



Control Number: 46245



Item Number: 732

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# Public Utility Commission of Texas

## Memorandum

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PUBLIC UTILITY COMMISSION  
FILING CLERK

To: Stephen Journey, Commission Counsel

From: Anna Givens, Rate Regulation *AG*

Subject: Docket No. 46245—*Application of Double Diamond Utility Company, Inc. for Water and Sewer Rate/Tariff Change*

**Commission Number Run**—Based on September 12, 2019 Open Meeting Discussion

Date: October 1, 2019

Please find attached to this memo the updated schedules for Double Diamond Utility Company, Inc. (Double Diamond) as requested in the number-running instructions contained in your memo dated September 18, 2019. Also attached is Staff's memo describing adjustments made by Staff to carry out the instructions. Additionally, please note that Staff is filing with this memo the Excel models containing the schedules.

The schedules include the following:

- **Attachment A:**
  - Schedule I: Revenue Requirement
  - Schedule II: Operations & Maintenance (O&M) Expense
  - Schedule III: Invested Capital
  - Schedule IV: Taxes Other than Federal Income Tax
  - Schedule V: Federal Income Taxes
- **Attachment B:** Updated Tariffs
- **Attachment C:** Rate Calculations
- **Attachment D:** Detailed model and workpapers demonstrating number running instructions and corrections

As reflected by the data in Attachment A, the Commission's adjustments result in a revenue requirement of \$506,901, which is a decrease of \$633,990 from Double Diamond's *requested* revenue requirement of \$1,140,891.

Please let me know if you have any questions.

732

# *Public Utility Commission of Texas*

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## **Memorandum**

To: Anna Givens, Rate Regulation

From: Debi Loockerman, Rate Regulation *DL*

Subject: Docket No. 46245, *Application of Double Diamond Utility Company, Inc. For Water and Sewer Rate/Tariff Change*

**Commission Number Run**

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Please find attached to this memo the revenue requirement schedules (Attachment A), updated tariffs (Attachment B), rate calculations (Attachment C), and the detailed model and workpapers (Attachment D) consistent with the number-running instructions and the revisions made by number-running staff.

In performing the Commission's instructions as provided in its September 18, 2019 memo, Staff made the following corrections.

- Corrected a typographical error in the calculation of the employee labor expense so that the additional reduction equals \$10,443 ( $\$20,886 \div 2$ ).
- Corrected the rate of return to reflect 6.95% as provided in the Commission's August 5, 2018 Order in Finding of Fact No. 126.

Attachment A reflects the calculated depreciation rates for utility and developer contributed assets for both utilities. Detailed calculations are reflected in Attachment C, specifically in workpaper DL-1. Staff used the number-running instructions with regard to developer contributed property and applied them to the utility contributed property with the exception of the grinder pumps, for which the depreciation rate recommended by Staff witness Jolie Mathis was used and includes the service life of 20 years.

Attachment C reflects Proposal for Decision's recommendation on rate design to follow the uncontested method used by the Applicant with one exception. When calculating the water rates, the split between fixed expenses recovered through the minimum, or fixed charge, and the variable

expenses recovered through the gallonage charge requested by the Applicant was 63% fixed to 37% variable. The increasing block rates and the reduced revenue requirement would not allow for 63% of the revenue requirement to be recovered through the minimum charge. Staff shifted the percentage to 51% fixed and 49% variable to retain the blocks for the gallonage charge as requested by the Applicant.

**ATTACHMENT A**  
**PUC DOCKET NO. 46245**  
**Commission Number Run**  
**October 1, 2019**  
**Revenue Requirement**  
**Staff Schedules**

SOAH DOCKET NO. 473-17-0117.WS  
PUC DOCKET NO. 46245  
COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Total - Water & Sewer  
TEST YEAR END 12/31/2015

Schedule I  
Revenue Requirement

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Revenue Requirement
<b>REVENUE REQUIREMENT</b>	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Operations and Maintenance	\$ 551,745	\$ 20,887	\$ 572,632	\$ (193,844)	\$ 378,788
Total Depreciation and Amortization	\$ 148,621	\$ 46,156	\$ 194,777	\$ (174,684)	\$ 20,093
Utility				\$ 6,319	
Developer Contributions				\$ 13,774	
Taxes Other Than Income	\$ 132,290	\$ (10,013)	\$ 122,277	\$ (7,337)	\$ 114,940
Federal Income Taxes	\$ -	\$ 45,732	\$ 45,732	\$ (44,767)	\$ 965
Return on Invested Capital	\$ 30,827	\$ 184,382	\$ 215,209	\$ (209,758)	\$ 5,451
<b>TOTAL</b>	\$ 863,483	\$ 287,144	\$ 1,150,628	\$ (630,390)	\$ 520,238
Other Revenues	\$ -	\$ (9,737)	\$ (9,737)	\$ (3,600)	\$ (13,337)
Revenue Requirement Used to Set Rates	\$ 863,483	\$ 277,407	\$ 1,140,891	\$ (633,990)	\$ 506,901

SOAH DOCKET NO. 473-17-0117.WS  
PUC DOCKET NO. 46245  
COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water  
TEST YEAR END 12/31/2015

Schedule I-Water  
Revenue Requirement

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Water Revenue Requirement
REVENUE REQUIREMENT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Operations and Maintenance	\$ 294,397	\$ 415	\$ 294,812	\$ (51,419)	\$ 243,393
Depreciation and Amortization Expense	\$ 78,805	\$ 31,272	\$ 110,077	\$ (96,570)	\$ 13,507
Utility				\$ 1,923	
Developer Contributions				\$ 11,584	
Taxes Other Than Income	\$ 70,146	\$ (5,975)	\$ 64,171	\$ (1,440)	\$ 62,731
Federal Income Taxes	\$ -	\$ 18,378	\$ 18,378	\$ (18,378)	\$ -
Return on Invested Capital	\$ 30,106	\$ 56,379	\$ 86,485	\$ (86,485)	\$ -
<b>TOTAL</b>	<b>\$ 473,454</b>	<b>\$ 100,469</b>	<b>\$ 573,924</b>	<b>\$ (254,292)</b>	<b>\$ 319,631</b>
Other Revenues		\$ (5,163)	\$ (5,163)	\$ (3,600)	\$ (8,763)
Revenue Requirement Used to Set Rates	\$ 473,454	\$ 95,306	\$ 568,761	\$ (257,892)	\$ 310,868

SOAH DOCKET NC 473-17-0117.WS

PUC DOCKET NO. 46245

COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water

TEST YEAR END 12/31/2015

Schedule II-Water

O&amp;M Expense

OPERATIONS AND MAINTENANCE EXPENSE		Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Water Total
Acct. No.	ACCOUNT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
610	PURCHASED WATER	\$ -		\$ -		\$ -
615	POWER EXPENSE-PRODUCTION ONL	\$ 73,303		\$ 73,303		\$ 73,303
618	OTHER VOLUME RELATED EXPENSE:	\$ 8,289		\$ 8,289	\$ 318	\$ 8,607
601-1	EMPLOYEE LABOR	\$ 80,105	\$ 415	\$ 80,520	\$ (13,823)	\$ 66,697
620	MATERIALS	\$ 2,913		\$ 2,913		\$ 2,913
631-636	CONTRACT WORK	\$ 3,298		\$ 3,298	\$ 890	\$ 4,188
650	TRANSPORTATION EXPENSES	\$ 13,313		\$ 13,313	\$ (3,762)	\$ 9,551
664	OTHER PLANT MAINTENANCE	\$ 41,055		\$ 41,055		\$ 41,055
601-2	OFFICE SALARIES	\$ -		\$ -		\$ -
601-3	MANAGEMENT SALARIES	\$ -		\$ -		\$ -
604	EMPLOYEE PENSIONS & BENEFITS	\$ -		\$ -		\$ -
615	PURCHASED POWER-OFFICE ONLY	\$ -		\$ -		\$ -
670	BAD DEBT EXPENSE	\$ -		\$ -		\$ -
676	OFFICE SERVICES & RENTALS	\$ -		\$ -		\$ -
677	OFFICE SUPPLIES & EXPENSES	\$ 8,716		\$ 8,716		\$ 8,716
678	PROFESSIONAL SERVICES	\$ -		\$ -		\$ -
684	INSURANCE	\$ 9,668		\$ 9,668	\$ (3,371)	\$ 6,297
666	REGULATORY EXPENSE (RATE CASE	\$ -		\$ -		\$ -
667	REGULATORY EXPENSE (OTHER)	\$ 24,476		\$ 24,476	\$ (23,291)	\$ 1,185
675	MISCELLANEOUS	\$ 29,261		\$ 29,261	\$ (8,380)	\$ 20,881
	<b>TOTAL</b>	<b>\$ 294,397</b>	<b>\$ 415</b>	<b>\$ 294,812</b>	<b>\$ (51,419)</b>	<b>\$ 243,393</b>



SOAH DOCKET NO. 473-17-0117.WS  
PUC DOCKET NO. 46245  
COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water  
TEST YEAR END 12/31/2015

Schedule III-Water  
Invested Capital

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Water Total
<b>INVESTED CAPITAL</b>	(a)	(b)	(c)=(a)+(b)	(d)	(g)=(c)+(d)+(f)
Plant in Service - total	\$ 3,791,956		\$ 3,791,956	\$ (3,290,611)	\$ 501,345
Utility					\$ 71,367
Developer Contributions					\$ 429,978
Accumulated Depreciation-total	\$ (1,603,728)		\$ (1,603,728)	\$ 1,380,615	\$ (223,113)
Utility					\$ (3,012)
Developer Contributions					\$ (220,101)
			\$ -		
Net Plant in Service	\$ 2,188,228	\$ -	\$ 2,188,228	\$ (1,909,996)	\$ 278,232
Utility					\$ 68,355
Developer Contributions					\$ 209,877
			\$ -		
Working Cash Allowance	\$ 24,568		\$ 24,568	\$ (4,285)	\$ 20,283
Materials and Supplies			\$ -		
Prepayments			\$ -		
Customer Advances Construction			\$ -		
Developer Contribution in Aid of Construction	\$ (1,186,227)		\$ (1,186,227)	\$ 976,350	\$ (209,877)
Customer Deposits			\$ -		
Regulatory Assets			\$ -		
Accumulated DFIT			\$ -	\$ (327,979)	\$ (327,979)
Regulatory Liabilities			\$ -		
			\$ -		
<b>TOTAL INVESTED CAPITAL (RATE BASE)</b>	\$ 1,026,569	\$ -	\$ 1,026,569	\$ (1,265,910)	\$ (239,341)
<b>RATE OF RETURN</b>			8.42%		6.95%
<b>RETURN ON INVESTED CAPITAL</b>	\$ 30,106	\$ 56,379	\$ 86,485	\$ (86,485)	\$ -

