

Control Number: 46333



Item Number: 3

Addendum StartPage: 0



2016 OCT 12

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October 12, 2016

Filing Clerk Public Utility Commission of Texas 1701 N. Congress Avenue, Suite 8-100 P.O. Box 13326 Austin, Texas 78711-3326

> RE: Docket No. 46333; Application of PK-RE Development Company, Inc. d/b/a Greenshores Utility Services, and d/b/a Oak Shores Water System, for Authority to Change Rates and Tariffs Under CCN Nos. 12407 and 20948 in Travis County.

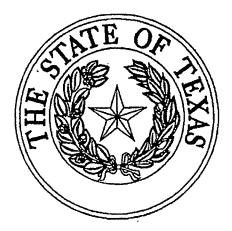
#### Dear Filing Clerk:

PK-RE Development Company, Inc. d/b/a Greenshores Utility Services, and d/b/a Oak Shores Water System ("PK-RE") files the following documents:

- Class B Rate/Tariff Change Application for Water CCN No. 12407 and all schedules;
- Class B Rate/Tariff Change Application for Sewer CCN No. 20948 and all schedules;
- Affidavit/Certification of Application;
- Notice of Proposed Water and Sewer Rate Increases sent to customers; and
- Annual Report filed on October 12, 2016.

Thank you for your assistance. If you have any questions, please do not hesitate to contact me.

GNC/jmc 7198806.1



#### **PUBLIC UTILITY COMMISSION OF TEXAS**

#### CLASS B RATE/TARIFF CHANGE APPLICATION .

Required Schedules for rate/tariff changes

WATER UTILITY NAME:	PK-RE DEVELOPMENT COMPANY, INC. (D.B.A. GREENSHOR	ES UTILITY SERVICES)
CCN No.	12407	
ADDRESS OF UTILITY:	Street, P.O. Box and/or suite number	-
	Austin, TX 78746  City and Zip Code	_
PHONE NUMBER:	( \$12 ) - 451-6689 area code	-
NAME OF PERSON TO CONTAC	CT REGARDING THIS FILING:	
NAME: Jeff Goebel		
PHONE: 713-724-932 EMAIL ADDRESS:	l jgoebel@undinellc.com	_
PUC CLASS SIZE:	B C (circle one)	- -
INCREASE (DECREASE)	Phase I Phase II Phase III  S 80,422 \$ 20,107 \$ 52,678  dollar amount	(From Sch. I-1, Line 33)
	20,00% 5,00% 13,10% . percent above (below) current revenue requirement	(From Sch. I-I, Line 34)
DESCRIBE OWNERSHIP OF COMPANY:		
The Company is owned by Russell Eppright		<del>_</del>
	)	<del></del>
DATE OF LAST GENERAL RATE CASE FI	LING: 09/21/12	<del></del>
DATE OF LAST NON-GENERAL RATE CF * (e.g. pass through rate change or temporary		_

#### **CLASS B RATE/TARIFF CHANGE APPLICATION**

#### Required Schedules for rate/tariff changes

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

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

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

These schedules are intended to assist the utility in calculation of its new rates. The process consists of a number of relatively complex steps. Utilities are required to provide all the information necessary to support amounts included in the schedules and to cross-reference all information. If the applicant does not use a schedule, it should be noted as "N/A", and an explanation provided.

## UTILITY NAME: <u>PK-RE DEVELOPMENT COMPANY, INC.</u> GENERAL WATER RATE/TARIFF CHANGE APPLICATION SCHEDULES

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

#### TABLE OF CONTENTS (Page 1 of 2)

	FOR TEST YEAR ENDED: DATE SUBMITTED TO PUC:	12/31/2015		
			Attachment Schedule	Items Checked
SECTION I	REVENUES AND REVENUE RE	QUIREMENT	<b>भ</b> श्रा	दिस
	Revenue Requirement Summary		I-1	XX
•	Historical Revenue Summary		I-2	
	Include the appropriate schedules:			
	Metered Active Connections by Me	eter Size	I-3	X
	Unmetered Active (Flat Rate) Cust		I-4	NA
	, ,	•		
SECTION II	OPERATIONS AND EXPENSES			
	Water Production (no unmetered ra	ntes)	II-1(a)	X
	Water Production (with unmetered	rates)	II-1(b)	NA
	Other Revenues & Expenses passe	d through	II-3	X
	Purchased Power		II-4	X
	Other Volume Related Expenses		II-5	X
	Payroll Cost Allocation		II-6	NA
	Materials		II-7	X X X NA NA
	Contract Work		II-8	X
	Transportation Expenses		II-9	X NA
	Other Plant Maintenance		II-10	X
	Employee Pensions/Benefits		II-1 <sup>'</sup> 1	X NA
	Bad Debts/uncollectables		II-12	X
	Office Services and Rentals		II-13	X NA
	Office Supplies and Expense		II-14	X
	Professional Services		II-15	X X
	Insurance		II-16	X X
	Rate Case Expense		II-17	X
	Regulatory Commission Expense		II-18	X X
	Miscellaneous Expense		II-19	X

## UTILITY NAME: PK-RE DEVELOPMENT CO., INC. GENERAL WATER RATE/TARIFF CHANGE APPLICATION SCHEDULES TABLE OF CONTENTS (Page 2 of 2)

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

#### INSTRUCTIONS REV REQUIREMENT

	UTILITY NAME:	PK-RE DEVELOPMENT, INC.	· 
	i		
	SECTION I - REVENUE RE	QUIREMENTS AND REVENUES	

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

Instructions for Section I - Revenue Requirement and Revenues

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

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

Schedule I-2 reports historical revenues collected and Schedules I-3 and 1-4 report connection information. Use historical financial data and data from recent annual reports (PUC Rpt.) to complete the schedules.

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

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

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

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<u> </u>		UTILITY NAME:	PK-RE D	EVELOPMEN	IT, INC.			
	SCHEDULES - CLASS B RATE/TARIFF CHANGE							
		I-1 REVENUE REQUIF	REMENT SU	IMMARY - P	HASE I			
		PUC Docket No	Test Year End	12/31/2015				
A	В	C	D	Е	F=D+E	G		
			Historical	K&M	Adjusted			
			Test Year	Changes	Test Year			
Line	Acct.	Account Name			<u> </u>	Reference/		
No.		710004 7 (4)		ļ		Instructions		
<b></b>		Volume related expenses:	慧		-			
$\frac{1}{1}$	610	Purchased water	29,967		29,967	Schedule II-3		
2	615	Power Expense-production only	43,526			Schedule II-4		
$\frac{2}{3}$	618	Other volume related expenses	5,419	<del></del>		Schedule II-5		
4		Total volume related exp.	78,912	<u> </u>	i	Add Lines 1-3		
<u> </u>			L	Liber Pada Billian		Laur Eusamer en <del>set</del> e		
1		Non-volume related expenses: Employee labor	BEECH.	Letter distribution		Schedule II-6, Line 1		
5	601-1					Schedule II-7		
6	620	Materials	57.013	ļ	57,913	Schedule II-8		
7	631-636		57,913		37,913			
8	650	Transportation expenses	127,315		127315	Schedule II-9		
9	664	Other plant maintenance	L	<u> </u>		Schedule II-10		
10		Total non-volume related exp.	185,228	•	185,228	Add Lines 5-9		
		Admin. & general expenses:						
411	601-2	Office salaries			-	Schedule II-6, line 2		
12	601-3	Mgmt. salaries			ş. <b>-</b>	Schedule II-6, line 3		
13	604	Employee pensions & benefits			-	Schedule II-11		
14	615	Purchased power-Office only			•	Schedule II-4		
15	670	Bad debt expense	-7	2,308	2,308	Schedule II-12		
16	676	Office services & rentals			•	Schedule II-13		
17	677	Office supplies & expenses	3,950		3,950	Schedule II-14		
18	678	Professional services	3,390		3,390	Schedule II-15		
19	684	Insurance	6,101		6,101	Schedule II-16		
20	666	Regulatory (rate case) expense		3,333	3,333	Schedule II-17		
21	667	Regulatory expense (other)	8,781	1,430	10,211	Schedule II-18		
22	675	Miscellaneous expenses	7,270		7,270	Schedule II-19		
23		Total admin. & general expense	29,492	7,072	36,564	Add Lines 11-22		
24	· · · ·	Total operating Expenses	293,633	7,072	300,705	Lines 4 + 10 + 23		
25	403	Depreciation	110,010		110,010	Sch III-3, Col E, Line 50		
26	408	Taxes Other than Income	5,435	2,114		Sch IV(b), Line 8		
27		Income Tax Expense		,	- 7,5 .7	Schedule V, Line 7		
28		TOTAL EXPENSES	409,078		418,264			
29		TOTAL HISTORIC REVENUE	402,114	Brighting and the first	, ,	Sch I-2, Line 6		
29		HISTORICAL TEST YEAR	+02,114			DON 1-2, LINE U		
20		RETURN	(6,964)		門時指揮	Line 30 less Line 29		
30		REQUESTED RETURN			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Schedule III-1, Line 3		
<b>-</b>		TEXOCOLED ICTIONA			07,272	John Jane J		
32		TOTAL REVENUE REQUIREMENT			482,536	Line 30 plus Line 34		
]]		REQUESTED ANNUAL REVENUE			:			
33		INCREASE		(to notice)	80,422	Line 32 less Line 29		
34		PERCENTAGE INCREASE		5		Line 36 divided by Line		
35		LESS: OTHER REVENUES			10,000	Line 8		
36		Revenue for Rate Design		(to VI, line 1)	472,536	Line 33 minus Line 35		

