals Line 1	568,761	
	TO BE RECOVERED THROUGH BASE SERVICE CHARGE			
15.	TOTAL METER EQUIVALENTS	Sch I-3, Col H, line 9	761	
16.	CHARGE PER 5/8" X 3/4" METER (MONTHLY)	Line 13 / Line 15 /12	\$ 26.67	
	TO BE RECOVERED THROUGH VOLUMETRIC RATE			
17.	TOTAL WATER SALES IN 1,000 GALS	Sch II-1(a), Col C, line 4	56,769	
18.	VOLUMETRIC RATE (CHARGE PER 1,000 GALS)	Line 14 / Line 17	\$ 5.73	
	PROPOSED RATES:			
19.	FOR ALL WATER DELIVERED PER 1,000 gallons	Line 18 or attach calc	\$ 5.73	
	BASE SERVICE CHARGE (PER 5/8" X 3/4")		\$ 26.67	
	Meter size	Line 16	Equivalency	
20.	5/8 X 3/4"	\$ 26.67	X 1.0 =	\$ 26.67
21.	3/4"	\$ 26.67	X 1.5 =	\$ 40.01
22.	1"	\$ 26.67	X 2.5 =	\$ 66.68
23.	1 1/2"	\$ 26.67	X 5.0 =	\$ 133.37
24.	2"	\$ 26.67	X 8.0 =	\$ 213.39
25.	3"	\$ 26.67	X 15.0 =	\$ 400.11
26.	4"	\$ 26.67	X 25.0 =	\$ 666.84
	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. / White Bluff
 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						
2	3/4" or Less	606	\$ 31.01	\$ 225,505	606	\$ 39.00	\$ 283,608
3	1"	18	77.51	16,742	18	97.50	21,060
4	1 1/2"	6	155.03	11,162	6	195.00	14,040
5	2"	10	248.04	29,765	10	312.00	37,440
6	3"	-		-	-		-
7	Subtotal	640		\$ 283,174	640		\$ 356,148
8	Volumetric Charge (per 1,000 gal)						
9	0 - 3,000	15,658	\$ 1.59	\$ 24,897	15,658	\$ 2.10	\$ 32,883
10	3,001 - 10,000	15,417	2.19	33,763	15,417	2.95	45,480
11	10,001 - 15,000	6,370	3.02	19,237	6,370	3.90	24,843
12	15,001 - 20,000	4,489	4.17	18,720	4,489	5.25	23,569
13	20,001 +	14,834	5.76	85,446	14,834	5.76	85,446
14	Subtotal	56,769		\$ 182,064	56,769		\$ 212,220
15	Total			\$ 465,237			\$ 568,368
16	Rate Revenue Requirement			\$ 568,761			\$ 568,761
17	Over / (Under) Recovery (\$)			(103,523)			(392)
18	Over / (Under) Recovery (%)			-22%			0%
19	5,000 Gallons		\$ 40.16			\$ 51.20	
20	Increase					\$ 11.04	27%
21	10,000 Gallons		\$ 51.11			\$ 65.95	
22	Increase					\$ 14.84	29%
23	30,000 Gallons		\$ 144.66			\$ 169.30	
24	Increase					\$ 24.64	17%
25	Revenue Increase over Test Year Calculated Revenue						\$ 103,131

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. WHITE BLUFF (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) \$ 192,258 (From Sch 1-1, Line 33)
dollar amount