SOAH DOCKET NO. 473-17-0117.WS  
PUC DOCKET NO. 46245  
COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water  
TEST YEAR END 12/31/2015

Schedule IV-Water  
Taxes Other Than FIT

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Water Total
TAXES OTHER THAN FIT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Non-Revenue Related					
Ad Valorem Taxes	54,977	483	55,460		55,460
Total Property	54,977	483	55,460		55,460
Payroll Taxes					
FICA			4,992	(857)	4,135
MEDICARE			1,168	(201)	967
MEDICARE-Affordable Care Act				-	-
FUTA			138	(23)	116
SUTA			442	(360)	83
Total Payroll	13,198	(6,458)	6,740	(1,440)	5,300
Other Taxes					
Other taxes and Licenses	1,971		1,971		1,971
Total Other Taxes	1,971		1,971	-	1,971
<b>TOTAL TAXES OTHER THAN INCOME</b>	<b>70,146</b>	<b>(5,975)</b>	<b>64,171</b>	<b>(1,440)</b>	<b>62,731</b>

SOAH DOCKET NO.	473-17-0117.WS	Schedule V-Water		
PUC DOCKET NO.	46245	Federal Income Taxes		
COMPANY NAME	Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water			
TEST YEAR END	12/31/2015			
	Test Year Total	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Water Total
FEDERAL INCOME TAXES	(a)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Return	Total	\$ 215,209	\$ (215,209)	\$ -
Less			\$ -	
Interest Included in Return		\$ 85,579	\$ (85,579)	\$ -
Plus			\$ -	
Other Adjustments			\$ -	
TAXABLE COMPONENT OF RETURN		\$ 129,630	\$ (129,630)	\$ -
TAX RATE		26%		21%
TAX FACTOR $(1/(1-TR))*(TR)$		0.351351351	\$ (0.09)	0.265822785
FEDERAL INCOME TAX BEFORE ADJUSTMENTS		\$ 45,546	\$ (45,546)	\$ -
LESS			\$ -	
Surtax Exemption	(A)	\$ -	\$ -	
TOTAL FEDERAL INCOME TAXES		\$ 45,546	\$ (45,546)	\$ -
Allocation Factor (White Bluff Water NI/Total White Bluff NI)		40.35%		100.00%
Allocated to White Bluff - Water		\$ 18,378	\$ (18,378)	\$ -

SOAH DOCKET NO. 473-17-0117.WS  
PUC DOCKET NO. 46245  
COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer  
TEST YEAR END 12/31/2015

Schedule I-Sewer  
Revenue Requirement

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Final Revenue Requirement
<b>REVENUE REQUIREMENT</b>	(a)	(b)	(c)=(a)+(b)	(d)	(f)=(c)+(d)
Operations and Maintenance	\$ 257,348	\$ 20,472	\$ 277,820	\$ (142,425)	\$ 135,395
Total Depreciation and Amortization Expense	\$ 69,816	\$ 14,884	\$ 84,700	\$ (78,114)	\$ 6,586
Utility				\$ 4,397	
Developer Contributions				\$ 2,189	
Taxes Other Than Income	\$ 62,144	\$ (4,038)	\$ 58,106	\$ (5,897)	\$ 52,209
Federal Income Taxes	\$ -	\$ 27,354	\$ 27,354	\$ (26,389)	\$ 965
Return on Invested Capital	\$ 721	\$ 128,003	\$ 128,724	\$ (123,273)	\$ 5,451
<b>TOTAL</b>	<b>\$ 390,029</b>	<b>\$ 186,675</b>	<b>\$ 576,704</b>	<b>\$ (376,097)</b>	<b>\$ 200,606</b>
Other Revenues		\$ (4,574)	\$ (4,574)		(4,574)
Revenue Requirement Used to Set Rates	\$ 390,029	\$ 182,101	\$ 572,130	\$ (376,097)	\$ 196,032

SOAH DOCKET NO. 473-17-0117.WS

PUC DOCKET NO. 46245

COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer

TEST YEAR END 12/31/2015

Schedule II-Sewer

O&amp;M Expense

<b>OPERATIONS AND MAINTENANCE EXPENSE</b>		Test Year	Company	Company	Commission	Commission
Acct. No.	ACCOUNT	Total	Adjustments To Test Year	Requested Test Year Total	To Company Request	Sewer Total
		(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
610	PURCHASED WATER	-		-		-
615	POWER EXPENSE-PRODUCTION ONL	12,020		12,020		12,020
618	OTHER VOLUME RELATED EXPENSE	2,409		2,409	(530)	1,879
601-1	EMPLOYEE LABOR	70,968	20,472	91,440	(50,743)	40,697
620	MATERIALS	2,581		2,581		2,581
631-636	CONTRACT WORK	2,922		2,922	790	3,712
650	TRANSPORTATION EXPENSES	11,795		11,795	(2,912)	8,883
664	OTHER PLANT MAINTENANCE	100,955		100,955	(76,409)	24,546
601-2	OFFICE SALARIES	-		-		-
601-3	MANAGEMENT SALARIES	-		-		-
604	EMPLOYEE PENSIONS & BENEFITS	-		-		-
615	PURCHASED POWER-OFFICE ONLY	-		-		-
670	BAD DEBT EXPENSE	-		-		-
676	OFFICE SERVICES & RENTALS	-		-		-
677	OFFICE SUPPLIES & EXPENSES	7,722		7,722		7,722
678	PROFESSIONAL SERVICES	3,937		3,937	(2,907)	1,030
684	INSURANCE	8,566		8,566	(1,127)	7,439
666	REGULATORY EXPENSE (RATE CASE	-		-		-
667	REGULATORY EXPENSE (OTHER)	7,049		7,049	(2,519)	4,530
675	MISCELLANEOUS	26,424		26,424	(6,068)	20,356
	<b>TOTAL</b>	<b>257,348</b>	<b>20,472</b>	<b>277,820</b>	<b>(142,425)</b>	<b>135,395</b>

SOAH DOCKET NO. 473-17-0117.WS							Schedule III-Sewer
PUC DOCKET NO. 46245							Invested Capital
COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer							
TEST YEAR END 12/31/2015							
	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Change Number Run Instruction	Commission Sewer Total	
<b>INVESTED CAPITAL</b>	(a)	(b)	(c)=(a)+(b)	(d)	(f)	(g)=(c)+(d)+(f)	
Plant in Service	\$ 2,847,336		\$ 2,847,336	\$ (2,647,922)	\$ -	\$ 199,414	
Utility						\$ 102,034	
Developer Contributions						\$ 97,380	
Accumulated Depreciation	\$ (1,205,081)		\$ (1,205,081)	\$ 1,159,976	\$ 0	\$ (45,105)	
Utility						\$ (3,505)	
Developer Contributions						\$ (41,600)	
Grinder Pumps (Net Plant) (See DL-1)						\$ -	
Net Plant in Service	\$ 1,642,255	\$ -	\$ 1,642,255	\$ (1,487,947)	\$ 0	\$ 154,308	
Utility						\$ 98,528	
Developer Contributions						\$ 55,780	
Working Cash Allowance	\$ 23,152		\$ 23,152	\$ (11,869)	\$ (0)	\$ 11,283	
Materials and Supplies							
Prepayments							
Customer Advances Construction							
Developer Contribution in Aid of Construction	\$ (137,457)		\$ (137,457)	\$ 137,457	\$ (55,780)	\$ (55,780)	
Customer Deposits							
Regulatory Assets							
Accumulated DFIT				\$ (31,375)		\$ (31,375)	
Regulatory Liabilities							
<b>TOTAL INVESTED CAPITAL (RATE BASE)</b>	\$ 1,527,950	\$ -	\$ 1,527,950	\$ (1,393,734)	\$ (55,780.00)	\$ 78,436	
<b>RATE OF RETURN</b>			8.42%			6.95%	
<b>RETURN ON INVESTED CAPITAL</b>	\$ 721	\$ 128,003	\$ 128,724	\$ (115,519)	\$ (7,753)	\$ 5,451	

SOAH DOCKET NC 473-17-0117.WS

PUC DOCKET NO. 46245

COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer

TEST YEAR END 12/31/2015

Schedule IV-Sewer  
Taxes Other Than FIT

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Sewer Total
TAXES OTHER THAN FIT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Non-Revenue Related					
Ad Valorem Taxes	\$ 48,706		\$ 48,706		\$ 48,706
Total Property	\$ 48,706	\$ -	\$ 48,706		\$ 48,706
Payroll Taxes					
FICA			\$ 5,669	\$ (3,146)	\$ 2,523
MEDICARE			\$ 1,326	\$ (736)	\$ 590
MEDICARE-Affordable Care Act			\$ -	\$ -	\$ -
FUTA			\$ 156	\$ (20)	\$ 137
SUTA			\$ 503	\$ (406)	\$ 98
Total Payroll	\$ 11,692	\$ (4,038)	\$ 7,654	\$ (4,307)	\$ 3,347
Other Taxes					
Other taxes and Licenses	\$ 1,746		\$ 1,746	\$ (1,591)	\$ 155
Total Other Taxes	\$ 1,746		\$ 1,746	\$ (1,591)	\$ 155
<b>TOTAL TAXES OTHER THAN INCOME</b>	<b>\$ 62,144</b>	<b>\$ (4,038)</b>	<b>\$ 58,106</b>	<b>\$ (5,897)</b>	<b>\$ 52,209</b>

SOAH DOCKET NO.	473-17-0117.WS	Schedule V-Sewer		
PUC DOCKET NO.	46245	Federal Income Taxes		
COMPANY NAME	Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer			
TEST YEAR END	12/31/2015			
	Test Year Total	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Sewer Total
<b>FEDERAL INCOME TAXES</b>	<b>(a)</b>	<b>(c)=(a)+(b)</b>	<b>(d)</b>	<b>(e)=(c)+(d)</b>
Return	Total	\$ 215,209	\$ (209,758)	\$ 5,451
Less			\$ -	
Interest Included in Return		\$ 85,579	\$ (83,759)	\$ 1,820
Plus			\$ -	
Other Adjustments			\$ -	
<b>TAXABLE COMPONENT OF RETURN</b>		<b>\$ 129,630</b>	<b>\$ (125,998)</b>	<b>\$ 3,632</b>
	<b>TAX RATE</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>21%</b>
	<b>TAX FACTOR</b>	<b>\$ 0</b>	<b>\$ (0.09)</b>	<b>0.265822785</b>
<b>FEDERAL INCOME TAX BEFORE ADJUSTMENTS</b>		<b>\$ 45,546</b>	<b>\$ (44,580)</b>	<b>\$ 965</b>
LESS			\$ -	
Surtax Exemption	(1)	\$ -	\$ -	
			\$ -	
<b>TOTAL FEDERAL INCOME TAXES</b>		<b>\$ 45,546</b>	<b>\$ (44,580)</b>	<b>\$ 965</b>
Allocation Factor	(White Bluff Sewer NI/Total White Bluff NI)	60.06%	\$ -	100.00%
Company requested/Allocated to White Bluff - Sewer		\$ 27,354	\$ (26,389)	\$ 965