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY - PHASE II PUC Docket No. Test Year End: 12/31/2015

<u></u>	حسسم	PUC Docket No.	lest Year End			
Α	В	C	D.	E	F=D+E	, G
1.7	.;	人名英克 中共 经营	Historical	K&M	Adjusted	
	1.		Test Year	Changes	Test Year	
Line	Acct.	Account Name				Reference/
No.	No.					Instructions
	Stephen (	Volume related expenses:	<b>翻譯的性表</b> 5.6	13-95/新聞歌道。	का अनुस्ति	
1	610	Purchased water	29,967	, a sur injente un re		Schedule II-3
2	615	Power Expense-production only	43,526			Schedule II-4
3	618	Other volume related expenses	5,419			Schedule II-5
4	- , · · ·	l'otal volume related exp.	78,912	-	78,912	Add Lines 1-3
		Non-volume related expenses:	÷ .		% (1%)	5. 存款理解全部,各种数
5	601-1	Employee labor		<u> </u>	*****	Schedule II-6, Line 1
6	620	Materials			<del>                                     </del>	Schedule II-7
7	531-636	Contract work	57,913		57,913	Schedule II-8
8	650	Transportation expenses	.,,			Schedule II-9
9	664	Other plant maintenance	127,315	<del> </del>	127,315	Schedule II-10
ÍO		Total non-volume related exp.	185,228	-	1	Add Lines 5-9
		Admin & conord synoness	1	<del> </del>		·
11	601-2	Office salaries	ļ	ļ		Schedule II-6, line 2
12	601-2	Mgmt. salaries		<b></b>	-	Schedule II-6, line 3
13	604	Employee pensions & benefits			<u> </u>	Schedule II-11
114	615	Purchased power-Office only				Schedule II-4
15	670	Bad debt expense		2,308		Schedule II-12
16	676	Office services & rentals		2,500		Schedule II-13
17	677	Office supplies & expenses	3,950			Schedule II-14
18	678	Professional services	3,390			Schedule II-15
19	684	Insurance	6,101			Schedule II-16
20	666	Regulatory (rate case) expense	0,101	3,333		Schedule II-17
21	667	Regulatory expense (other)	8,781	1,430		Schedule II-18
22	675	Miscellaneous expenses	7,270			Schedule II-19
23		Total admin. & general expense	29,492	7,072	1	Add Lines 11-22
24		Total operating Expenses	293,633	7,072		Lines 4 + 10 + 23
25		Depreciation	110,010	,,,,,,		Sch III-3, Col E, Line 50
26		Taxes Other than Income	5,435	2,114		Sch IV(b), Line 8
		Income Tax Expense				Schedule V, Line 7
		TOTAL EXPENSES	409,078		1	
29	3 14 24 24 2	TOTAL HISTORIC REVENUE	402,114			Sch I-2, Line 6
		HISTORICAL TEST YEAR	102,114	・ 「14週間間間	14 14 14 14 14 14 14 14 14 14 14 14 14 1	50H 1-2, EIIIC 0
30		RETURN	(6,964)			Line 30 less Line 29
31		REQUESTED RETURN	(0,204)			Schedule III-1, Line 3
32		REQUIREMENT	rii Maria		·i	Line 30 plus Line 34
	(0)	REQUESTED ANNUAL	<u>ar ar i di</u>	anの大連環境である。 1	002,070	בייים בי לומי לימיל
33		REVENUE INCREASE		(to notice)	100,529	Line 32 less Line 29
	7 % y	KD ( DIOD INCKEASE	Reprédicte chai <sup>s d'</sup> à l Expressionne	(to notice)		
34		PERCENTAGE INCREASE			25.00%	Line 36 divided by Line
- <del>  </del>		I DRODITAGE INCREASE	Friedma, 17	· · · · · · · · · · · · · · · · · · ·	1	
35		LESS: OTHER REVENUES				Sch. II-3(b), Col. D,
36		Revenue for Rate Design	3 (1). 3 (1)	(to VI line I)		Line 8
الساد	<u> </u>	Revenue for Rate Design		(to VI, line 1)	492,642	Line 33 minus Line 35

PAGE 3 OF 3 UTILITY NAMÉ: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARYPHASE III PUC Docket No. Test Year End: 12/31/15 F=D+E Α R (5)那 (3)古 K & M Historical Adjusted Test Year Changes Test Year Line Acct. Reference/ Account Name No. Instructions No. Volume related expenses: 29,967 29,967 | Schedule II-3 610 Purchased water Power Expense-production only 43,526 43,526 Schedule II-4 2 615 Other volume related expenses 3,419 5,419 Schedule II-5 3 618 78,912 | Add Lines 1-3 otal volume related exp. 78,912 Non-volume related expenses: 7-1 13-15 (基礎 MENERAL CONFORM 4.10年、1925年2月1日 Schedule II-6, Line 1 601-1 Employee labor 5 Schedule II-7 Materials 6 620 57,913 57,913 Schedule II-8 631-636 Contract work 8 650 Transportation expenses Schedule II-9 Other plant maintenance 127.315 127,315 Schedule II-10 664 10 Total non-volume related exp. 185,228 185,228 Add Lines 5-9 Admin, & general expenses: **海岸 马拉加加地地** Schedule II-6, line 2 11 601-2 Office salaries 12 601-3 Mgmt, salaries Schedule II-6, line 3 13 604 Employee pensions & benefits Schedule II-11 14 Purchased power-Office only Schedule II-4 615 2,308 Schedule II-12 15 670 Bad debt expense 2,308 Office services & rentals Schedule II-13 16 676 -Office supplies & expenses 3,950 3,950 Schedule II-14 17 677 Professional services 3,390 3,390 Schedule II-15 18 678 19 684 Insurance 6,101 6,101 | Schedule II-16 Regulatory (rate case) expense 20 666 3,333 3,333 Schedule II-17 10,211 Schedule II-18 Regulatory expense (other) 21 667 8,781 1,430 7,270 | Schedule II-19 Miscellaneous expenses 22 675 7,270 23 Total admin. & general expense 29,492 7,072 36,564 Add Lines 11-22 24 Total operating Expenses 293,633 7,072 300,705 | Lines 4 + 10 + 23 110,010 25 403 Depreciation 110,010 Sch III-3, Col E, Line 50 408 Taxes Other than Income Sch IV(b), Line 8 26 5,435 2,114 409/10 Schedule V, Line 7 27 Income Tax Expense 409,078 28 TOTAL EXPENSES 418,264 29 TOTAL HISTORIC REVENUE 402,114 Sch I-2, Line 6 30 HISTORICAL TEST YEAR RETURN Line 30 less Line 29 (6,964)BENEFIT OF 31 REQUESTED RETURN THE CLAR 137,057 Schedule III-1, Line 3 32 TOTAL REVENUE REQUIREMENT 555,321 Line 30 plus Line 34 REQUESTED ANNUAL REVENUE 都当開館的 INCREASE 33 153,207 Line 32 less Line 29 Line 36 divided by Line PERCENTAGE INCREASE 34 38.10% 33 Sch. II-3(b), Col. D, 35 LESS: OTHER REVENUES 10,000 Line 8 (to VI, line I) 36 Revenue for Rate Design 545,320 Line 33 minus Line 35

#### UTILITY NAME: PK-RE DEVELOPMENT COMPANY, INC.

#### SCHEDULES - CLASS B RATE/TARIFF CHANGE

FOR TEST YEAR ENDED:

12/31/15

#### I-2 HISTORICAL REVENUE SUMMARY

Line No.	NARUC A/C Description	Historical Test Year	
1.	461 Metered connections base rate revenue	148,362.66	From financial records
2.	461 Metered connection gallonage rate revenue	231,001.00	From financial records
3.	460 Unmetered (Flat rate) revenue	0.00	From financial records
4.	Total Metered & Flat Rate Revenue	379,363.66	
5.	Plus: Total Other Revenues	22,750.48	From II-3, Column B, line 7
6.	Total Historic Test Year Revenues per income statement and Annual Report	402,114.14	Line 4 plus line 5

<sup>(</sup>to I-1, Column D, line 29)

<sup>\*</sup>Provide all calculations and explanations for any differences between the applicant's annual report and this schedule.