49% (From Sch 1-1, 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. WHITE BLUFF (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. WHITE BLUFF (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. WHITE BLUFF (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 1-4 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. WHITE BLUFF (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	12,020	-	12,020	Schedule II-4
3	618	Other volume related expenses	2,409	-	2,409	Schedule II-5
4		Total volume related exp.	14,429	-	14,429	Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor	70,968	20,472	91,440	Schedule II-6, Line 10
6	620	Materials	2,581	-	2,581	Schedule II-7
7	631-636	Contract work	2,922	-	2,922	Schedule II-8
8	650	Transportation expenses	11,795	-	11,795	Schedule II-9
9	664	Other plant maintenance	100,955	-	100,955	Schedule II-10
10		Total non-volume related exp.	189,221	20,472	209,693	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	7,722	-	7,722	Schedule II-14
18	678	Professional services	3,937	-	3,937	Schedule II-15
19	684	Insurance	8,566	-	8,566	Schedule II-16
20	666	Regulatory (rate case) expense	-	-	-	Schedule II-17
21	667	Regulatory expense (other)	7,049	-	7,049	Schedule II-18
22	675	Miscellaneous expenses	26,424	-	26,424	Schedule II-19
23		Total admin. & general expense	53,698	-	53,698	Add Lines 11-22
24		Total operating Expenses	257,348	20,472	277,819	Lines 4 + 10 + 23
25	403	Depreciation	69,816	14,884	84,700	Sch III-3, Col E, Line 50
26	408	Taxes Other than Income	62,145	(4,038)	58,106	Sch IV(b), Line 8
27	409/10	Income Tax Expense	-	27,354	27,354	Schedule V, Line 7
28		TOTAL EXPENSES	389,308	58,671	447,980	
29		TOTAL HISTORIC REVENUE	390,030			Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN	721			Line 30 less Line 29
31		REQUESTED RETURN			128,724	Schedule III-1, Line 3
32		TOTAL REVENUE REQUIREMENT			576,704	Line 30 plus Line 34
33		REQUESTED ANNUAL REVENUE INCREASE		(to notice)	186,674	Line 32 less Line 29
34		PERCENTAGE INCREASE			48%	Line 36 divided by Line 33
35		LESS: OTHER REVENUES			(4,574)	Sch. II-3(b), Col D, Line 8
36		Revenue for Rate Design		(to VI, line 1)	572,130	Line 33 minus Line 35

DDU16 - 01 P275

UTILITY NAME: <u>Double Diamond Utility Company, Inc. WHITE BLUFF (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	\$ 381,062	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		\$ 381,062	
5.	Plus. Total Other Revenues		\$ 8,968	From II-3, Column B, line 7
6.	Total Historical Test Year Revenues per income statement and Annual Report		\$ 390,030	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. WHITE BLUFF (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"	534	6	540	537	1.0	540
2.	3/4"	0	0	0	0	1.5	-
3.	1"	11	0	11	11	2.5	28
4.	1 1/2"	5	0	5	5	5.0	25
5.	2"	10	1	11	11	8.0	88
6.							
7.							
8.							
9.	Total	560	7	567	563.5		681
10	Average	112	1.4	113.4	112.7		136

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Sewer)
 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 Unit	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 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: <u>Double Diamond Utility Company, Inc. WHITE BLUFF (Sewer)</u> 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 WHITE BLUFF (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 Unit	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	D
	Item passed thru or type of other revenue	Test year historical revenues collected	Test year revenues netted against
1.	Tap Fees*	4,394	
2.	Late Fees	2,368	
3.	Meter Test Fees	-	
4.	Reconnect Fees	1,658	
5.	Purchased Water Fees	-	
6.	Groundwater Conservation District Fees	-	
7.	Other (attach detail**)	547	
8.	Total Other Revenues	8,968	

(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. WHITE BLUFF (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.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
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.

	<u>Year</u>	<u>Amount</u>
	<u>TME 12/31/13</u>	\$ <u>12,104</u>
	<u>TME 12/31/14</u>	\$ <u>14,617</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>12,020</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 2)
c. Adjusted Test year (a.+b.)		\$ <u>12,020</u> (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)

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
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:

	<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, Line14)
c. Adjusted Test year (a.+b.)		\$ <u>-</u> (to I-1, Column F, Line 14)

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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.

<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.