SOAH DOCKET NO. 473-17-0117.WS  
PUC DOCKET NO. 46245  
COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer  
TEST YEAR END 12/31/2015

Attachment A

DL-2

**Allocation of Payroll**

Company Claim

Name	Title	Water	WW	License Status
Jody Bledsoe	Utilities Operator	50.0%	50.0%	Water license current; wastewater license expired
Clovis C Willhelm	Wastewater Operator	25.0%	75.0%	Wastewater license current
Jerry Whitworth	Utilities Back Hoe Operator	50.0%	50.0%	
Dwayne Cota	Utilities Operator	50.0%	50.0%	Class D water license expired
Todd Dilworth	Utilities Manager	50.0%	50.0%	Class C water and wastewater, and CSI
Buck W Nunley	Regulatory Director of Utilities	12.5%	12.5%	Class C Surface license
Danny Keeton	Equipment Operator	50.0%	50.0%	

Adjust

Name	Title	Water	WW	License Status
Jody Bledsoe	Utilities Operator	100.0%	0.0%	Water license current; wastewater license expired
Clovis C Willhelm	Wastewater Operator	0.0%	100.0%	Wastewater license current
Jerry Whitworth	Utilities Back Hoe Operator	0.0%	0.0%	
Dwayne Cota	Utilities Operator	100.0%	0.0%	Class D water license expired
Todd Dilworth	Utilities Manager	50.0%	50.0%	Class C water and wastewater, and CSI
Buck W Nunley	Regulatory Director of Utilities	12.5%	12.5%	Class C Surface license
Danny Keeton	Equipment Operator	0.0%	0.0%	

SOAH DOCKET NO. 473-17-0117.WS

Attachment A

PUC DOCKET NO. 46245

COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer

TEST YEAR END 12/31/2015

DL-2

	Tax Rate	Taxable Wages	Commission Total
	(a)	(b)	(c)=(a)*(b)
<b>PAYROLL TAXES - WHITE BLUFF WATER</b>			
FICA All Wages	6.20%	66,697	\$ 4,135
MEDICARE All Wages	1.45%	66,697	\$ 967
MEDICARE-Affordable Care Act	0.00%	66,697	\$ -
FUTA Wages to \$7000	0.60%	19,250	\$ 116
SUTA Wages to \$9000	1.50%	5,500	\$ 83
<b>TOTAL WATER PAYROLL</b>			<b>\$ 5,300</b>
	Tax Rate	Taxable Wages	Adjusted Total
<b>PAYROLL TAXES - WHITE BLUFF SEWER</b>			
FICA	6.20%	40,697	\$ 2,523
MEDICARE	1.45%	40,697	\$ 590
MEDICARE-Affordable Care Act	0.00%	40,697	\$ -
FUTA	0.60%	22,750	\$ 137
SUTA	1.50%	6,500	\$ 98
<b>TOTAL SEWER PAYROLL</b>			<b>\$ 3,347</b>

Attachment A

SOAH DOCKET NO. 473-17-0117.WS

DL -1 Workpaper  
Annual Depreciation

PUC DOCKET NO. 46245

COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water and Sewer

TEST YEAR END 12/31/2015

	Original Cost	Commission Accumulated Depreciation	In-service Life	Years in service	Commission Annual Depreciation	Commission Annual Depreciation Rate
Water Utility Contributions	\$ 71,367	\$ (3,012)			\$ 1,923	2.6942%
Water Developer Contributions	\$ 429,978	\$ (220,101)	1996-2015	\$ 19	\$ 11,584	2.6942%
<b>Total Water</b>	<b>\$ 501,345</b>	<b>\$ (223,113)</b>			<b>\$ 13,507</b>	
Sewer Utility Contributions	\$ 102,034	\$ (3,505)			\$ 4,397	Various
Sewer Developer Contributions	\$ 97,380	\$ (41,600)			\$ 2,189	2.2484%
<b>Total Sewer Annual Depreciation</b>	<b>\$ 199,414</b>	<b>\$ (45,105)</b>			<b>\$ 6,586</b>	
Grinder Pumps	\$ 76,409	\$ (1,910)	\$ 42,185	\$ 20	\$ 3,820	5.0000%

	Accumulated Depreciation	Net Book Value
Sewer Summary		
Commission Determined Sewer Assets - Utility Contributed	\$ (1,595)	\$ 24,030
Grinder Pumps capitalized	\$ (1,910)	\$ 74,499
<b>Total original cost - Sewer</b>	<b>\$ (3,505)</b>	<b>\$ 98,528</b>

**ATTACHMENT B**  
**PUC DOCKET NO. 46245**  
**Commission Number Run**  
**October 1, 2019**  
**Updated Tariffs**



**WATER UTILITY TARIFF**  
**Docket Number: 46245**

Double Diamond Utilities Company, Inc.  
(Utility Name)

10100 N. Central Expressway, Suite 400  
(Business Address)

Dallas, Texas 75231  
(City, State, Zip Code)

(214) 706-9801  
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

12087

This tariff is effective in the following counties:

Hill, Palo Pinto, and Johnson

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions and public water systems:

The Cliffs (PWS #1820061), The Retreat Water Supply (PWS #1260127), and White Bluff (PWS #1090073).

**TABLE OF CONTENTS**

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES .....	5
SECTION 3.0 -- EXTENSION POLICY .....	12

- APPENDIX A -- DROUGHT CONTINGENCY PLAN
- APPENDIX B -- SAMPLE SERVICE AGREEMENT
- APPENDIX C -- APPLICATION FOR SERVICE

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Monthly base rate including no gallons

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge (Over Minimum)</u>
5/8" or 3/4"	<u>\$37.28</u>	<u>\$3.50</u> per 1,000 gallons for 0-3,000 gallons
1"	<u>\$93.19</u>	<u>\$4.00</u> per 1,000 gallons for 3,001-10,000 gallons
1½"	<u>\$186.38</u>	<u>\$6.50</u> per 1,000 gallons for 10,001-15,000 gallons
2"	<u>\$298.21</u>	<u>\$10.50</u> per 1,000 gallons for 15,001-20,000 gallons <u>\$10.50</u> per 1,000 gallons for 20,001 and over

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) \_\_\_\_\_

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT ..... 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$675.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large meter).....Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE ..... Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE.....\$25.00

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

SECTION 1.0 - RATE SCHEDULE (Continued)

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected .....\$25.00

TRANSFER FEE .....\$25.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) ..... 10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE .....\$30.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....None

COMMERCIAL & NON-RESIDENTIAL DEPOSIT .....1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING [16 TAC 24.21(b)(2)(F)].

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

**SECTION 1.0 - RATE SCHEDULE**

**Section 1.01 - Rates**

Monthly base rate including no gallons

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge (Over Minimum)</u>
5/8" or 3/4"	\$49.60	\$2.54 per 1,000 gallons 0-3,000 gallons
1"	\$124.01	\$3.50 per 1,000 gallons 3,001-10,000 gallons
1½"	\$248.02	\$4.83 per 1,000 gallons 10,001-15,000 gallons
2"	\$396.84	\$6.68 per 1,000 gallons 15,001-20,000 gallons
3"	\$744.07	\$9.22 per 1,000 gallons 20,001 and over gallons

**Pass-Through Fee**

**Additional Gallonge Charge- Effective June 1, 2012:**

**\$0.20 / 1,000 gallons for the Prairielands Groundwater Conservation District Water Production Fee, for The Retreat and White Bluff customers only.**

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SECTION 1.0 - RATE SCHEDULE (Continued)

RECONNECTION FEE

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***Pass-through Provision:***

*Pursuant to PUC Substantive Rule §24.21(b)(2)(A)(viii)*

*"Minor Tariff Change to allow the addition of a production fee charged by a groundwater conservation district as a separate item calculated by multiplying the customer's total consumption, including the number of gallons in the base bill, if any, by the actual production fee per thousand gallons".*

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Monthly base rate including no gallons

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge (Over Minimum)</u>
5/8" or 3/4"	\$17.19	\$1.52 per 1,000 gallons for 0-3,000 gallons
1"	\$42.98	\$2.13 per 1,000 gallons for 3,001-10,000 gallons
1½"	\$85.95	\$2.83 per 1,000 gallons for 10,001-15,000 gallons
2"	\$137.52	\$3.82 per 1,000 gallons for 15,001-20,000 gallons \$4.18 per 1,000 gallons for 20,001 and over

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*“Minor Tariff Change to allow the addition of a production fee charged by a groundwater conservation district as a separate item calculated by multiplying the customer’s total consumption, including the number of gallons in the base bill, if any, by the actual production fee per thousand gallons”.*

## SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

### Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

### Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

#### (A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any customer who has paid 18 consecutive billings without being delinquent.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 16 TAC §24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environment Quality (TCEQ) Rules and Regulations for Public Water Systems, 30 TAC § 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in Section 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

(D) Prorated Bills - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order.



SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

If a customer has two returned payments within a twelve-month period, the customer shall be required to pay a deposit if one has not already been paid.

Section 2.12 - Service Disconnection

(A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

(B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

Section 2.14 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through PUC complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

## SECTION 3.0 -- EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges: No Contributions in Aid of Construction may be required of any customer except as provided for in the approved extension policy.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

### Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the PUC if

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

SECTION 3.0 -- EXTENSION POLICY (Continued)

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environment Quality minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Commission on Environment Quality minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 -- EXTENSION POLICY (Continued)

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utility's approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- For purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first-class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers.