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

#### UTILITY NAME: PK-RE DEVELOPMENT COMPANY, INC.

#### SCHEDULES - CLASS B RATE/TARIFF CHANGE

#### 1-3 METERED ACTIVE CONNECTIONS BY METER SIZE

FOR TEST YEAR ENDED: December 31, 2015

Α	В	С	D	E	F		' G	Н
			Numbe	er of Connections				
Line No.	Meter Size	End of Prior Year	Test Year Additions	End of Test Year	Average		Meter Ratios	Meter Equivalencies End of TY
		PUC report Sch. 9		(C+D)	(Ĉ + E) /2			(E x G)
1.	5/8" x 3/4"	77	2	79	78	-	1.0	79
2.	3/4"	90	- 20	110	100		1.5	165
3.	1".	33	. <del>-4</del>	29	31		2.5	72.5
4.	1 1/2"	0	0	0	0		5.0	0
5.	2"	0	0	0	0		8.0	. 0
6.							,	
7.							1	
8.						1		·
9.	Total	200	18	218	209		r	, 316.5
10	Average				3	ì	1	

# UTILITY NAME: PK-RE DEVELOPMENT COMPANY, SCHEDULES - CLASS B RATE/TARIFF CHANGE I-4 UNMETERED (FLAT RATE) ACTIVE CONNECTIONS FOR TEST YEAR ENDED: 12/31/15

Α	В	С	D	Е	F .			
, . ,		Number of Active Connections						
Line No.	Flat Rate Unit	End of Prior Year	Test Year Additions	End of Year	Average .			
		PUC report Sch. 9		(C + D)	(Č + E) /2			
1.	NONE		**		_ ,			
2.								
3.	ŧ		,					
4.								
5.	Total	Ť						

#### INSTRUCTIONS - OPERATIONS AND MAINTENANCE

UTILITY NAME: PK-RE DEVELOPMENT COMPANY, INC.

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION II - OPERATIONS AND MAINTENANCE

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

#### Instructions for Section II

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

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

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

# UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION FOR TEST YEAR ENDED: 12/31/15

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

Line No.	Water Production (1,000 Gallons)	Α	В	C= A+B	D t
		Test	K & M	Adjusted	Reference
		Year	Changes	Test Year	
1	Total water pumped	9,294	0	9,294	PUC Annual Report
2	Total water purchased	`37,522	0	37,522	PUC Annual Report
3	Total water produced	46,816	0	46,816	Line 1 + line 2
4	Total water sold	30,750	0	30,750	PUC Annual Report
5	Total accounted for non-revenue water*	44.3	0	44.3	
6	Total unaccounted for water	16,022	0	16,022	
7	Percentage	34.22%	7	34.22%	Line 6 divided by Line 3

<sup>\*</sup> Describe the tracking technique for calculating line 5 and provide the records reflecting the calculation.

Known and measurable calculations and explanations:

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

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

Known and measurable calculations and explanations:

<sup>\*</sup> Loss and unaccounted for water is based on monthly engineering estimates.

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-3 OTHER REVENUES & EXPENSES PASSED THROUGH FOR TEST YEAR ENDED: 12/31/15

11-3(a) Purchased Water or Other Pass Through Expenses

					<del>/</del>
Line	A	В	C	D,	D'
No.		,		-	
	Purchased from:	Units purchased (in) (e.g. 1,000 gal, AC - F1)	Price Per Unit	Total Calculated Cost (B x C)	Actual Cost paid per financial records
1.	LCRA	37,522	0.7987	29,968.82	29,967.38
2.		,		0	
3.			<b>3</b> 1.	, 0	
4.	Total *	37,522.00	0.7987	29,968.82	29,967.38

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

II-3(b) Other revenues collected from customers -

			***************************************	
Line No.	۸	В	I ZGC (JS	D
	Item passed thru or type of other revenue	. Test year historical revenues collected		Test year revenues netted against COS
1.	Tap Fees*	12,750.00	心理以此外	通红生0-4.802346。
2.	Late Fees	4,507.82	<b>运搬送到的地位</b>	4,507.82
3.	Meter Test Fees	1,494.00	<b>注题中的图像</b> 。	1,494.00
4.	Reconnect Fees	0	<b>新加州的</b>	0.00
5.	Purchased Water Fees	0	THE STATE OF	0.00
6.	Groundwater Conservation S District Fees	0	<b>学是是</b>	, 0.00
7.	Other (attach detail**)	3,998.66	<b>建工业的制度</b>	3,998.66
8.	Total Other Revenues	22,750.48	できずる。	10.000.48

(to Sch. I-2, line 5)

(to Sch. 1-1, line 35)

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<sup>\*</sup> Tap fees should be reported on Sch. III-8-CIAC, Line 1.

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

PK-RE DEVELOPMENT, INC.

Test year ended 12/31/15

#### Other Revenue

Transfers and Deposits
TCEQ Fees
Total Other Revenues

205.00
3,793.66
3,998.66

## UTILITY NAME: \_\_PK-RE DEVELOPMENT, INC. II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE PURCHASED POWER FOR TEST YEAR ENDED: 13/31/15

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

References below refer to Schedule I-1.

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

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

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

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

	Year		Amount	¥,
_	2013	\$	28,708.54	
_	2014	\$	26,953,42	•
Test Year	2015	\$	43,526.45	
K & M Change	<del></del>	s	-	(to I-1, Column E, Line 2)
Adjusted Test year		\$	43,526.45	(to I-1, Column F, Line 2)

Explanation and calculations of known and measurable change:

Note: Increase in electricity costs is the result of an increase in water usage and addition of new customers.

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

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

#### Volume related expenses

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

	Year	<b>A</b> 1	mount	
a.	2013	\$	-	_
	2014	\$	* -	
a. Test Year	2015	s	-	-
b. K & M Change		\$	•	(to I-I, Column E, Line14)
c. Adjusted Test year (	a. + b.)	\$	-	(to I-1, Column F, Line 14)

Explanation and calculations of known and measurable change:

Note: The company does not have an electricy bill for an office.

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-5 OTHER RELATED VOLUME EXPENSES FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	Account Name
		•
3.	618	Other volume related expenses

#### Other volume related expenses

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

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

	Year		Amount	
	2013	\$	3,280.14	
	2014	\$	4,939.57	
a. Test Year	2015	\$	5,418.60	
b. K & M Change	N	\$	_	(to I-1, Column E, Line 3)
c. Adjusted Test ye	ear (a.+b.)	<b>\$</b> .	5,418.60	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

Note: This account includes chemicals used to treat water. The test year amount is higher than the previous two years due to increases in the number of customers served.

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UTILITY NAME PK-RE DEVELOPMENT, INC.
SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-6 ALLOCATION OF PAYROLL EXPENSES
FOR THE ADJUSTED TEST YEAR 12/31/15

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

	,	V	В	၁	۵	ш	F	ŋ	H
Line	Employee	Test Year	Test Year   Capitalized   Expensed	Expensed	İst	7,001 to	9,001 to	over	Total
					7000 or			118500 or   118500 or	
o Ž	Name	Payroll	Payroll	Payroll	new limit	new limit	new limit new limit new limit	new limit	Payroll
	ş				(FUTA max)	(SUTA max)	(FUTA max) (SUTA max) (or FICA max)		
1.									
2.	NONE		,						
3.									
4.									
5.									
6.	ę								
7.									
8.									
9.	Total								
0.	Percentage Capitalized		Line 9, column F divided by line 9, column E=	ın F divided	by line 9, ∞	lumn E=			

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

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

	to Schedule I-1, Line 5.	to Schedule I-1, Line 11.	to Schedule I-1, Line 12.	(should equal II-6(a), Column C, Line 9.)
Test Yr Expense				0
Account Name	601-1 Employee labor	601-2 Office salaries	601-3   Management salaries	Total Payroll Expenses
Line Acct. No No.	1-109	601-2	601-3	
Line Acci	1.	2.	3.	4.