	Year	Amount
	<u>TME 12/31/13</u>	\$ <u>4,680</u>
	<u>TME 12/31/14</u>	\$ <u>3,946</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>2,409</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ <u>2,409</u> (to I-1, Column F, Line 3)

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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 WHITE BLUFF (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	Employee Name	Test Year Payroll	Capitalized Payroll	Expensed Payroll	1st 7000 or new limit (FLTA max)	7,001 to 9000 or new limit (SLTA max)	9,001 to 118500 or new limit (or FICA max)	over 118500 or new limit	Total Payroll
1	Jody Bledsoe	13,000	-	13,000	3,500	1,000	8,500	-	13,000
2	Clovis C Wilhelm	16,380	-	16,380	5,250	1,500	9,630	-	16,380
3	Jerry Whitworth	10,400	-	10,400	3,500	1,000	5,900	-	10,400
4	Dwayne Cota	10,920	-	10,920	3,500	1,000	6,420	-	10,920
5	Todd Dilworth	22,050	-	22,050	3,500	1,000	17,550	-	22,050
6	Jordan Dilworth	-	-	-	-	-	-	-	-
7	Buck W Nunley	7,250	-	7,250	3,500	1,000	2,750	-	7,250
8	Danny Keeton	11,440	-	11,440	3,500	1,000	6,940	-	11,440
9	Total	91,440	-	91,440	26,250	7,500	57,690	-	91,440
10	Line 9, column F divided by line 9, column E =								0.63

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	Test Yr Expense	
1	601-1	91,440	to Schedule I-1, Line 5
2	601-2	-	to Schedule I-1, Line 11
3	601-3	-	to Schedule I-1, Line 12
4		91,440	(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

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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>
	TME 12/31/13	\$ 3,229
	TME 12/31/14	\$ 2,690
a. Test Year	TME 12/31/15	\$ 2,581
b. K & M Change		\$ - (to I-1, Column E, Line 6)
c. Adjusted Test year (a.+b.)		\$ 2,581 (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.**

Expensed materials may not be included in rate base in materials and supplies inventori

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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
	TME 12/31/13	\$ 2,487
	TME 12/31/14	\$ 2,535
a. Test Year	TME 12/31/15	\$ 2,922
b. K & M Change	-	(to I-1, Column E, Line 7)
c. Adjusted Test year (a.+b.)	2,922	(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. WHITE BLUFF (Sewer)

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

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

II-8(b) Large Items:

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

UTILITY NAME: Double Diamond Utility Company, Inc WHITE BLUFF (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.

	<u>Year</u>	<u>Amount</u>
	<u>TME 12/31/13</u>	\$ <u>17,632</u>
	<u>TME 12/31/14</u>	\$ <u>13,141</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>11,795</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 8)
c. Adjusted Test year (a.+b.)		\$ <u>11,795</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. WHITE BLUFF (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*:

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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.

<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>TME 12/31/13</u>	\$ <u>89,651</u>
	<u>TME 12/31/14</u>	\$ <u>94,324</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>100,955</u>
b. K & M Change		\$ <u> -</u> (to I-1, Column E, Line 9)
c. Adjusted Test year (a.+b.)		\$ <u>100,955</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: N/A

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (Sewer)

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

Increase in Test Year expense due to increase in repair and maintenance on collection lines.

II-10(b) Large Items:

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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		<u>Total Amount</u>		<u>Pensions</u>		<u>Health</u>		<u>Other</u>		<u>Amount Capitalized*</u>

Cost per Employee: -

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

Number of Employees covered: -
 Cost per Employee: -

List types of Pensions & Benefits:

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

Number of Employees covered: -
 Cost per Employee: -

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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. WHITE BLUFF (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>-</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 16)
c. Adjusted Test year (a. + b.)		\$ <u>-</u> (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: <u>Double Diamond Utility Company, Inc. WHITE BLUFF (Sewer)</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-14 OFFICE SUPPLIES FOR THE TEST YEAR ENDED: <u>12/31/2015</u>

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>
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:

	<u>Year</u>	<u>Amount</u>
	<u>TME 12/31/13</u>	\$ <u>7,710</u>
	<u>TME 12/31/14</u>	\$ <u>8,757</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>7,722</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 17)
c. Adjusted Test year (a.+b.)		\$ <u>7,722</u> (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. WHITE BLUFF (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:

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

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

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>
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>TME 12/31/13</u>	\$ <u>7,855</u>
<u>TME 12/31/14</u>	\$ <u>-</u>
a. Test Year <u>TME 12/31/15</u>	\$ <u>3,937</u>
b. K & M Change	\$ <u>-</u> (to I-1, Column E, Line 18)
c. Adjusted Test year (a.+b.)	\$ <u>3,937</u> (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. WHITE BLUFF (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. WHITE BLUFF (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
	TME 12/31/13	\$ 9,042
	TME 12/31/14	\$ 9,027
a. Test Year	TME 12/31/15	\$ 8,566
b. K & M Change		\$ - (to I-1, Column E, Line 19)
c. Adjusted Test year (a.+b.)		\$ 8,566 (to I-1, Column F, Line 19)

Types of insurance:

Year	\$	See Insurance Section in Attached Workpapers			
		Total amount	Period Covered	Type	Company
Year	\$	See Insurance Section in Attached Workpapers			
		Total amount	Period Covered	Type	Company
Year	\$	See Insurance Section in Attached Workpapers			
		Total amount	Period Covered	Type	Company

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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. WHITE BLUFF (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.

<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>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:

<u>Description</u>	<u>Amount</u>	<u>Date in service</u>
Not applicable		

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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>3,364</u>
	<u>TME 12/31/14</u>	\$ <u>4,349</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>7,049</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test year (a.+b.)		\$ <u>7,049</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. WHITE BLUFF (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. WHITE BLUFF (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:

	<u>Year</u>	<u>Amount</u>
	<u>TME 12/31/13</u>	\$ <u>18,932</u>
	<u>TME 12/31/14</u>	\$ <u>26,368</u>
a. Test Year	<u>TME 12/31/15</u>	\$ <u>26,424</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test year (a.+b.)		\$ <u>26,424</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. WHITE BLUFF (Sewer)

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

The increase in Test Year Miscellaneous Sewer Expenses is due to an increase in Equipment Lease Expenses.

II-19 (b) Large Items:

<u>Description</u>	<u>Amount</u>	<u>Date in service</u>
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. WHITE BLUFF (Sewer)
SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-1 REQUESTED RETURN
FOR THE TEST YEAR ENDED: 12/31/2015

RETURN ON RATE BASE:

Line No.		
1	Test year end rate base (from III-2, Line 16)	1,527,949
2	Requested ROR (Col G, Line 7 below)	8.42%
3	Return on rate base (Line 1 x Line 2)	128,724

Rate of Return:

A	B	C	D	E	F	G
Line No.	Description	Amount	Percentage	Rate	Reference	Weighted Average Rate
			Amount from previous column divided by Line 6, Column C			G=(E x F)
4.	Equity (Rate base less Line 5, Column D)	\$ 674,816	44.16%	11.49%	Col E = Requested return on equity	5.07%
5.	Long Term Debt and Advances from associated companies from Schedule III-6	\$ 853,134	55.84%	6.00%	Col E = From Sch. III-6, Column H, Line 9	3.35%
6.	Total capitalization (Rate Base Sch III-2, Line 16)	\$ 1,527,949				
7.	Return on rate base Col G, Line 6 rounded to nearest 0.01%					8.42%

To Line 2 above

* ROE = Return on Equity

CORRECTED SCHEDULE III-2 RATE BASE SUMM

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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:		
2.	Utility plant (Original Cost)	2,847,336	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)	23,152	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)	2,870,487	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	1,205,081	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	137,457	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)	1,342,538	
16.	RATE BASE (Line 8, less Line 15)	1,527,949	