SECTION 3.0 -- EXTENSION POLICY (Continued)

If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

**APPENDIX A - DROUGHT CONTINGENCY PLAN**

**(This page incorporates by reference the utility's Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.)**

APPENDIX B -- SAMPLE SERVICE AGREEMENT

From 30 TAC Chapter 290.47(b), Appendix B  
SERVICE AGREEMENT

- I. PURPOSE. The NAME OF WATER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF WATER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. RESTRICTIONS. The following unacceptable practices are prohibited by State regulations.
  - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
  - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
  - C. No connection which allows water to be returned to the public drinking water supply is permitted.
  - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
  - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. SERVICE AGREEMENT. The following are the terms of the service agreement between the NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).
  - A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
  - B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.
  - C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.
  - D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
  - E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.
- IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: \_\_\_\_\_  
DATE: \_\_\_\_\_



APPENDIX C -- APPLICATION FOR SERVICE  
(Utility Must Attach Blank Copy)



**SEWER UTILITY TARIFF**  
**Docket Number: 46245**

Double Diamond Utilities Company, Inc.  
(Utility Name)

10100 N. Central Expressway, Suite 400  
(Business Address)

Dallas, Texas 75231  
(City, State, Zip Code)

(214) 706-9801  
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

20705

This tariff is effective in the following counties:

Grayson, Hill, Palo Pinto, and Johnson

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions and public water systems:

The Cliffs: WQ0002789-000  
The Retreat: WQ0014373-001  
Rock Creek: WQ0014783-001  
White Bluff: WQ0013786-002

**TABLE OF CONTENTS**

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SECTION 2.0 -- SERVICE RULES AND POLICIES .....	6
SECTION 3.0 -- EXTENSION POLICY .....	11

APPENDIX A -- SAMPLE SERVICE AGREEMENT

APPENDIX B -- APPLICATION FOR SERVICE

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u> (3,000 gallons included)	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$66.00</u>	<u>\$12.00</u> per 1,000 gallons
1"	<u>\$126.00</u>	
1½"	<u>\$216.00</u>	
2"	<u>\$324.00</u>	

Gallage charges are determined based on average consumption for the winter months which are December, January, and February.

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) \_\_\_\_\_

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT ..... 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$3,100.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap) ..... Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

a) Nonpayment of bill (Maximum \$25.00)..... \$25.00

b) Customer's request that service be disconnected ..... \$40.00

SECTION 1.0 - RATE SCHEDULE (Continued)

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) ..... 10%  
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

TRANSFER FEE ..... \$40.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

RETURNED CHECK CHARGE ..... \$20.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... None

COMMERCIAL & NON-RESIDENTIAL DEPOSIT ..... 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE  
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING [16 TAC 24.21(b)(2)(F)].

LINE EXTENSION AND CONSTRUCTION CHARGES:  
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u> (3,000 gallons included)	<u>Gallonge Charge (Over Minimum)</u>
5/8" or 3/4"	<u>\$67.12</u>	<u>\$0.00</u> per 1,000 gallons for 0-3,000 gallons
1"	<u>\$167.80</u>	<u>\$11.19</u> per 1,000 gallons for 3,001-12,000 gallons
1½"	<u>\$335.59</u>	<u>\$0.00</u> per 1,000 gallons for 12,001+ gallons
2"	<u>\$536.95</u>	
3"	<u>\$1,006.78</u>	

Gallonage charges are determined based on average consumption for the winter months which are December, January, and February. The total billed sewer volume amount is capped at 12,000 gallons.

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) \_\_\_\_\_

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT..... 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$675.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large meter)..... Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE ..... Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE ..... \$25.00

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

a) Nonpayment of bill (Maximum \$25.00)..... \$25.00

b) Customer's request that service be disconnected..... \$25.00

SECTION 1.0 - RATE SCHEDULE (Continued)

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) ..... 10%  
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE  
MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY  
WAS APPLIED IN A PREVIOUS BILLING.

TRANSFER FEE ..... \$25.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE  
LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

RETURNED CHECK CHARGE ..... \$30.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... None

COMMERCIAL & NON-RESIDENTIAL DEPOSIT ..... 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE  
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY  
INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING [16  
TAC 24.21(b)(2)(F)].

LINE EXTENSION AND CONSTRUCTION CHARGES:  
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW  
CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>
5/8" or 3/4"	<u>\$87.00</u>
1"	<u>\$217.50</u>
1½"	<u>\$435.00</u>
2"	<u>\$696.00</u>
3"	<u>\$1,035.00</u>

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) \_\_\_\_\_

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT..... 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$3,100.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap)..... Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00)..... \$25.00
- b) Customer's request that service be disconnected ..... \$40.00

SECTION 1.0 - RATE SCHEDULE (Continued)

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) .....10%  
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

TRANSFER FEE .....\$40.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

RETURNED CHECK CHARGE .....\$20.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... None

COMMERCIAL & NON-RESIDENTIAL DEPOSIT .....1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE  
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING [16 TAC 24.21(b)(2)(F)].

LINE EXTENSION AND CONSTRUCTION CHARGES:  
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.



SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u> (3,000 gallons included)	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$19.69</u>	<u>\$3.64</u> per 1,000 gallons
1"	<u>\$49.23</u>	
1½ "	<u>\$98.45</u>	
2"	<u>\$157.52</u>	

Gallonge charges are determined based on average consumption for the winter months which are December, January, and February.

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) \_\_\_\_\_

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT.....1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$3,100

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap) .....Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected .....\$40.00

SECTION 1.0 - RATE SCHEDULE (Continued)

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) .....10%  
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

TRANSFER FEE ..... \$40.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

RETURNED CHECK CHARGE ..... \$20.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... None

COMMERCIAL & NON-RESIDENTIAL DEPOSIT ... 1/6TH OF ESTIMATED ANNUAL BILL

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE**  
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING [16 TAC 24.21(b)(2)(F)].

**LINE EXTENSION AND CONSTRUCTION CHARGES:**  
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit. - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any customer who has paid 18 consecutive billings without being delinquent.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged to cover unique costs not normally incurred as permitted by 16 TAC §24.86(a)(1)(C) if they are listed on this approved tariff. For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap and utility cut-off and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the tap location to the place of consumption. Customers will not be allowed to use the utility's cutoff.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

2.06 Access to Customer's Premises

All customers or service applicants shall provide access to utility cutoffs at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The air gap or backflow prevention assembly shall be installed in accordance with the American Water Works Association (AWWA) standards C510, C511 and AWWA Manual M14 or the University of Southern California Manual of Cross-Connection Control, current edition. The backflow assembly installation by a licensed plumber shall occur at the customer's expense.

The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(D) Prorated Bills

If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Section 2.12 - Service Disconnection

(A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

(B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 24 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.14 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain and operate production, treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the PUC Rules.

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

Section 2.17 - Customer Liability

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges. No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certificated service area boundaries by the PUC.

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer maybe charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 6" in diameter for wastewater lines.



SECTION 3.0 -- EXTENSION POLICY (Continued)

Exceptions may be granted by the PUC if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service; or
- larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

The utility will bear the full cost of any over-sizing of sewer mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional treatment facilities. Contributions in aid of construction of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environmental Quality (TCEQ) minimum design criteria for facilities used in the production, collection, transmission, pumping, or treatment of sewage or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- If service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utility's approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.

For purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant.

Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

APPENDIX A -- SAMPLE SERVICE AGREEMENT  
(Utility Must Attach Blank Copy)

APPENDIX B -- APPLICATION FOR SERVICE  
(Utility Must Attach Blank Copy)

**ATTACHMENT C**  
**PUC DOCKET NO. 46245**  
**Commission Number Run**  
**October 1, 2019**  
**Rate Calculations**

Utility Name: Double Diamond White Bluff (Water)  
PUC Docket 46245  
SOAH Docket 473-17-0119

<b>Commission Approved Water Minimum Bill and Gallonage Rates</b>			
<b>Minimum Bill</b>			
	5/8"		\$17.19
	3/4"		\$17.19
	1"		\$42.98
	1 1/2"		\$85.95
	2"		\$137.52
<b>Gallonage Rates</b>			
0	to	3,000	1.52
3,001	to	10000	2.13
10001	to	15000	2.83
15001	to	20000	3.82
20001	to		4.18
<b>No. of Meters</b>			
	5/8"		
	3/4"		606
	1"		18
	1 1/2"		6
	2"		10
	<b>Total</b>		640
<b>Gallons Billed</b>			
0	to	3000	15,658,000
3001	to	10000	15,417,000
10001	to	15000	6,370,000
15001	to	20000	4,489,000
20001	to	0	14,834,000
Total			56,768,000
<b>BASE RATE REVENUE (Minimum Bill)</b>			
	5/8"		\$ -
	3/4"		\$ 125,006
	1"		\$ 9,284
	1 1/2"		\$ 6,188
	2"		\$ 16,502
<b>A. Total revenue generated by Minimum Charge</b>			\$ 156,980
<b>Volumetric Revenue</b>			
0	to	3000	23,800
3001	to	10000	32,838
10001	to	15000	18,027
15001	to	20000	17,148
20001	to	0	62,006
<b>B. Total revenue generated by Gallonage Charge</b>			153,820
<b>C=A+B. Water Revenue Generated - base rates</b>			310,800
<b>Commission Revenue Requirement</b>			\$ 310,868
	Under-recovery		\$ (68.27)
	Pass-through for GWCD previously approved		\$0.20
<b>White Bluff Requested Water Revenue Requirement</b>			\$ 568,761

UTILITY NAME:  
 FOR THE TEST YEAR ENDED:  
 DOCKET NUMBER:

Double Diamond - White Bluff      **WATER**  
12/31/2015  
46245

Attachment C  
 Number run Oct 1 2019

Line No.	Description	Reference	Amount
1	Fixed Revenue	Water Fixed and Variable Revenue Allocation WP	\$156,988
2	Test Year Meter Equivalencies	App. Testimony, 8/4/17, at 55.	761.00
3	Billing Cycles per Year		12
4	<b>Base Rate</b>		<b>\$ 17.19</b>

Customer Meters	Ref. Joyce App. Testimony, 8/4/17 at 55.	No.:	Multiplier:	Conn. Equiv.	Base Rate	Base Rate Revenue
Number of 5/8x3/4" connections:		0	1.00	0.00	\$ 17.19	
Number of 3/4" connections:		606	1.00	606.00	\$ 17.19	\$ 10,417.14
Number of 1" connections:		18	2.50	45.00	\$ 42.98	\$ 773.55
Number of 1-1/2" connections:		6	5.00	30.00	\$ 85.95	\$ 515.70
Number of 2" connections:		10	8.00	80.00	\$ 137.52	\$ 1,375.20
Number of 3" connections:		0	15.00	0.00	\$ 257.85	\$ -
Number of 4" connections:		0	25.00	0.00	\$ 429.75	\$ -
Number of 6" connections:		0	50.00	0.00	\$ 859.50	\$ -
<b>Total =</b>			<b>640.00</b>	<b>761.00</b>		<b>\$ 156,979</b>