, f

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

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

<sup>19</sup> 

#### UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-7 MATERIALS FOR THE TEST YEAR ENDED: 12/31/15

Line No.	Account No.		Account	Name		
6.	620		Mater	ials		
II-7(a) Materi	als				•	
Indicate the ki	nt spent on mater inds of expenses in If the Test Year crease:	nċluded in tl	nis account l	by identifying	all large* it	ems in
*	Year	•		Amount		
-	2013	3_	\$_	•		
	201	4	\$	-		
a. Test Year	201:	5_	\$	-		
b. K & M Cha	nge		\$_	-	(to I-1, Colu	mn E, Line (
c. Adjusted Te	st year (a. + b.)		\$_		(to I-1, Colu	mn F, Line (
* A large item	is more than 10%	6 of the test	year accoun	t balance and	l more than S	61,000.00
Expensed mate	erials may not be	included in	rate base in	materials and	d supplies in	ventories
Explanation as	nd calculations of	known and	measurable	change:	•	
II-7(b) Large l	Items:					ı
Description		Amount		Date in service	•	
]	None					i.
-						*
				······································		
<u> </u>			, [			1

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-8 CONTRACT WORK FOR THE TEST YEAR ENDED: 12/31/15

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

References below refer to Schedule I-1.

Line No. Account No. Account Name

7. 631, 635, 636 Contract work (non-capitalized engineering, testing, other)

#### II-7(a) Contract work

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

	Year		Amount		
	· · · · · · · · · · · · · · · · · · ·		\$		
	2013		s	49,959.45	
	2014		s	38,855.92	
a. Test Year	2015	*1	s	57,912.89	1
b. K & M Cha	ange	<b>†</b>	\$ <u>`</u> _	0.00	(to I-I, Column E, Line 7)
cAdjusted To	est year (a. + b.)		\$	57,912.89	(to I-1, Column F, Line 7)

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

Explanation and calculations of known and measurable change:

Note: Contract services have increased to to the increases in the number of customers served.

II-8(b) Large Items:

Contract operations         \$ 34,613.67           Testing         \$ 7,734.54           Administrative Fees         \$ 6,271.10           Customer billing         \$ 9,293.58	1/1/15 - 12/31/1 1/1/15 - 12/31/1
Administrative Fees \$ 6,271.10	<del></del>
Customer billing & 0.202.50	1/1/15 - 12/31/1
Customer bining 3 9,293.56	1/1/15 - 12/31/1

## UTILITY NAME: \_PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-9 TRANSPORTATION FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-9(a) Transportation expense

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

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

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

Explanation and calculations of known and measurable change:

II-9(b) Large Items\*:

Description	Amount	Date in service
•		
None.	,	
		4.*
	1	<u> </u>

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

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## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-10 OTHER PLANT MAINTENANCE FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	Account Name		
9.	664	Other plant maintenance		

#### II-10(a) Other plant maintenance

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

	Year	Amount
	2013	\$ 149,214.12
	2014	\$ 130,091.41
a. Test Year	2015	\$ 127,315.26
b. K & M Cha	ange	\$ (to I-I, Column E, Line 9)
c. Adjusted T	est year (a. + b.)	\$ 127,315.26 (to I-1, Column F, Line 9)

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

Explanation and calculations of known and measurable change:

II-10(b) Large Items:

Description	Amou	ınt	Date in service
R&M General AWR	\$	6,390.68	1/1/15 to 12/31/15
R&M - Water	\$	120,924.58	1/1/15 to 12/31/15

ţ.

#### UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-11 EMPLOYEE PENSIONS AND BENEFITS FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	Account Name
13.	604	Employee pensions and benefits
Employee pension	ons and benefits	NONE

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

List types of Pensions & Benefits:

	\$		\$		\$		\$			\$	
Year	-	Total Amount		Pensions		Health		Other			Amount Capitalized*
Cost per Employee:	_		_				h.				
	\$		\$		\$		\$_			_\$_	
Year	_	Total Amount		Pensions		Health		Other			Amount Capitalized*
Number of Employees covered:	_		_								
Cost per Employee:	-	,	-						a,		
List types of Pensions & Benefits:											
	\$		\$		\$		\$		į,	\$_	iq
Year	_	Total Amount		Pensions		Health		Other	ł		Amount Capitalized*
Number of Employees covered:	_		_			,					
Cost per Employee:	_	-	_		•	(use % on Sch 1	1-6( <b>a</b> ),	line 10)	ı		

## UTILITY NAMEPK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-12 BAD DEBTS

FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	Account Name	<u>:  </u>
15.	670	Bad Debts	
II-12 Bad deb	ts/Uncollectibles	f	
and estimate t	the uncollectible a	mount for the Test Y	to collect for the last two years, Tear. If the the Test son for the anticipated increase.
	Year	Amount	
		s	<del></del>
			_
a. Test Year		. \$	<b>~~</b> ,
b. K & M Cha	ange	\$ 1,678.89	(to I-1, Column E, Line 15)
c. Adjusted To	est year (a. + b.)	\$ 1,678.89	(to I-1, Column F, Line 15)
Explanation a	nd calculations of	known and measur	able change:
The bad debts	s amount was dete	rmined by writing o	ff customer balances more than 120 days old.
	¥. 4.		,
II-12(b) Large Description	ttems*:	Amount	Date in service
			Date in Service
N	ONE		
* A large item	is more than 10%	of the test year acc	ount balance and more than \$1,000.

# UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-13 OFFICE SERVICES AND RENTALS FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-13(a) Office services and rentals

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

	Year		Amount		
	2013	<b>s</b>	<b>e</b>		
	2014	<b>s</b>	-	<u>.</u>	
a. Test Year	2015	<b>\$</b>	_	_	
b. K & M Cha	nge	<b>s</b> _	-	(to I-1, Column E, Line 16)	ł
c. Adjusted Te	est year (a. + b.)	\$	-	(to I-1, Column F, Line 16)	ħ <sup>*</sup>

Explanation and calculations of known and measurable change:

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

II-13(b) Large Items:

Description	Amount	Date in service
NONE ·		1
		•
		,

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## UTILITY NAME PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-14 OFFICE SUPPLIES

FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-14(a) Office supplies & expenses

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

	Year		Amount	
	2013	<b>s</b>	3,185.00	
<del></del>	2014	<b>s</b>	3,124.78	
a. Test Year	2015	s_	3,950.39	
b. K & M Change		<b>s</b>	•	(to I-1, Column E, Line 17)
c. Adjusted Test yes	ar (a. + b.)	<b>s</b> _	3,950.39	(to I-1, Column F, Line 17)

Explanation and calculations of known and measurable change:

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

II-14(b) Large Items:

Description		Amount	Date in	n service
Misc. Office Expenses	s	3,950.39	1/1/15 to	o 12/31/15
	•			

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## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-15 PROFESSIONAL SERVICES FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-15(a) Professional services

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

Year	Year		Amount	
	2013	<b>s</b>	17,725.70	
	2014	<b>s</b> _	3,682.44	
a. Test Year	2015	<b>s</b>	3,390.04	
b. K & M Change		\$	<u>.</u>	(to I-1, Column E, Line 18)
c. Adjusted Test year	(a. + b.)	<b>s</b>	3,390.04	(to I-1, Column F, Line 18)

Explanation and calculations of known and measurable change:

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

II-15(b) Large Items:

Description	Amount	Date in service
Accounting	\$ 2,498.75	1/1/15 - 12/31/15
Legal	\$ 422.19	1/1/15 - 12/31/15
Other	\$ 469.10	1/1/15 - 12/31/15
	 	·

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## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-16 INSURANCE

FOR THE TEST YEAR ENDED: 12/31/15

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

Insurance

Account Name

Account No.

684

List the amount spent on insurance for the last two record

Explanation and calculations of known and measurable change:

periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items\*: If the Test

Line No.

19.