DDU16 - 01 Page 3

CORRECTED SCHEDULE III-3 PLANT IN SERVICE

UTILITY NAME Double Diamond Utility Company, Inc WHITE BLUFF (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]	[B]	[C]	[D.1]	[D.2]	[D] = [D.1] - [D.2]	Depreciation			[E] = [D]/[C]	[F]	[G] = [D]-[F]	Net
	Item	Date of Installation	Service Life (yrs) * **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Time in Service			Annual (\$)	Accumulated (\$) (Reserve)	Book Value (\$)	Book Value (\$)
							Years in Service	Months	Days				
1	303 Land and land rights	various		34,735	-	34,735	various			-	-	34,735	
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										
19	Other: (Please list)												
20	Sewer Plant - 50 yr life	various	50	1,908,258	-	1,908,258	various			38,167	734,294	1,173,964	
21	Sewer Plant - 20 yr life	various	20	878,033	-	878,033	various			43,903	450,634	427,399	
22	Sewer Plant - 10 yr life	various	10	26,310	-	26,310	various			2,630	20,153	6,157	
23													
24													
25													
50	Total			2,847,336	-	2,847,336				84,700	1,205,081	1,642,255	

To Sch III-2,
line 2

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

Add detailed workpapers 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.

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UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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)	\$ -	-
2.	Plant additions after previous rate case		
3.		\$ 2,847,336	
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)	\$ 2,847,336	2,847,336
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)	\$ 2,847,336	2,847,336

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

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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. WHITE BLUFF (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	Class B		Class C	
		Water	Sewer	Water	Sewer
1	Annual O & M Expenses	294,813	277,819	N/A	N/A
2	Working Cash (Line 3 / Line 5)	24,568	23,152	N/A	N/A
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. WHITE BLUFF (Sewer)
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-6 LONG TERM DEBT/ NOTES PAYABLE – WATER AND SEWER
 FOR THE YEAR ENDED: 12/31/2015

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		3/7/2013	4/7/2017	3,000,000	2,619,493	6.00%	157,170
3							
4							
5							
6							
7							
8							
9	Total				2,619,493	6.00%	157,170

To Sch III-1,
Column G,
Line 5

List short term debt, if any:

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UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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. _____)	\$ -
2	Ending balance per Sch III-3, Column F, Line 50	\$ 1,205,081
	Describe accounting adjustments made between the prior rate case and the current rate case:	
	Depreciation accruals	

Must match previous rate case.

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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:

Line No.	A Item	B Date of Installation	C Total Cost	D Amount of Advance	E Repayments made to developer	F (F)=(D)-(E) Rate base Value (to Sch III-2)	G 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*:

Line No.	A Item	B Date of Installation or Contribution	C Total Cost	D Amount of Developer Contribution	E Annual amortization	F Accumulated Amortization	G (G)=(D) - (F) Rate Base Value (to Sch III-2)
1.	303 Land and land rights	Various	34,735	27,788	-	-	27,788
2.	Sewer Plant - 50 yr life	Various	1,908,258	154,900	3,099	56,262	98,638
3.	Sewer Plant - 20 yr life	Various	878,033	123,277	6,165	112,246	11,031
4.	Sewer Plant - 10 yr life	Various	26,310	-	-	-	-
5.							
6.	Total		2,847,336	305,965	9,264	168,508	137,457

*Customer CIAC is entered directly on III-3

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

PROPERTY TAXES:

A	B	C	D	E
Line No.	Description	Amount	Amount	Reference
1	Property taxes paid in in test year	48,706	48,706	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	1.71%	-	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	-	48,706	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%	91,440	Column D+E+F Line 9	5,669
10	Medicare	ALL	1.45%	91,440	Column H Line 9	1,326
11	Added Medicare (Affordable Care Act)	ALL	0.00%	91,440		-
12	Federal unemployment	wages to \$7000	0.60%	26,056	Column D Line 9	156
13	State unemployment	wages to \$9000	1.50%	33,500	Column D+E Line 9	503
14	Total (add Lines 11 through 14)					7,654
15	Less. Capitalized		0%			-
16	Test year Payroll Tax Expense					11,692
17	Known and measurable change					(4,038)