<b>Multi-Tiered Rates</b>					
Tiers			Gallage Rates	Gallons billed by Tier	Volumetric Revenue
0	to	3000	1.52	15,658	\$23,800
3001	to	10000	2.13	15,417	\$32,838
10001	to	15000	2.83	6,370	\$18,027
15001	to	20000	3.82	4,489	\$17,148
20001	to	0	4.18	14,834	\$62,006
<b>Total</b>				<b>56,768</b>	<b>\$153,820</b>
<b>Total Revenue Generated</b>					<b>\$310,799</b>

Line No.	Description	Reference	Amount	Revenue Requirement	
1	Pass Through Costs	Prairieland GCD	\$0.20	Undercollection	(69.35)



UTILITY NAME:  
FOR THE TEST YEAR ENDED:

Double Diamond - White Bluff  
December 31, 2015

WATER

Attachment C  
Number run Oct 1 2019

DOCKET NUMBER: 46245

**WATER FIXED & VARIABLE REVENUE ALLOCATION**

Account Name	Adjusted Test Year Expenses ①	Fixed % of ① ②	Fixed Expenses ③ = ①*②	Variable Expenses ④ = ① - ③
<b>Volume Related Expenses:</b>				
Purchased Water/Pumpage Fees (not Pass Through)			-	-
Power Expense-Production Only	73,303	0%	-	73,303
Other Volume Related Expenses	8,607		-	8,607
<b>Non-Volume Related Expenses:</b>				
Employee Labor	66,697		-	66,697
Materials	2,913	50%	1,457	1,457
Contract Work	4,188	90%	3,769	419
Transportation Expenses	9,551	50%	4,776	4,776
Other Plant Maintenance	41,055	50%	20,528	20,528
Office Salaries	-	90%	-	-
Management Salaries	-	90%	-	-
Management Fees	-		-	-
Employee Pensions & Benefits	-		-	-
Purchased Power - Office Only	-		-	-
Bad Debt Expense	-	100%	-	-
Office Services & Rentals	-	100%	-	-
Office Supplies & Expenses	8,716	50%	4,358	4,358
Professional Services		90%	-	-
Insurance	6,297	100%	6,297	-
Regulatory Expense (Rate Case)	-		-	-
Regulatory Expense (Other)	1,185	50%	593	593
Miscellaneous Expenses	20,881	50%	10,441	10,441
Depreciation	13,507	100%	13,507	-
Taxes Other Than Income	62,731	100%	62,731	-
Income Tax Expense		100%	-	-
<b>TOTAL EXPENSES</b>	<b>319,631</b>	<b>40%</b>	<b>128,455</b>	<b>191,176</b>
REQUESTED RETURN	-		-	-
<b>TOTAL REVENUE REQUIREMENT</b>	<b>319,631</b>		<b>128,455</b>	<b>191,176</b>
LESS: OTHER REVENUES	8,763		3,521.71	5,241
<b>REVENUE for RATE DESIGN</b>	<b>310,868</b>	<b>51%</b>	<b>156,988</b>	<b>153,880</b>

Requested percentages

0.6266%

Staff determined that gallonage rate would be below \$1 per thousand gallons if the requested percentage increase was used.

Utility Name: Double Diamond White Bluff (Sewer)  
PUC Docket 46245  
SOAH Docket 473-17-0119

<b>Commission Approved Sewer Minimum Bill and Gallonage Rates</b>		
<b>Minimum Bill</b>		
5/8"		\$19.69
3/4"		\$19.69
1"		\$49.23
1 1/2"		\$98.45
2"		\$157.52
<b>Gallonage Rates</b>		
0	to 3,000	
3,001	to	3.64
1	to	
1	to	
1	to	
<b>No. of Meters</b>		
5/8"		
3/4"		540
1"		11
1 1/2"		5
2"		11
<b>Total</b>		567
<b>Gallons Billed</b>		
0	to 3000	10,106,000
3001	to 0	9,717,000
1	to 0	
1	to 0	
1	to 0	
<b>Total</b>		19,823,000
<b>BASE RATE REVENUE (Minimum Bill)</b>		
5/8"		\$ -
3/4"		\$ 127,591
1"		\$ 6,498
1 1/2"		\$ 5,907
2"		\$ 20,793
<b>A. Total revenue generated by Minimum Charge</b>		\$ 160,789
<b>Volumetric Revenue</b>		
0	to 3000	-
3001	to 0	35,370
1	to 0	-
1	to 0	-
1	to 0	-
<b>B. Total revenue generated by Gallonage Charge</b>		35,370
<b>C=A+B. Sewer Revenue Generated-base rates</b>		196,159
<b>Staff Revenue Requirement</b>		\$ 196,032
Over-recovery		\$ 127.08

White Bluff Requested Sewer Revenue Requirement \$ 572,130

UTILITY NAME: Double Diamond - White Bluff SEWER  
 FOR THE TEST YEAR ENDED: 12/31/2015  
 DOCKET NUMBER: 46245

Number run Oct 1 2019

Line No.	Description	Reference	Amount
1	Fixed Revenue	Sewer fixed and variable allocation WP	\$159,414
2	Test Year Meter Equivalencies	App. Testimony, 8/4/17 at 103, Sch. I-3.	680.50
3	Billing Cycles per Year		12
4	<b>Base Rate</b>		<b>\$ 19.69</b>

Customer Meters (see ref. line 2)	No.:	Multiplier:	Conn. Equiv.	Base Rate	Base Rate Revenue
Number of 5/8x3/4" connections:	0	1.00	0.00	\$ 19.69	
Number of 3/4" connections:	540	1.00	540.00	\$ 19.69	\$ 10,632.60
Number of 1" connections:	11	2.50	27.50	\$ 49.23	\$ 541.48
Number of 1-1/2" connections:	5	5.00	25.00	\$ 98.45	\$ 492.25
Number of 2" connections:	11	8.00	88.00	\$ 157.52	\$ 1,732.72
Number of 3" connections:	0	15.00	0.00	\$ 295.35	\$ -
Number of 4" connections:	0	25.00	0.00	\$ 492.25	\$ -
Number of 6" connections:	0	50.00	0.00	\$ 984.50	\$ -
<b>Total =</b>		<b>567.00</b>	<b>680.50</b>		<b>\$ 160,789</b>

**Multi-Tiered Rates**

Tiers	Gallage Rates	Gallons billed by Tier	Volumetric Revenue
0 to 3,000	-	10,106	\$0
3,001 and above	3.64	9,717	\$35,370
			\$0
			\$0
			\$0
<b>Total</b>		<b>19,823</b>	<b>\$35,370</b>

<b>Total Revenue Generated</b>	<b>\$196,158</b>
Revenue Requirement	196,032
Overcollection	126.02

UTILITY NAME:  
FOR THE TEST YEAR ENDED:

Double Diamond - White Bluff  
12/31/2015

SEWER

Attachment C  
Number run Oct 1 2019  
DOCKET NUMBER: 46245

**SEWER FIXED & VARIABLE REVENUE ALLOCATION**

Acct. No.	Account Name	Adjusted Test Year Expenses $\textcircled{1}$	Fixed % of $\textcircled{1}$ $\textcircled{2}$	Fixed Expenses $\textcircled{3} = \textcircled{1} * \textcircled{2}$	Variable Expenses $\textcircled{4} = \textcircled{1} - \textcircled{3}$
	<b>Volume Related Expenses:</b>				
610	Purchased Water/Pumpage Fees (not Pass Through)			-	-
615.1	Power Expense-Production Only	12,020	0%	-	12,020
618	Other Volume Related Expenses	1,879		-	1,879
	<b>Non-Volume Related Expenses:</b>				
601.1	Employee Labor	40,697		-	40,697
620	Materials	2,581	50%	1,291	1,291
631-636	Contract Work	3,712	90%	3,341	371
650	Transportation Expenses	8,883	50%	4,442	4,442
664	Other Plant Maintenance	24,546	50%	12,273	12,273
601.2	Office Salaries		90%	-	-
603	Management Salaries		90%	-	-
634	Management Fees			-	-
604	Employee Pensions & Benefits			-	-
615.2	Purchased Power - Office Only			-	-
670	Bad Debt Expense		100%	-	-
676	Office Services & Rentals		100%	-	-
677	Office Supplies & Expenses	7,722	50%	3,861	3,861
678	Professional Services	1,030	90%	927	103
684	Insurance	7,439	100%	7,439	-
666	Regulatory Expense (Rate Case)	-		-	-
667	Regulatory Expense (Other)	4,530	50%	2,265	2,265
675	Miscellaneous Expenses	20,356	50%	10,178	10,178
403	Depreciation	6,586	100%	6,586	-
408	Taxes Other Than Income	52,209	100%	52,209	-
409/410	Income Tax Expense	965	100%	965	-
	<b>TOTAL EXPENSES</b>	195,155	54%	105,776	89,379
	RETURN	5,451		2,954.49	2,497
	<b>TOTAL REVENUE REQUIREMENT</b>	200,606		108,730	91,876
	LESS: OTHER REVENUES	4,574		2,479.15	2,095
	<b>REVENUE for RATE DESIGN</b>	196,032	81%	159,414	36,619

**ATTACHMENT D**  
**PUC DOCKET NO. 46245**  
**Commission Number Run**  
**October 1, 2019**

**Detailed model and workpapers demonstrating  
number running instructions and corrections**

SOAH DOCKET NO. 473-17-0117.WS

PUC DOCKET NO. 46245

COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Total - Water &amp; Sewer

TEST YEAR END 12/31/2015

Schedule I  
Revenue Requirement

	Test Year Total	Company Adjustments To Test Year	Ref.	Company Requested Test Year Total	Commission Adjustments To Company Request	Commission Revenue Requirement	Supporting Schedule
<b>REVENUE REQUIREMENT</b>	(a)	(b)		(c)=(a)+(b)	(d)	(e)=(c)+(d)	
Operations and Maintenance	\$ 551,745	\$ 20,887		\$ 572,632	\$ (193,844)	\$ 378,788	II-Water
Depreciation and Amortization Expense	\$ 148,621	\$ 46,156		\$ 194,777	\$ (174,684)	\$ 20,093	DL-1
Utility					\$ 6,319		DL-1
Developer Contributions					\$ 13,774		DL-1
Taxes Other Than Income	\$ 132,290	\$ (10,013)		\$ 122,277	\$ (7,337)	\$ 114,940	IV-Water
Federal Income Taxes	\$ -	\$ 45,732		\$ 45,732	\$ (44,767)	\$ 965	V-Water
Return on Invested Capital	\$ 30,827	\$ 184,382		\$ 215,209	\$ (209,758)	\$ 5,451	III-Water
<b>TOTAL</b>	<b>\$ 863,483</b>	<b>\$ 287,144</b>		<b>\$ 1,150,628</b>	<b>\$ (630,390)</b>	<b>\$ 520,238</b>	
Other Revenues - Taps, Recon, late fee,	\$ -	\$ (9,737)	(A)	\$ (9,737)	\$ (3,600)	\$ (13,337)	
<b>Revenue Requirement Used to Set Rates</b>	<b>\$ 863,483</b>	<b>\$ 277,407</b>	(A), (B)	<b>\$ 1,140,891</b>	<b>\$ (633,990)</b>	<b>\$ 506,901</b>	

(A) Number run from October 31, 2018 did not include (9,737) in Column (b), and therefore did not foot correctly. This number correct the error.