Insurance

Year is higher than previous y anticipated increase:	ears,	indicate the reason	for the	
Year		Amount		
	13	5,711.16	4	
20	14	5,947.61		
a. Test Year 20	15.	6,101.26		
b. K & M Change	· •	S	(to I-1, Column E, Line 19)	i <sub>g</sub>
c. Adjusted Test year (a. + b.)	5	6,101.26	(to I-1, Column F, Line 19)	
Types of insurance:				1
2015 \$ 6,101.2	26	2015	General Liability	ALTERIS INSURANCE SERV. INC.
Year Total amount		Period Covered	Туре	Company
S				
Year Total amount		Period Covered	Туре	Сотрапу
s				
Year Total amount		Period Covered	Type	Company

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## UTILITY NAMEPK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-17 REGULATORY EXPENSE FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	Account Name
		*
20.	666	Regulatory (Rate Case) Expense

#### II-17(a) Regulatory commission expense

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

Year	Year		
2	013 \$_	-	
20	014 \$_	-	
a. Test Year 20	<u> </u>	<b></b>	
b. K & M Change	<b>s</b> _	3,333.33	(to I-1, Column E, Line 20 - see instructions above)
c. Adjusted Test year (a. + b.	) <b>\$</b> _	3,333.33	(to I-1, Column F, Line 20 - see instructions above)

Explanation and calculations of known and measurable change:

To reflect 1/3 of rate case expnse in test year expenses

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

#### II-17(b) Large Items:

Description		Amount	Date in service	
1/3 Rate Case preparation	\$	3,333.33	Apr. and May '	10
*				
				٦
				٦
	1	-		٦
		,		٦
	1	·	· · · · · · · · · · · · · · · · · · ·	٦

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## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-18 REGULATORY EXPENSE

FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	Account Name
		1
<sup>7</sup> 21.	667	Regulatory commission expense

#### II-18(a) Regulatory commission expense

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

,	Year		Amount	
	2013	<b>s</b>	3,422.56	
Marie and the	2014	<b>\$</b>	5,702.29	
a. Test Year	2015	<b>s</b>	8,781.09	
b. K & M Change		<b>s</b>	1,493.84	(to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test year (a	. + b.)	\$ <u>.</u>	10,274.93	(to I-1, Column F, Line 21 - see instructions above)

Explanation and calculations of known and measurable change:

Note: K & M change equals increase in regulatory assessment fees related to rate ncrease.

II-18 (b) Large Items:

Description	Amount		Date in service	
Franchise fees at 1% of revenue	\$	3,793.66	1/1/15 - 12/31/15	
Other	\$	4,987.43	1/1/15 - 12/31/15	

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

# UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-19 MISCELLANEOUS EXPENSE FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-19 (a) Miscellaneous expense

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

	Year	Year		
-	2013	s	5,103.33	•
_	2014	\$	5,091.96	
a. Test Year	2015	<b>s</b>	7,269.59	-
b. K & M Chan	ge	<b>s</b>	_	(to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test	year (a. + b.)	\$ <u> </u>	7,269.59	(to I-1, Column F, Line 22 - see instructions above)

Explanation and calculations of known and measurable change:

Note: Test year exopenses have increased due to the increrase in number of customers served.

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

II-19 (b) Large Items:

Description	, (	Amount	Date in service	
Bank fees	\$	128.59	1/1/15 - 12/31/15	
Telephone	\$	6,474.20	1/1/15 - 12/31/15	
Waste Removal	\$	512.48	1/1/15 - 12/31/15	
Natural gas	\$	154.32	1/1/15 - 12/31/15	

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#### SECTION III RATE BASE INSTRUCT

1.0

UTILITY NAME: PK-RE DEVELOPMENT, INC.

SCHEDULES - CLASS B RATE/TARIFF CHANGE
SECTION III RATE BASE INSTRUCTIONS

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

#### **Instructions for Section III**

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

1.

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-I REQUESTED RETURN FOR THE TEST YEAR ENDED: 12/31/15

#### **RETURN ON RATE BASE:**

Line No.		
1	Test year end rate base (from III-2, Line 16)	4,188,020
2	Requested ROR ( Col G, Line 7 below)	3.27%
3	Return on rate base (Line 1 x Line 2)	137,057

#### Rate of Return:

Α	В	С	D	E	F	G	1
Line No.	Description	Amount	Percentage	Rate	Reference	Weighted Average Rate	
			Amount from previous column divided by Line 6, Column C			 G=(E x F)	;
4.	Equity (Rate base less Line 5, Column D)	2,237,659.01	53.4300%	0.0000%	Col E = Requested return on equity	0.0000%	
5.	Long Term Debt and Advances from associated companies from Schedule III-6	1,950,360.84	46.5700 <del>%</del>		Col E = From Sch. III-6, Column H, Line 9	3.2700%	
6.	Total capitalization (Rate Base Sch III-2, Line 16)	4,188,019.85					
7.	Return on rate base Col G, Line 6 rounded to nearest 0.01%)				Line 4 + Line 5	3.27%	To Line 2 above

<sup>•</sup> ROE = Return on Equity

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-2 RATE BASE SUMMARY

FOR THE TEST YEAR ENDED: 12/31/15

Line No.	Description	Amount	Reference
2.	Additions:  Utility plant (Original Cost)	5,071,936.96	(From) Schedule III-3, Line 50, Col D
3.	Construction work in progress	3,071,930.90	Schedule III-4, Line 5
4.	Materials and supplies		Schedule III-4, Line 8
5.	Working cash (capital)	37,588.11	Schedule III-5, Line 2
6.	Prepayments	-	Schedule III-4, line 8
7.	Other Additions	-	Add schedule
8.	TOTAL ADDITIONS (Add Lines 2 through 6)	5,109,525.07	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	921,505.22	Schedule III-3, Col F, Line 50
10.	Advances for construction	· -	Schedule III- 8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	-	Schedule III- 8(b), Col G, Line 6°,
12.	Accumulated deferred income taxes		Schedule III- 9(a), Line 3
13.	Accumulated deferred investment tax credits	-	Schedule III- 9(b), Line 3
14.	Other Deductions	-	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	921,505.22	
16.	RATE BASE (Line 8, less Line 15)	4,188,019.85	

ŀ

	· <u> · · · · · · · · · · · · · · · ·</u>	UTILITY			-RE DEVELOPM							*	Schedule III-
	HIS UTILITY PLANT IN SERVICE				CATE/TARIFF C	HANGE					(Provide a s	chedule for eac	h PWS system)
	mo otterri i Earli in denve	LL (III BOO	a rabi	Juj CA	LCOLKITON		-				1	nccded, provide a s	• •
	[A]	[B]	[0	7	[D.1]	[D.2]	[D]= [D.1] - [D.2]	[		De	preciation		
							Adjusted Original	Tin	ne in Servi	æ		(F)	
ine	ltem .	Date of	Service	Life (yrs)	Original Cost when installed \$	Customer CIAC	Cost for Customer	Years in		1	[E] = [D]/[C] Annuzi (\$)	Accumulated (\$)	[G] = [D]-[F] Not Book Value (
No		Installation	•			- Amount	CIAC	Service	Months	Days	Addition (9)	(Reserve)	1000
1	303. Land and land rights		<b></b>										
2	307. Wells	10/31/2005	50		162,696.48		162,696.48	10	2	0	3,253.93	33,081.62	129,614.
	Well Pumps:												
3	311 5 hp or less		5										
4	311 Greater than 5 hp		10			· .	ė.				\.\ \.\		
	Booster Pumps:						,						
5	J11 5 hp or less		5										
6	311 Greater than 5 bp		10						4		L		
7	320 Chlonusters		_ 10									25	
	Structurest												
8	304 Wood		15										
9	304 Masonry	12/31/2009	30		421,834.00		421,834.00	6	0	0	14,061.13	84,366.80	337,467.:
		12/31/2010	30		90,000.00		90,000.00	5	0	0	3,000.00	15,000.00	75,000.0
		3/31/2011	30		16,809.00		16,809.00	4	9	0	560.30	2,661.43	14,147.
		12/31/2011	30		10,566.07		10,566.07	4	0	0	352.20	1,408.81	9,157.
10	305 Storage Tanks	12/10/2004	50		567,101.51		567,101.51	11	0	21	11,342.03	125,414.89	441,686.
		6/30/2006	50		112,278.97		112,278.97	10	6	0	2,245.58	23,578.58	88,700.
		6/30/2007	50		421,338.95		421,338.95	9	6	0	8,426.78	80,054.40	341,284.
11	311 Pressure Tanks	-	50								,		
12	331 Distribution System (mains and lines)	3/31/2004	50		655,515.90	49.	655,515.90	12	9	0	13,110.32	167,156.55	488,359.
		12/31/2004	50		2,885.00	*	2,885.00	12	0	0	57.70	692.40	2,192.
		12/31/2005	50		38,070.00		38,070.00	11	0	0	761.40	8,375.40	29,694.
		6/21/2005	50		163,544.35		163,544.35	11	6	9	3,270.89	37,695.85	125,848.
		5/26/2006	50		213,394.92		213,394.92	10	7	5	4,267.90	45,227.06	168,167,
		6/30/2007	50 .		34,412.01		34,412.01	9	6	0	688.24	6,538.28	27,873.
13	334 Meters and Service (taps not covered by fees)	3/31/2004	20		37,115.00		37,115.00	12	9	0	1,855.75	23,660.81	13,454.
		1/31/2015	20		1,500.00	(1,500.00)					1 -	•	
	,	2/28/2015	20		3,000.00	(3,000.00)	-				4 -		
	-	4/30/2015	20		750.00	(750.00)	-						
		5/31/2015	20		3,750.00	(3,750.00)					-		
		7/31/2015	20		750.00	(750.00)	-				•	-	
		8/31/2015	20		2,250.00	(2,250.00)					•	·	
	*	12/31/2015	20		750.00	(750.00)	•				•		
		6/21/2005	20		17,450.00	5	17,450.00	11	6	9	872.50	10,055.26	7,394.1
14	340 Office Equipment		10								, ,		
15	341 Vehicles		5										
16	343 Shop Tools		15										
17	345 Heavy Equipment		10										
18	148 Fencing		20										
	Otker: (Please list)												
19	Fire Hydrants	3/31/2004	50		27,000.00	-	27,000.00	12	9	لتب	540.00	6,885.00	20,115.0
	Fire Hydrants	6/21/2005	50		14,400.00		14,400.00	11	6	_	288,00	3,319.10	11,080.9
20	Treatment Plant	12/31/2009	50		2,052,774.80		2,052,774.80	6	0	0	41,055.50		1,806,441.8
50	Total	FAX.50222	602.5.3	W	5,071,936.96	(12,750.00)	5,059,186.96		1	1	110,010.14	921,505,22	4,137,681.