OTHER TAXES:

A	I	J	K	L
		Test year	K & M Change	Adjusted Test Year
18	Other taxes & licenses	1,746	-	1,746
19				
20				
21	Total Other Taxes (Line 18 + Line 19 + Line 20)	1,746	-	1,746
22	Total this page - taxes other than income (Line 7) + (Col G, Line 16) + (Col L, Line 21)			58,106
23	(Line 8 plus line 17, Column G plus line 21, Column K)			(4,038)

TRUE

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UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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 (example below))	-	-	-	-	-
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.

CORRECTED SCHEDULE V FEDERAL INC TAX

UTILITY NAME: Double Diamond Utility Company, Inc. WHITE BLUFF (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	128,724	Schedule III-1, Line 3 or II-1, line 34
2	Less: Synchronized Interest	51,188	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return	77,536	Line 1 minus Line 2
4	Income taxes at proposed rates	20,220	Line 17 below
5	Effective tax rate	26%	Line 4 divided by Line 3
6	Total gross up factor	1.35	1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax	27,354	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. WHITE BLUFF (Total)
 V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE

DDU16 - 011-283

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. WHITE BLUFF (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	572,130
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	12,020
4.	Other volume related - Account 618	Sch I-1, Col. F, line 3	2,409
5.	Other volume related or allocated (attach schedule)		
6.			
7.			
8.			
9.			
10.	FIXED COSTS (Line 1 minus Lines 2-9)		557,701
11.	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE		25%
12.	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		418,276
RECAP:			
13.	RECOVERED THROUGH BASE SERVICE CHARGE	Line 10	418,276
14.	RECOVERED THROUGH VOLUMETRIC RATE	Line 1 - Line 10	153,854
	TOTAL	Equals Line 1	572,130
TO BE RECOVERED THROUGH BASE SERVICE CHARGE			
15.	TOTAL METER EQUIVALENTS	Sch I-3, Col H, line 9	681
16.	CHARGE PER 5/8" X 3/4" METER (MONTHLY)	Line 13 / Line 15 /12	\$ 51.22
TO BE RECOVERED THROUGH VOLUMETRIC RATE			
17.	TOTAL WATER SALES IN 1,000 GALS	Sch II-1(a), Col C, line 4	19,823
18.	VOLUMETRIC RATE (CHARGE PER 1,000 GALS)	Line 14 / Line 17	\$ 7.76
PROPOSED RATES:			
19.	FOR ALL WATER DELIVERED PER 1,000 gallons	Line 18 418,276/19,823	\$ 7.76
	BASE SERVICE CHARGE - ALL METER SIZES		\$ 51.22
		Equivalency	Basic Rate/size
20.			
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. / White Bluff
 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						
2	3/4" or Less	540	\$ 41.00	\$ 265,680	540	\$ 56.65	\$ 367,092
3	1"	11	102.50	13,530	11	144.00	19,008
4	1 1/2"	5	205.00	12,300	5	295.00	17,700
5	2"	11	328.00	43,296	11	465.00	61,380
6	3"	-	-	-	-	-	-
7	Subtotal	567		\$ 334,806	567		\$ 465,180
8	Volumetric Charge (per 1,000 gal)						
9	0 - 3,000	10,106	\$ -	\$ -	10,106	\$ -	\$ -
10	3,001 +	9,717	8.00	77,737	9,717	11.00	106,888
11	Subtotal	19,823		\$ 77,737	19,823		\$ 106,888
12	Total			\$ 412,543			\$ 572,068
13	Revenue Requirement			\$ 572,130			\$ 572,130
14	Over / (Under) Recovery (\$)			(159,587)			(62)
15	Over / (Under) Recovery (%)			-39%			0%
16	5,000 Gallons		\$ 57.00			\$ 78.65	
17	Increase					\$ 21.65	38%
18	10,000 Gallons		\$ 97.00			\$ 133.65	
19	Increase					\$ 36.65	38%
20	30,000 Gallons		\$ 257.00			\$ 353.65	
21	Increase					\$ 96.65	38%
22	Revenue Increase over Calculated Revenue					\$	159,525

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.