(B) Footing across is off \$1 due to rounding.

Schedule I-Water  
Revenue Requirement

SOAH DOCKET NO. 473-17-0117.WS  
 PUC DOCKET NO. 46245  
 COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water  
 TEST YEAR END 12/31/2015

31-Oct-18

REVENUE REQUIREMENT	Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total (c)=(a)+(b)	Number Run Adjustments To Company Request (d)	Reference Number Run Instruction (e)	Change Number Run Instruction (f)	Commission Water Revenue Requirement (g)=(c)+(d)+(f)	Supporting Schedule
Operations and Maintenance	\$ 294,397	\$ 415	\$ 294,812	\$ (40,976)	1	\$ (10,443)	\$ 243,393	II-Water DL-1
Depreciation and Amortization Utility	\$ 78,805	\$ 31,272	\$ 110,077	\$ (34,750)		\$ (61,820)	\$ 13,507	
Developer Contributions						\$ 1,923		
Taxes Other Than Income	\$ 70,146	\$ (5,975)	\$ 64,171	\$ (374)	2	\$ (1,066)	\$ 62,731	IV-Water
Federal Income Taxes	\$ -	\$ 18,378	\$ 18,378	\$ (18,378)			\$ -	V-Water
Return on Invested Capital	\$ 30,106	\$ 56,379	\$ 86,485	\$ (86,485)			\$ -	III-Water
<b>TOTAL</b>	<b>\$ 473,454</b>	<b>\$ 100,469</b>	<b>\$ 573,924</b>	<b>\$ (180,964)</b>		<b>\$ (73,329)</b>	<b>\$ 319,631</b>	
Other Revenues - Taps, Recon, late fee, etc.		\$ (5,163) (A)	\$ (5,163)	\$ (3,600)			\$ (8,763)	
<b>Revenue Requirement - Base Rates</b>	<b>\$ 473,454</b>	<b>\$ 95,306</b>	<b>\$ 568,761</b>	<b>\$ (184,564)</b>		<b>\$ (73,329)</b>	<b>\$ 310,868</b>	

(A) Number run from October 31, 2018 did not include (5,163) in the Columns (b) and (c).  
 This number run corrects that so the Columns (a), (b) and (c) foot horizontally and vertically.

SOAH DOCKET NC 473-17-0117.WS  
 PUC DOCKET NO. 46245  
 COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water  
 TEST YEAR END 31-Dec-15

Schedule II-Water  
 O&M Expense

OPERATIONS AND MAINTENANCE EXPENSE	Acct. No.	ACCOUNT	Test Year	Company	Company	Adjustments	Reference	Change	Commission
			Total	Adjustments To Test Year	Requested Test Year Total	To Company Request	Number Run Instruction	Number Run Instruction	Water Total
			(a)	(b)	(c)=(a)+(b)	(d)	(e)	(f)	(g)=(c)+(d)+(f)
	610	PURCHASED WATER	\$ -		\$ -				\$ -
	615	POWER EXPENSE-PRODUCTION ONLY	\$ 73,303		\$ 73,303				\$ 73,303
	618	OTHER VOLUME RELATED EXPENSES	\$ 8,289		\$ 8,289	\$ 318			\$ 8,607
	601-1	EMPLOYEE LABOR	\$ 80,105	\$ 415	\$ 80,520	\$ (3,380)	1 and (A)	\$ (10,443)	\$ 66,697
	620	MATERIALS	\$ 2,913		\$ 2,913				\$ 2,913
	631-636	CONTRACT WORK	\$ 3,298		\$ 3,298	\$ 890			\$ 4,188
	650	TRANSPORTATION EXPENSES	\$ 13,313		\$ 13,313	\$ (3,762)			\$ 9,551
	664	OTHER PLANT MAINTENANCE	\$ 41,055		\$ 41,055				\$ 41,055
	601-2	OFFICE SALARIES	\$ -		\$ -				\$ -
	601-3	MANAGEMENT SALARIES	\$ -		\$ -				\$ -
	604	EMPLOYEE PENSIONS & BENEFITS	\$ -		\$ -				\$ -
	615	PURCHASED POWER-OFFICE ONLY	\$ -		\$ -				\$ -
	670	BAD DEBT EXPENSE	\$ -		\$ -				\$ -
	676	OFFICE SERVICES & RENTALS	\$ -		\$ -				\$ -
	677	OFFICE SUPPLIES & EXPENSES	\$ 8,716		\$ 8,716				\$ 8,716
	678	PROFESSIONAL SERVICES	\$ -		\$ -				\$ -
	684	INSURANCE	\$ 9,668		\$ 9,668	\$ (3,371)			\$ 6,297
	666	REGULATORY EXPENSE (RATE CASE)	\$ -		\$ -				\$ -
	667	REGULATORY EXPENSE (OTHER)	\$ 24,476		\$ 24,476	\$ (23,291)			\$ 1,185
	675	MISCELLANEOUS	\$ 29,261		\$ 29,261	\$ (8,380)			\$ 20,881
		<b>TOTAL</b>	<b>\$ 294,397</b>	<b>\$ 415</b>	<b>\$ 294,812</b>	<b>\$ (40,976)</b>		<b>\$ (10,443)</b>	<b>\$ 243,393</b>

(A) Instruction No. 1 of OPDM's Number Run request required an adjustment to salaries of (\$20,886) to be allocated 50% water and 50% sewer. The calculation of \$20,886 x .50 equals \$10,443. The instruction appears to have a typographical error indicating \$10,433. Staff has used the \$10,443 calculated number.



SOAH DOCKET NO 473-17-0117 WS  
 PUC DOCKET NO. 46245  
 COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water  
 TEST YEAR END 31-Dec-15

Schedule III-Water  
 Invested Capital

	Test Year	Company	Company	31-Oct-18	Reference	Change	Commission
	Total	Adjustments	Requested	Number Run	Number Run	Number Run	Adjusted
	(a)	To Test Year	Test Year	Adjustments	Instruction	Instruction	Total
		(b)	Total	To Company	(e)	(f)	(g)=(c)+(d)+(f)
			(c)=(a)+(b)	Request	(d)		
<b>INVESTED CAPITAL</b>							
Plant in Service - total	\$ 3,791,956		\$ 3,791,956	\$ (3)	4 and 6	\$ (3,290,608)	\$ 501,345
Utility					4		\$ 71,367
Developer Contributions					6		\$ 429,978
Accumulated Depreciation-total	\$ (1,603,728)		\$ (1,603,728)	\$ 35	4 and 6	\$ 1,380,580	\$ (223,113)
Utility					4 and (A)		\$ (3,012)
Developer Contributions					6		\$ (220,101)
			\$ -				
Net Plant in Service	\$ 2,188,228	\$ -	\$ 2,188,228	\$ 32	4 and 6 and (D)	\$ (1,910,028)	\$ 278,232
Utility							\$ 68,355
Developer Contributions							\$ 209,877
			\$ -				
Working Cash Allowance	\$ 24,568		\$ 24,568	\$ (3,415)	Flow through	\$ (870)	\$ 20,283
Materials and Supplies			\$ -				
Prepayments			\$ -				
Customer Advances Construction			\$ -				
Developer Contribution in Aid of Construction	\$ (1,186,227)		\$ (1,186,227)	\$ 1,186,227		\$ (209,877)	\$ (209,877) (C)
Customer Deposits			\$ -				
Regulatory Assets			\$ -				
Accumulated DFIT			\$ -	\$ (327,979)		\$ -	\$ (327,979)
Regulatory Liabilities			\$ -				
			\$ -				
<b>TOTAL INVESTED CAPITAL (RATE BASE)</b>	\$ 1,026,569	\$ -	\$ 1,026,569	\$ 854,865		\$ (2,120,775)	\$ (239,341)
<b>RATE OF RETURN</b>			8.42%			-1.47%	6.95% (B)
<b>RETURN ON INVESTED CAPITAL</b>	\$ 30,106	\$ 56,379	\$ 86,485	\$ (86,485)			\$ -

(A) Utility original cost from instruction No 4 of \$71,367 48 less net book value from instruction No. 4 of \$68,355.48.  
 (B) Changed the Rate of return from 6.96% to 6.95% in accordance with Commission Order, August 30, 2018 at 31, Finding of Fact No. 126.  
 (C) Rate base reduced by net developer contributions.  
 (D) October 31, 2018 number run recorded an Adjustment to Company's request for Net Plant in Service of \$32. However, the spreadsheet did not foot correctly. Plant in Service less Accumulated depreciation did not equal net plant in service of \$68,355. Staff's current numbers in the adjustments to Company Request column (d) are calculated using the Plant in Service and Accumulated Depreciation numbers in the first number run.