Add detailed workpapers if necessary to support this Schedule.

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

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE FOR TEST YEAR ENDED: 12/31/15

#### ORIGINAL COST DATA

A	В	С	⊬D ,
Line No.	Description	Amount	Amount
1.	Beginning Gross Plant balance - (from previous rate case)	Must match previous rate case	<sup>4</sup> ,941,811.89
2.	Plant additions after previous rate case		
3.	12/31/10 Acct. 306 Intake Structues	\$ 90,000.00	
4.	3/31/11 Acct. 306 Intake Structures	\$ 16,809.00	
5.	12/31/11 Acct. 306 Intake Structures	\$ 10,566.07	
6.			
7.			
8.			
9,			
10.	3		
11.	Total additions (add lines 3 through 10, Col C)		\$ 117,375.07
12.	Test year plant retirements after previous rate case:		HE CONTROL TO A CONTROL OF A CO
13.		\$	a region
14.			
15.	us		
16.			
17.			in the second se
18.			
19.			
20.	•		
21.	Total retirements (add line 13 through 20, Col C)		\$
22.	Ending balance (line 1 + line 11 - line 21)	Equals as III Column	\$ 5,059,186.96

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

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS, MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS

FOR THE TEST YEAR ENDED: 12/31/15

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

#### III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS:

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

Typically zero, to Schedule III-2, Line 3 🕟

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

To III-2, Line 4.

To III-2, Line 6.

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

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES FOR CLASS B RATE/TARIFF CHANGE III-5 WORKING CASH ALLOWANCE CALCULATIONS FOR THE TEST YEAR ENDED:

- 1. No working cash allowance is permitted when a utility bills its customers in advance and provides service to flat rate customers only. Sewer connections count for the purposes of this schedule.
- 2. A utility which has all metered customers and bills monthly shall divide its annual of Operating and Maintenance (O&M) expenses (excluding all taxes and depreciation) by 12 if it is a Class B utility, or by 8 if it is a Class C utility filing a Class B package to calculate working cash allowance. An example follows:

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

Α	В	Water	Sewer	Water	Sewer	
Line No	Description	Class B		Cla		
1	Annual O & M Expenses			300,705	**	From Sch I-1, line 25
2	Working Cash (Line 3 / Line 5)			37,588	ŧ	To Sch III-2, line 5
3	Divisor	12	12	8	. 8	

#### UTILITY NAME: PK-RE DEVELOPMENT, INC.

#### SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

FOR THE YEAR ENDED: 12/31/15

List the following information concerning debt and equity of the utility and attach copies of notes payable used. Round all percentages to two (2) decimal places. If debt from affiliated interests is allocated to the utility, provide workpapers demonstrating and justifying the allocation.

(A) Long Term Debt Name of Bank/Lender	(B) Date of issue	(C) Date of Maturity	(D) Original Amount of Loan	(E) Outstanding or Unpaid Balance- End of Test Year	(F) Interest Rate	(G)=Col E, Line 20 x Col. F, Line 20 Weighted Average	
1 Part 1 - Debt							]
2 SBA Loan	6/30/2010		843,000.00	629,527.08	5.89%	37,079.15	
3 Omni Bank	8/31/2009		1,261,598.90	1,223,002.06	7.77%	95,027.26	l
4 N/P Russel Epright	Various	None	Various	600,600.97	8.00%	48,048.08	
5 N/P Rusty Parker	Various	None	Various	292,550.97	8.00%	23,404.08	ļ
6 Adjustment to reduce Rever	nue Requiremen	t.			1	-10612.34	ĺ
7							1
8					- 1		1
					*,		Col
9 Total				2,745,681.08	7.03%	192,946.23	Lin

List short term debt, if any:

None

UTILITY NAME: PK-RE DEVELOPMENT, INC.

SCHEDULES - CLASS B RATE/TARIFF CHANGE

HI-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE

FOR THE TEST YEAR ENDED: 12/31/15

#### ACCUMULATED DEPRECIATION:

Line No.	Description	Dollar Amount	
1	Ending-Prior Rate Case (Docket No. ) 2013-0509-UCR	•	Must match previous rate case.
2	Ending balance per Sch III-3, Column F, Line 50	921,505.22	
	Describe accounting adjustments made between the prior rate case and the current rate case:		
	None	×	
		1	
		·	
		<u> </u>	

917 15 Page 37

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-8 ADVANCES FOR CONSTRUCTION AND CONTRIBUTIONS IN AID OF CONSTUCTION

FOR THE TEST YEAR ENDED: 12/31/15

#### III-8(a) ADVANCES FOR CONSTRUCTION:

	A	В	C .	D	E	F	G
Line No.	Item	Date of Installation	Total Cost	Amount of Advance	Repayments made to developer	(F)=(D)-(E) Rate base Value (to Sch III-2)	Amount to be refunded in the future*
1.	,						
2.	NONE						
3.					'		
4.			•				
5.					- <del> </del>		
6.	Total	nitible.			· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	

<sup>\*</sup>If any advances or CIAC from developers or customers are refundable, please provide the potential date of refunding, if known.

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

	A	В	С	D	E	F	G
Line							
	_	Date of Installation or		Amount of Developer		Accumulated	(G)=(D) - (F) Rate Base Value
No.	Item	Contribution	Total Cost	Contribution	Annual amortization	Amortization	( to Sch III-2)
1.					til		
2.	NONE						
3.	-		<b>.</b>				
4.							
5.	-						
6.	Total				t		

<sup>\*</sup>Customer CIAC is entered directly on III-3

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-9 DEFERRED INCOME TAXES AND DEFERRED INVESTMENT TAX CREDITS

FOR THE TEST YEAR ENDED: 12/31/15

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

#### III-9(a) ACCUMULATED DEFERRED INCOME TAXES:

Line	Description	Test Year
No.		Amount
1.	Beginning balance	0
2	Test year amount	0 · ;
3.	Ending balance	<b>0</b> #

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

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

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE HII-10 OTHER DEFERRED ASSETS FOR THE TEST YEAR ENDED: 12/31/15

III-10(a): Other Deferred Assets

Line	Description	Test Year
No.		Amount
1.	NONE	
2.	,	
3.	:	·.

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

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

#### SECTION IV OTHER TAX INSTRUCT

UTILITY NAME:

PK-RE DEVELOPMENT, INC.

SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

#### **Instructions for Section IV**

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

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE IV(a) ESTIMATE OF TAXES OTHER THAN INCOME FOR THE TEST YEAR ENDED: 12/31/15

#### PROPERTY TAXES:

		···		, ,
A	<u>B</u>		D	E
Line No.	Description	Amount	Amount	Reference
1	Property taxes paid in in test year		5,435	per property tax bills
2	Utility plant added in test year	117,375		Schedule III-3(a), Line 11
3	Utility plant retirements in test year			Schedule III-3(a), Line 21
4	Net additions	117,375		Line 2 minus line 3
5	Net Property tax rate	0.1100%		Line 1 / beginning of test year gross plant balance from III-3 (a), Col. D, Line I
6	Test year property tax on additions	1 1000	129.11	Line 4 times Line 5
7	Adjusted Test year property tax expense	ें बर्ज़ी हैं। १, जनवें का	5,564.10	Line 1 + Line 6
8	Known and measurable change			Line 7 minus Line 1

#### PAYROLL TAXES (BASED ON ADJUSTED TEST YEAR NUMBERS):

			<del></del>			1
Α_	В	C C	D	E	F	G ,
Line	Tax Type	Wage	Tax	Taxable	Reference	Tax
No.	Tax Type	Level	Rate	Wages	Reference	ıax
	: 1		1. 网络外外科	提, 、 端红	SCHEDULE II-6	(D x E)
9	FICA	wages to	%		Column D+E+F	
	I tex				Line 9	
10	Medicare	wages to	%		Column H	
	/				Line 9	
11	Added Medicare (Affordable	wages to	%			
• • • • • • • • • • • • • • • • • • • •	Care Act)					
12	Federal unemployment	wages to	%		Column D	
	r dudia: anomproyment				Line 9	
13	State unemployment	wages to	%		Column D+E	
	Care anemployment				Line 9	
14	Total					
	(add Lines 11 through 14)					
15	Less: Capitalized	Use % on Sch II-6(a), line:10	%		THE PARTY NAMED	
16	Test year Payroll Tax		. : <u></u>			
10	Expense .	Line 13 less 14	- 1 (4 ) (4 ) (4 ) (4 ) (4 ) (4 ) (4 ) (4			
17	Known and measurable change		(Line 13 min	us Line 14)		

#### OTHER TAXES:

A		J	K	L
Line No.	Description	Test year	K & M change	Adjusted Test Year
18	Other taxes & licenses			, <u>-</u>
19				
20				
21	Total Other Taxes (Line 18 + Line 19 + Line 20)	-	-	•
22	Total this page - taxes other than income (Line 7) + (Col G, Line 16) + (Col L, Line 21)			5,564
23	Sch IV(a), Total known and measurable change (Line 8 plus line 17, Column G plus line 21, Column K)			129

5,564

129

UTILITY NAME: PK-RE DEVELOPMENT, INC.						
		ES - CLASS B			,	
		NUE RELATEI				
	1.(0)112.2		T YEAR ENDE		s	
A		В	С	D	Е	F=B+C+D+E
Line		Texas Margins Tax	City Franchise Taxes	Bad Debt Expense	Other Revenue Related	† Totals
ı	Test year expense			1,678.89	3,793.66	5,472.55
	Test year effective rate (test year tax					
2	expense/historic test year revenues-Sch I-1)			402,114.14	402,114.14	402,114.14
	Gross up factor (1.0 divided by (1.0 minus					
3	Line (example below)			1.0042	1.0095	1.0138
		1. 14.143.2.	3 · · ·		Bergeliger, at	
4	Change in revenue requirement (Sch I-1, line 33)		i jagan		CONTRACTOR	153,206.72
5	Adjusted revenue requirement (Line 3 x Line 4)	1.1 表示 多洲	Edition by			155,320.55
6	Adjusted expense (Line 3 times Line 4)					2,113.83
.7	Add Schedule IV(a), Line 20		in defeat.	r's our Tital	能能以共享能能	-
8	Total taxes other than FIT (to Sch I-1, Col F, Line 26)					2,113.83
	Example: Test Year Franchise tax	\$ 100			K&M Bad debts	629.56

RAF

1430.17

 Example: Test Year Franchise tax
 \$ 100

 Test Year revenues:
 \$ 2,000

 Percentage (100/2000):
 0.050

 Gross up factor (1/(1-0.05))
 1.052631579

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#### SECTION V FEDERAL INCOME TAX

#### SCHEDULES.- CLASS B RATE/TARIFF CHANGE

Section V calculated federal income taxe at present rates.

Instructions for Section V

Complete SCHEDULE V per instructions found in the reference column.

# UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE FOR THE TEST YEAR ENDED: 12/31/15

Α	В	C	D
Line		Amount	Reference
1	Requested Return	137,057	Schedule III-1, Line 3 or II-1, line 34
2	Less: Synchronized Interest	136,948	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return	109	Line 1 minus Line 2
4	Income taxes at proposed rates	-	Line 17 below
5	Effective tax rate	0	Line 4 divided by Line 3
6	Total gross up factor	1	1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax	•	Line 4 times line 6

To Sch I-1, Line 27

#### FEDERAL INCOME TAX CALCULATION:

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

## UTILITY NAME: PK-RE DEVELOPMENT, INC VI RATE DESIGN INSTRUCTIONS SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section VI is used for rate design.

#### Instructions for Section VI:

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

#### UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE Schedule VI-1 RATE DESIGN PHASE I FOR THE TEST YEAR ENDED: 12/31/2015 Line C No. Reference DETERMINATION OF FIXED COSTS ٤٠٠) الرابط المامية ال 472,536 Sch I-1, Line 36 Gross revenues to be recovered: 14 11 11 · ... 性缺分别。由 Less variable costs: 29,967 2. Purchased water - Account 610 Sch I-1, Col. F, line 1 43,526 3. Purchased power - Account 615 Sch I-1, Col. F, line 2 5,419 Other volume related - Account 618 Sch I-1, Col. F, line 3 4. 5. Other volume related or allocated (attach schedule) 6. 7. 8. 9. 10. FIXED COSTS (Line 1 minus Lines 2-9) 393,623 11. % OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE 50% 196,812 12. TO BE RECOVERED THROUGH BASE SERVICE CHARGE RECAP: ·... 13. RECOVERED THROUGH BASE SERVICE CHARGE Line 10 196,812 14. RECOVERED THROUGH VOLUMETRIC RATE Line 1 - Line 10 275,724 TOTAL Equals Line 1 472,536 TO BE RECOVERED THROUGH BASE SERVICE CHARGE 15. TOTAL METER EQUIVALENTS Sch I-3, Col H, line 9 316.5 16. CHARGE PER 5/8" X 3/4" METER Line 13 / Line 15 51.82 TO BE RECOVERED THROUGH VOLUMETRIC RATE graffia. 17. TOTAL WATER SALES IN 1,000 GALS Sch II-1(a), Col C, line 4 30,750 18. VOLUMETRIC RATE (CHARGE PER 1,000 GALS) Line 14 / Line 17 8.97 PROPOSED RATES: 使性 人名西特 19. FOR ALL WATER DELIVERED PER 1,000 gallons Line 18 or attach calc 8.97 BASE SERVICE CHARGE (PER 5/8" X 3/4") 51.82 Meter size Line 16 Equivalency Base Rate/size 20. 5/8 X 3/4" 51.82 X 1.0 = 51.82 21. 3/4" 77.73 $51.82 \times 1.5 =$ 1.5 22. 11" 51.82 X 2.5 = 2.5 129.55 23. 1 1/2" 51.82 X 5.0 = 5 259.1 24. 2" 51.82 X 8.0 = 8 414.56 25. 3" 51.82 X 15.0 = 777.3 15 26. 4" 51.82 X 25.0 = 1295.5 25

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

## UTILITY NAME: PK-RE DEVELOPMENT, INC SCHEDULES - CLASS B RATE/TARIFF CHANGE Schedule VI-1 RATE DESIGN - PHASE II FOR THE TEST YEAR ENDED: 12/31/2015

No. I	DETERMINATION	<u>A</u>	4	В	C
I	DETERMINATION				
			Refe	erence	
1.		F FIXED COSTS		<u>'</u>	
<del></del>	Gross revenues to be r		_i ·	, Line 36	492,642
		學學院工作的學術學院的學術學學學	植物的主体		29,967
2.	Purchased water - Ac	count 610	Sch I-1, C	ol. F, line 1	
3.	Purchased power - A	ccount 615	Sch I-1, C	ol. F, line 2	43,526
4.	Other volume related	- Account 618	Sch I-1, C	ol. F, line 3	5,419
5.	Other volume related	ated or allocated (attach schedule)			
6.					
7.		4	,		
8.					
9.	*	2			
10. F	FIXED COSTS	(Line 1 minus Lines 2-9)			413,730
11. 9	% OF FIXED COSTS I	RECOVERED IN VOLUMETRIC (			50%
12. T	TO BE RECOVERED TH	ROUGH BASE SERVICE CHARGE	1		206,865
F	RECAP:	<b>爱克斯。德国科学的经济交通情况</b>		35. 产烟煤	<b>解脱的过去式和过去</b>
13.		IGH BASE SERVICE CHARGE	<del></del>	e 10	206,865
14.		IGH VOLUMETRIC RATE		Line 10	285,777
T	TOTAL	nindiktrije <u>.</u>	<del></del>	Line I	492,642
T	TO BE RECOVERED T	HROUGH BASE SERVICE CHARG			
15. T	TOTAL METER EQUI	VALENTS	Sch I-3, C	316.5	
16. C	CHARGE PER 5/8" X :	CHARGE PER 5/8" X 3/4" METER Line 13 / Line 15			54.47
T	TO BE RECOVERED	THROUGH VOLUMETRIC RA		· · · · · · · · · · · · · · · · · · ·	ensy Political Con
17. T	TOTAL WATER SALE	ES IN 1,000 GALS	Sch II-1(a),	Col C, line 4	30,750
18. V	VOLUMETRIC RATE	(CHARGE PER 1,000 GALS)		/ Line 17	9.29
		到3000、名类的现在分类方面	<u> </u>		
		LIVERED PER 1,000 gallons	7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	attach calc	9.29
		RGE (PER 5/8" X 3/4")	13-84-115 318 1 1	111111111111111111111111111111111111111	54.47
;	Meter size	Line 16	Equiv	alency ale	Base Rate/size
20. 5	5/8 X 3/4" *	54.47	X 1.0 =	1	54.47
21. 3.	3/4" -		X 1.5 =	1.5	81.71
22. 1	11		X 2.5 =	2.5	136.18
23. 1	1/2"		X 5.0 =	5	272.35
24. 2			X 8.0 =	8	435.76
25. 3			X 15.0 =	15	817.05
26. 4 <sup>4</sup>	11		X 25.0 =	25	1361.75
		•			
				· <del></del>	*****
			11		*
		-			
			·		