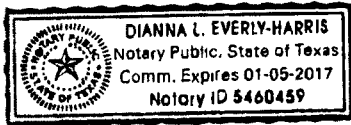
Based on such officer's knowledge, the financial statements, operations and other financial information included in the application, fairly present in all material respects the financial condition and results of operations of the preparers as of, and for, the periods presented in the application.

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

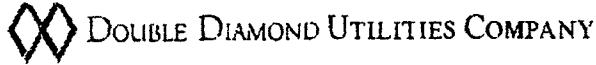


Dianna L. Everly-Harris
Notary Public, State of Texas

My Commission Expires: 01-05-17

Oath required per Texas Administrative Code §24.105

EXHIBIT DDU-2A



5495 Belt Line Road
Suite 200
Dallas, Texas 75254

Local 214 706 9801
Toll 800 324 7438
Fax 214 706 9878
Web www.ddresorts.com

August 10, 2016

Dear Valued Customer:

On August 1, 2016, Double Diamond Utilities ("DDU") filed a request with the Public Utility Commission of Texas ("PUC") to increase water and sewer rates at White Bluff. DDU is proposing an increase in your water and sewer rates to be effective on October 1, 2016. This is the first change in rates for White Bluff since June 2010.

Per PUC requirements, DDU is providing you the attached Notice of Proposed Rate Change. Please review this notice carefully as it summarizes DDU's request, its impact on sample monthly bills for our customers, as well as information on the processing of our proposal by the PUC.

DDU recognizes that any rate increase is difficult on customers. We have worked diligently to ensure that only reasonable and necessary costs for operating the DDU systems have been included in the proposed increase. And while we are committed to ensuring the financial stability of your utility service for the future, we are also attentive to the impact these necessary increases have on our customers.

You can review our application during normal business hours at either our main office in Dallas, located at 5495 Beltline Road, Suite 200, or at the DDU office in White Bluff, located in the White Bluff Administration Building at 20022 Misty Valley Circle.

Should you have questions regarding this request or any aspect of your utility service, please feel free to contact DDU offices at 214.706.9801.

Sincerely,

A handwritten signature in black ink, appearing to read "Buck Nunley".

Buck Nunley
Regional Utility Manager

9

P.U.C. DOCKET NO. 46245 *

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

Double Diamond Utility Company, Inc., White Bluff 12087 (water) 20705 (sewer)

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 64 [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: 10/1/2016

(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:

Current rates not providing adequate recovery of revenue requirements

BILLING COMPARISON

Water

Existing	5,000 gallons:	\$	<u>40.16</u>	/mo	Proposed	5,000 gallons:	\$	<u>58.30</u>	/mo
Existing	10,000 gallons:	\$	<u>51.11</u>	/mo	Proposed	10,000 gallons:	\$	<u>74.30</u>	/mo
Existing	30,000 gallons:	\$	<u>128.76</u>	/mo	Proposed	30,000 gallons:	\$	<u>188.05</u>	/mo

Sewer

Existing	5,000 gallons:	\$	<u>57.00</u>	/mo	Proposed	5,000 gallons:		<u>79.50</u>	/mo
Existing	10,000 gallons:	\$	<u>97.00</u>	/mo	Proposed	10,000 gallons:	\$	<u>134.50</u>	/mo

White Bluff

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

5495 Bettine Road, Suite 200 Dallas Texas 75254
Company Address City State Zip

(214) 706-9801
Company Phone Number

386,024.00 8/10/2016
Annual Revenue Increase Date Notice Delivered

10/24/2008 Between 1st and 5th each of 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.

10