SOAH DOCKET N473-17-0117.WS  
 PUC DOCKET NC 46245  
 COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water  
 TEST YEAR END 31-Dec-15

Schedule IV-Water  
 Taxes Other Than FIT

	Company Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Adjustments To Company Request	Commission Adjusted Total	Supporting Schedule
TAXES OTHER THAN FIT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)	
Non-Revenue Related						
Ad Valorem Taxes	\$ 54,977	\$ 483	55,460		55,460	
Total Property	\$ 54,977	\$ 483	55,460		55,460	
Payroll Taxes						
FICA			4,992	(857)	4,135	DL-3
MEDICARE			1,168	(201)	967	DL-3
MEDICARE-Affordable Care Act				-	-	DL-3
FUTA			138	(23)	116	DL-3
SUTA			442	(360)	83	DL-3
Total Payroll	\$ 13,198	\$ (6,458)	6,740	(1,440)	5,300	
Other Taxes						
Other taxes and Licenses	\$ 1,971		1,971		1,971	
Total Other Taxes	\$ 1,971		1,971	-	1,971	
<b>TOTAL TAXES OTHER THAN INCOME</b>	<b>\$ 70,146</b>	<b>\$ (5,975)</b>	<b>64,171</b>	<b>(1,440)</b>	<b>62,731</b>	

SOAH DOCKET NO.	473-17-0117.WS	Schedule V-Water
PUC DOCKET NO.	46245	Federal Income Taxes
COMPANY NAME	Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water	
TEST YEAR END	31-Dec-15	

	Test Year Total	Company Requested Test Year Total	Adjustments To Company Request	Commission Adjusted Total
FEDERAL INCOME TAXES	(a)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Return	Total	\$ 215,209	\$ (215,209)	\$ -
Less			\$ -	
Interest Included in Return		\$ 85,579	\$ (85,579)	\$ -
Plus			\$ -	
Other Adjustments			\$ -	
<b>TAXABLE COMPONENT OF RETURN</b>	<b>(B)</b>	<b>\$ 129,630</b>	<b>\$ (129,630)</b>	<b>\$ -</b>
<b>TAX RATE</b>		26%		21%
<b>TAX FACTOR</b>	<b>(1/(1-TR))*(TR)</b>	<b>0.351351351</b>	<b>\$ (0.085529)</b>	<b>0.26582278</b>
<b>FEDERAL INCOME TAX BEFORE ADJUSTMENTS</b>		<b>\$ 45,545.68</b>	<b>\$ (45,546)</b>	<b>\$ -</b>
<b>LESS</b>			\$ -	
Surtax Exemption	<b>(A)</b>	\$ -	\$ -	
<b>TOTAL FEDERAL INCOME TAXES</b>		<b>\$ 45,546</b>	<b>\$ (45,546)</b>	<b>\$ -</b>
Allocation Factor	(White Bluff Water NI/Total White Bluff N	40.35%		100.00%
Allocated to White Bluff - Water		\$ 18,378	\$ (18,378)	\$ -

(A) The original application was calculated using tax rates before the Tax Cuts and Jobs Act of 2017 (TCJA). For rates going forward, the tax rate for corporate entities is 21% which negates the need for the "surtax exemption" which is used to represent the lower brackets of the pre-TCJA tax rate schedules for corporations.

(B) Due to Schedule III establishing zero return for water, the FIT expense is also zero.

SOAH DOCKET NC 473-17-0117.WS

PUC DOCKET NO. 46245

COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer

TEST YEAR END 12/31/2015

Schedule I-Sewer  
Revenue Requirement

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	31-Oct-18 Number Run Adjustments To Company Request	Reference Number Run Instruction	Change Number Run Instruction	Commission Sewer Revenue Requirement	Supporting Schedule
<b>REVENUE REQUIREMENT</b>	(a)	(b)	(c)=(a)+(b)	(d)	(e)	(f)	(g)=(c)+(d)+(f)	
Operations and Maintenance	\$ 257,348	\$ 20,472	\$ 277,820	\$ (135,164)	1 and 3	\$ (7,261)	\$ 135,395	II-Sewer
Depreciation and Amortization Expense	\$ 69,816	\$ 14,884	\$ 84,700	\$ (78,114)		\$ -	\$ 6,586	DL-1
Utility						\$ 4,397		DL-1
Developer Contributions						\$ 2,189		DL-1
Taxes Other Than Income	\$ 62,144	\$ (4,038)	\$ 58,106	\$ (5,045)	2	\$ (852)	\$ 52,209	IV-Sewer
Federal Income Taxes	\$ -	\$ 27,354	\$ 27,354	\$ (27,354)	Flow through	\$ 965	\$ 965	V-Sewer
Return on Invested Capital	\$ 721	\$ 128,003	\$ 128,724	\$ (123,090)	Flow through	\$ (183)	\$ 5,451	III-Sewer
<b>TOTAL</b>	<b>\$ 390,029</b>	<b>\$ 186,675</b>	<b>\$ 576,704</b>	<b>\$ (368,767)</b>		<b>\$ (7,331)</b>	<b>\$ 200,606</b>	
Other Revenues - Taps, Recon, late fee,		\$ (4,574) (A)	\$ (4,574)				(4,574)	
Revenue Requirement Used to Set Rates	\$ 390,029	\$ 182,101	\$ 572,130	\$ (368,767)		\$ (7,331)	\$ 196,032	

(A) Number run from October 31, 2018 did not include (4,574) in the Company Adjustments to the Test Year column.  
This number run corrects that so the Columns (a), (b) and (c) foot horizontally and vertically.

SOAH DOCKET NO. 473-17-0117.WS  
PUC DOCKET NO. 46245  
COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer  
TEST YEAR END 31-Dec-15

Schedule II-Sewer  
O&M Expense

Acct. No.	ACCOUNT	Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total (c)=(a)+(b)	Adjustments To Company Request (d)	Reference	Change	Commisson
						Number Run Instruction (e)	Number Run Instruction (f)	Sewer Total (g)=(c)+(d)+(f)
610	PURCHASED WATER	-		-				-
615	POWER EXPENSE-PRODUCTION OF	12,020		12,020				12,020
618	OTHER VOLUME RELATED EXPENS	2,409		2,409	(530)			1,879
601-1	EMPLOYEE LABOR	70,968	20,472	91,440	(40,300)	1 and (A)	(10,443)	40,697
620	MATERIALS	2,581		2,581				2,581
631-636	CONTRACT WORK	2,922		2,922	790			3,712
650	TRANSPORTATION EXPENSES	11,795		11,795	(2,912)			8,883
664	OTHER PLANT MAINTENANCE	100,955		100,955	(79,591)	3	3,182	24,546
601-2	OFFICE SALARIES	-		-				-
601-3	MANAGEMENT SALARIES	-		-				-
604	EMPLOYEE PENSIONS & BENEFITS	-		-				-
615	PURCHASED POWER-OFFICE ONLY	-		-				-
670	BAD DEBT EXPENSE	-		-				-
676	OFFICE SERVICES & RENTALS	-		-				-
677	OFFICE SUPPLIES & EXPENSES	7,722		7,722				7,722
678	PROFESSIONAL SERVICES	3,937		3,937	(2,907)			1,030
684	INSURANCE	8,566		8,566	(1,127)			7,439
666	REGULATORY EXPENSE (RATE CAS	-		-				-
667	REGULATORY EXPENSE (OTHER)	7,049		7,049	(2,519)			4,530
675	MISCELLANEOUS	26,424		26,424	(6,068)			20,356
	<b>TOTAL</b>	<b>257,348</b>	<b>20,472</b>	<b>277,820</b>	<b>(135,164)</b>		<b>(7,261)</b>	<b>135,395</b>

(1) Instruction No. 1 of OPDM's Number Run request required an adjustment to salaries of (\$20,886) to be allocated 50% water and 50% sewer. The calculation of \$20,886 x .50 equals \$10,443. The instruction appears to contain a typographical error indicating \$10,433. Staff has used the \$10,443 calculated number.

SOAH DOCKET NO. 473-17-0117 WS  
 PUC DOCKET NO. 46245  
 COMPANY NAME Double Diamond Utility Company, Inc - White Bluff Subdivision - Sewer  
 TEST YEAR END 31-Dec-15

Schedule III-Sewer  
 Invested Capital

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Adjustments To Company Request	Reference/ Number Run Instruction	Change Number Run Instruction	Commission Adjusted Total
	(a)	(b)	(c)=(a)+(b)	(d)	(e)	(f)	(g)=(c)+(d)+(f)
<b>INVESTED CAPITAL</b>							
Plant in Service	\$ 2,847,336		\$ 2,847,336	\$ 109,606		\$ (2,757,528)	\$ 199,414
Utility					3, 5, 10 and (A)		\$ 102,034
Developer Contributions					7 and 10		\$ 97,380
Accumulated Depreciation	\$ (1,205,081)		\$ (1,205,081)	\$ (8,488)	(B)	\$ 1,168,464	\$ (45,105)
Utility					5 and 10 and (A)		\$ (3,505)
Developer Contributions					7 and 10		\$ (41,600)
Grinder Pumps (Net Plant) (See DL-1)					(A)		\$ -
Net Plant in Service	\$ 1,642,255	\$ -	\$ 1,642,255	\$ 101,118	(C)	\$ (1,589,065)	\$ 154,308
Utility							\$ 98,528
Developer Contributions							\$ 55,780
Working Cash Allowance	\$ 23,152		\$ 23,152	\$ (11,264)	Flow through	\$ (605)	\$ 11,283
Materials and Supplies							
Prepayments							
Customer Advances Construction							
Developer Contribution in Aid of Construction	\$ (137,457)		\$ (137,457)	\$ 137,457	(E)	\$ (55,780)	\$ (55,780) (D)
Customer Deposits							
Regulatory Assets							
Accumulated DFIT				\$ (31,375)			\$ (31,375)
Regulatory Liabilities							
<b>TOTAL INVESTED CAPITAL (RATE BASE)</b>	\$ 1,527,950	\$ -	\$ 1,527,950	\$ 195,936		\$ (1,645,450)	\$ 78,436
<b>RATE OF RETURN</b>			8.42%				6.95% (F)
<b>RETURN ON INVESTED CAPITAL</b>	\$ 721	\$ 128,003	\$ 128,724	\$ (123,090)	Flow through	\$ (183)	\$ 5,451

(A) Grinder pumps removed from O&M Expenses of \$76,409 were added to the original cost required by Number Run instruction No. 5. Annual and accumulated depreciation are calculated on workpaper DL-1.

(B) October 31, 2018 number run recorded an Adjustment to Company's request for Accumulated Depreciation was \$2,418,650. However, the actual adjustment was \$(1,205,082) less \$(1,213,569) or \$(8,488), which is reflected in column (d).

(C) October 31, 2018 number run recorded an Adjustment to Company's request for Net Plant in Service of \$2,528,250. However, the spreadsheet did not foot correctly. Plant in Service less Accumulated depreciation did not equal net plant in service of \$24,030. Staff's current numbers in the adjustments to Company Request column (d) are calculated using the Plant in Service and Accumulated Depreciation numbers in the first number run.

(D) Rate base reduced by net developer contributions.

(E) October 31, 2018 number run recorded a negative \$137,457. This number run reflects a positive number which is consistent with the October 31, 2018 number run resulting in a zero DCIAC.

(F) Changed the Rate of return from 6.96% to 6.95% in accordance with Commission Order, August 30, 2018 at 31, Finding of Fact No. 126.

SOAH DOCKET NC 473-17-0117.WS

PUC DOCKET NO. 46245

COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer

TEST YEAR END 31-Dec-15

Schedule IV-Sewer  
Taxes Other Than FIT

	Test Year Total	Company Adjustments To Test Year	Company Requested Test Year Total	Adjustments To Company Request	Adjusted Total	Supporting Schedule
TAXES OTHER THAN FIT	(a)	(b)	(c)=(a)+(b)	(d)	(e)=(c)+(d)	
Non-Revenue Related						
Ad Valorem Taxes	\$ 48,706		\$ 48,706	\$ -	\$ 48,706	
Total Property	\$ 48,706	\$ -	\$ 48,706		\$ 48,706	
Payroll Taxes						
FICA			\$ 5,669	\$ (3,146)	\$ 2,523	D-3
MEDICARE			\$ 1,326	\$ (736)	\$ 590	D-3
MEDICARE-Affordable Care Act			\$ -	\$ -	\$ -	D-3
FUTA			\$ 156	\$ (20)	\$ 137	D-3
SUTA			\$ 503	\$ (406)	\$ 98	D-3
Total Payroll	\$ 11,692	\$ (4,038)	\$ 7,654	\$ (4,307)	\$ 3,347	
Other Taxes						
Other taxes and Licenses	\$ 1,746		\$ 1,746	\$ (1,591)	\$ 155	
Total Other Taxes	\$ 1,746		\$ 1,746	\$ (1,591)	\$ 155	
<b>TOTAL TAXES OTHER THAN INCOME</b>	<b>\$ 62,144</b>	<b>\$ (4,038)</b>	<b>\$ 58,106</b>	<b>\$ (5,897)</b>	<b>\$ 52,209</b>	

SOAH DOCKET NO. 473-17-0117.WS  
PUC DOCKET NO. 46245  
COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Sewer  
TEST YEAR END 31-Dec-15

Schedule V-Sewer  
Federal Income Taxes

	Test Year Total	Company Requested Test Year Total	Adjustments To Company Request	Commission Adjusted Total
FEDERAL INCOME TAXES	(a)	(c)=(a)+(b)	(d)	(e)=(c)+(d)
Return	Total	\$ 215,209	\$ (209,758)	\$ 5,451
Less			\$ -	
Interest Included in Return		\$ 85,579	\$ (83,759)	\$ 1,820
Plus			\$ -	
Other Adjustments			\$ -	
TAXABLE COMPONENT OF RETURN		\$ 129,630	\$ (125,998)	\$ 3,632
TAX RATE		\$ 0	\$ -	\$ 0
TAX FACTOR (1/(1-TR))*(TR)		\$ 0	\$ (0.09)	\$ 0
FEDERAL INCOME TAX BEFORE ADJUSTMENTS		\$ 45,546	\$ (44,580)	\$ 965
LESS			\$ -	
Surtax Exemption	(1)	\$ -	\$ -	
TOTAL FEDERAL INCOME TAXES		\$ 45,546	\$ (44,580)	\$ 965
Allocation Factor (White Bluff Sewer NI/Total White Bluff NI)		60.06%	\$ -	100%
Company requested/Allocated to White Bluff - Sewer		\$ 27,354	\$ (26,389)	\$ 965

(1) The original application was calculated using tax rates before the Tax Cuts and Jobs Act of 2017 (TCJA). For rates going forward, the tax rate for corporate entities is 21% which negates the need for the "surtax exemption" which is used to represent the lower brackets of the pre-TCJA tax rate schedules for corporations.



							DL -1 Workpaper Annual Depreciation
SOAH DOCKET NO. 473-17-0117 WS							
PUC DOCKET NO. 46245							
COMPANY NAME Double Diamond Utility Company, Inc. - White Bluff Subdivision - Water and Sewer							
TEST YEAR END 12/31/2015							
	Original Cost	Commission Accumulated Depreciation	Number Run Instruction/ reference	In-service Life	Years in service	Commission Annual Depreciation	Commission Annual Depreciation Rate
Water Utility Contributions	\$ 71,367	\$ (3,012)	4, 8			\$ 1,923	2.6942%
Water Developer Contributions	\$ 429,978	\$ (220,101)	6, 8	1996-2015	\$ 19	\$ 11,584	2.6942%
<b>Total Water Annual Depreciation</b>	<b>\$ 501,345</b>	<b>\$ (223,113)</b>				<b>\$ 13,507</b>	
Sewer Utility Contributions	\$ 102,034	\$ (3,505)	3, 5, (A )			\$ 4,397	2.2484%
Sewer Developer Contributions	\$ 97,380	\$ (41,600)	3, 5, (C)			\$ 2,189	2.2484%
<b>Total Sewer Annual Depreciation</b>	<b>\$ 199,414</b>	<b>\$ (45,105)</b>				<b>\$ 6,586</b>	
Grinder Pumps	\$ 76,409	\$ (1,910)	3, 5, (A), (B)	\$ 42,185	\$ 20	\$ 3,820	5.0000% (B)

(A) Accumulated depreciation of (\$3,505.23) adjusted for grinder pumps of \$76,409 accumulated depreciation of \$1,910.23 for the test year. 1/2 year convention.

(B) Grinder Pump depreciation was calculated using a 20 year life as indicated in testimony of Jolie Mathis, Attachment 2, Depreciation Analysis.

(C) The annual depreciation rate for Water Utility Contributions and Sewer Utility Contributions was not specified in the instructions nor available upon review of direct testimony of White Bluff Ratepayer Group expert Nelissa Headin. Therefore, Staff used the Commission-determined rate for Developer Contributions.

Sewer Summary	Original Cost	Accumulated Depreciation	Net Book Value
Commission Determined Sewer Assets - Utility Contributed	\$ 25,625	\$ (1,595)	\$ 24,030
Grinder Pumps capitalized	\$ 76,409	\$ (1,910)	\$ 74,499
<b>Total original cost - Sewer</b>	<b>\$ 102,034</b>	<b>\$ (3,505)</b>	<b>\$ 98,528</b>

**Allocation of Payroll**

Company Claim				
Name	Title	Water	WW	License Status
Jody Bledsoe	Utilities Operator	50.0%	50.0%	Water license current; wastewater license expired
Clovis C Willhelr	Wastewater Operator	25.0%	75.0%	Wastewater license current
Jerry Whitworth	Utilities Back Hoe Operator	50.0%	50.0%	
Dwayne Cota	Utilities Operator	50.0%	50.0%	Class D water license expired
Todd Dilworth	Utilities Manager	50.0%	50.0%	Class C water and wastewater, and CSI
Buck W Nunley	Regulatory Director of Utilities	12.5%	12.5%	Class C Surface license
Danny Keeton	Equipment Operator	50.0%	50.0%	
Adjust				
Name	Title	Water	WW	License Status
Jody Bledsoe	Utilities Operator	100.0%	0.0%	Water license current; wastewater license expired
Clovis C Willhelr	Wastewater Operator	0.0%	100.0%	Wastewater license current
Jerry Whitworth	Utilities Back Hoe Operator	0.0%	0.0%	
Dwayne Cota	Utilities Operator	100.0%	0.0%	Class D water license expired
Todd Dilworth	Utilities Manager	50.0%	50.0%	Class C water and wastewater, and CSI
Buck W Nunley	Regulatory Director of Utilities	12.5%	12.5%	Class C Surface license
Danny Keeton	Equipment Operator	0.0%	0.0%	

		Tax Rate	Taxable Wages	Reference Number Run Instruction	Commission Adjusted Total
		(a)	(b)	(c)	(f)=(a)*(e)
<b>PAYROLL TAXES - WHITE BLUFF WATER</b>					
FICA	All Wages	6.20%	\$ 66,697	2, (A)	\$ 4,135
MEDICARE	All Wages	1.45%	\$ 66,697	2, (A)	\$ 967
MEDICARE-Affordable Care Act		0.00%	\$ 66,697	2, (A)	\$ -
FUTA	Wages to \$7000	0.60%	\$ 19,250	2, (B)	\$ 116
SUTA	Wages to \$9000	1.50%	\$ 5,500	2, (B)	\$ 83
<b>TOTAL PAYROLL</b>					<b>\$ 5,300</b>
		Tax Rate	Taxable Wages		Adjusted Total
<b>PAYROLL TAXES - WHITE BLUFF SEWER</b>					
FICA		6.20%	\$ 40,697	2	\$ 2,523
MEDICARE		1.45%	\$ 40,697	2	\$ 590
MEDICARE-Affordable Care Act		0.00%	\$ 40,697	2	\$ -
FUTA		0.60%	\$ 22,750	2, (B)	\$ 137
SUTA		1.50%	\$ 6,500	2, (B)	\$ 98
<b>TOTAL PAYROLL</b>					<b>\$ 3,347</b>

(A) The wages change from the taxable wages shown in Staff Number Run, 10/31/2018 due to the change on Schedule II, O&M expense. The calculation flows from the change in salaries required in the instructions.

(B) The Application, page 15 of water and sewer rate filing packages, Schedules II-6 for Water and Sewer indicate the following:

	Applicant	Effect of PFD reduction of \$20,886 (C)	Effect of Commission reduction of \$20,800 (D)	Net taxable wages
Water-Taxable Wages for FUTA	22,750	0	(3,500)	19,250
Sewer-Taxable Wages for FUTA	26,250	0	(3,500)	22,750
Water-Taxable Wages for SUTA	6,500	0	(1,000)	5,500
Sewer-Taxable Wages for SUTA	7,500	0	(1,000)	6,500

Application, pg. 15, Schedules II-6 for water and sewer indicate that \$3,500 of FUTA taxable wages were included for each of Jerry Whitworth and Danny Keeton on both water and sewer cost of service.

Application, pg. 15, Schedules II-6 for water and sewer indicate that \$1,000 SUTA taxable wages were included for each of Jerry Whitworth and Danny Keeton on both water and sewer cost of service.

(C) The reduction to the PFD was to known and measurable increases to salaried individuals already paid above the maximum taxable wages for FUTA and SUTA in the test year. Therefore, there is no affect to the allowed tax because the known and measurable proposed change did not increase FUTA and SUTA expense as reflected in Application, pg. 15, Schedules II-6. The FUTA tax increased slightly using the above tables due to a probable error in the October 31, 2018 number run.