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

## UTILITY NAME:PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE Schedule VI-1 RATE DESIGN - PHASE III

FOR THE TEST YEAR ENDED: 12/31/15

ļ	<del></del>	THE TEST YEAR ENDED:			
Line		A		3	С
No.			Refe	rence ,	
	DETERMINATION OF FIXE				
1	Gross revenues to be recovered		Sch I-1, Line		545,320
2.5	Less variable costs:	<b>。</b>	3.4	I star	
2.	Purchased water - Account 6		Sch I-1, Co		29,967
3.	Purchased power - Account		Sch I-1, Co		43,526
4.	Other volume related - Acco	unt 618	Sch I-1, Co	ol. F, line 3	5,419
5.	Other volume related or allo	cated (attach schedule)			
6.					
7.					
8.					
9.					
10.	FIXED COSTS .	(Line 1 minus Lines 2-9)	1. 1. 1.		466,408
11.	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE				50%
12.	TO BE RECOVERED THROUGH	H BASE SERVICE CHARGE		h _	233,204
	RECAP:		· · ·		
13.	RECOVERED THROUGH BA	SE SERVICE CHARGE	Line	10	233,204
14.	RECOVERED THROUGH VO	LUMETRIC RATE	Line 1 - Line 10 Equals Line 1		312,116
,	TOTAL				545,320
	TO BE RECOVERED THROUGH BASE SERVICE CHARGE				
15.	TOTAL METER EQUIVALE	NTS	Sch I-3, Col H, line 9		316.5
16.	CHARGE PER 5/8" X 3/4" MI		Line 13 / Line 15		61.4
	TO BE RECOVERED THRO	OUGH VOLUMETRIC RATE			
	TOTAL WATER SALES IN 1		Sch II-1(a), (	Col C, line 4	30,750
	VOLUMETRIC RATE (CHAP		Line 14 /	Line 17	10.15
	PROPOSED RATES:	No. 1 Company	F 15 1 1	., .,	:
	FOR ALL WATER DELIVER		Line 18 or	attach calc	10.15
· ` ` .	BASE SERVICE CHARGE (P	ER 5/8" X 3/4")			61.4
		Line 16		lency	Base Rate/size
	5/8 X 3/4"		X 1.0 =	1	61.4
	3/4"	<u> </u>	X 1.5 =	1.5	92.1
	1"		X 2.5 =	2.5	153.5
	1 1/2"		X 5.0 =	5	307
24.	2"		X 8.0 =	+ 8	491.2
	3"		X 15.0 =	-15	921
26.	4"	61.4	X 25.0 =	25	1535
· .				0	
				, i	
L	¥-		, , , , , , , , , , , , , , , , , , , ,		

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



#### **PUBLIC UTILITY COMMISSION OF TEXAS**

#### CLASS B RATE/TARIFF CHANGE APPLICATION

#### Required Schedules for rate/tariff changes

WATER UTILITY NAME:			PK-RE DEVELOPMENT COMPANY, INC. (D.B.A. GREENSHORES UTILITY SERVICES)
CCN No.	•		20948
ADDRESS OF UTILITY:			500 n. Capital of Texas Highway, Bldg. 1, Suite 125  Street, P.O. Box and/or suite number
	,		Austin, TX 78746
			City and Zip Code
PHONE NUMBER	PHONE NUMBER: .		( 512 ) - 451-6689 , area code
NAME OF PERSO	ON TO CONTA	ACT REGARDIN	NG THIS FILING:
	NAME:	Jeff Goebel	
	PHONE:	713-724-9321	
	EMAIL AD	DRESS:	jgoebel@undinellc.com 7
PUC CLASS SIZE:		м	B (c) (circle one)
INCREASE (DECREAS	SE)		Phase   Phase     Phase
			Phase I Phase II Phase III 20.00% 5.00% 42.53% , 1/4 (From Sch. I-1, Line 34) percent above (below) current revenue requirement
DESCRIBE OWNERS	HIP OF COMPANY	<b>′</b> :	herein mose forton) emient tesetine terlintettien
The Company is owned	by Russell Epright		•
DATE OF LAST GENE	RAL RATE CASE	FILING:	09/21/12
DATE OF LAST NON-			<u>None</u>

#### CLASS B RATE/TARIFF CHANGE APPLICATION

#### Required Schedules for rate/tariff changes

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

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

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

These schedules are intended to assist the utility in calculation of its new rates. The process consists of a number of relatively complex steps. Utilities are required to provide all the information necessary to support amounts included in the schedules and to cross-reference all information. If the applicant does not use a schedule, it should be noted as "N/A", and an explanation provided.

## UTILITY NAME: <u>PK-RE DEVELOPMENT COMPANY, INC.</u> GENERAL WATER RATE/TARIFF CHANGE APPLICATION SCHEDULES

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

#### TABLE OF CONTENTS (Page 1 of 2)

	FOR TEST YEAR ENDED: DATE SUBMITTED TO PUC:	12/31/2015		
	•		Attachment Schedule	Items Checked
SECTION I	REVENUES AND REVENUE RI	EQUIREMENT	+	
	Revenue Requirement Summary		I-1	X
	Historical Revenue Summary		I-2	X
	Include the appropriate schedules:			
	Metered Active Connections by M	leter Size	I-3	X
	Unmetered Active (Flat Rate) Cus	tomers	I-4	NA
SECTION II	OPERATIONS AND EXPENSES		ł	

I-3	X
I-4	NA
ı	
' II-1(a)	X
II-1(b)	NA
II-3	X
II-4	X
II-5	X
II-6	NA
II-7	NA
II-8	X
II-9	NA
II-10	X
II-11	NA
II-12	X
II-13	NA
II-14	X
II-15	X
II-16	X
II-17	X
II-18	X
II-19	X
	I-4  II-1(a)  II-1(b)  II-3  II-4  II-5  II-6  II-7  II-8  II-9  II-10  II-11  II-12  II-13  II-14  II-15  II-16  II-17  II-18

## UTILITY NAME: PK-RE DEVELOPMENT CO., INC. GENERAL WATER RATE/TARIFF CHANGE APPLICATION SCHEDULES TABLE OF CONTENTS (Page 2 of 2)

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

#### INSTRUCTIONS REV REQUIREMENT

			, ž <sub>1</sub>
,	UTILITY NAME:	PK-RE DEVELOPMENT, INC.	
	SCHEDULES - CLASS	B RATE/TARIFF CHANGE	
	SECTION I - REVENUE RE	QUIREMENTS AND REVENUES	

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

#### Instructions for Section I - Revenue Requirement and Revenues

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

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

Schedule I-2 reports historical revenues collected and Schedules I-3 and 1-4 report connection information. Use historical financial data and data from recent annual reports (PUC Rpt.) to complete the schedules.

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

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

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

#### SCHEDULE I-1 REVENUE REQUIREMENTS

( <del></del>					<del></del>	PAGE LOF
	UTILITY NAME: PK-RE DEVELOPMENT, INC.					
		SCHEDULES - C				
1	I-1 REVENUE REQUIREMENT SUMMARY					
		PUC Docket No.	Test Year End:	12/31/15	ys.	
Α	В	C	D	Е	F=D+E	G
٠.	`		Historical	K & M	Adjusted	
		e de la companya de l	Test Year	Changes	Test Year	
Line	Acct.	Account Name				Reference/
No.	No.			ļ		Instructions
		Volume related expenses:	J 11 4 4 4 7 33			THE PHASE STATES
1	610	Purchased water	•		-	Schedule II-3
2	615	Power Expense-production only	26,064		26,064	Schedule II-4
3	618	Other volume related expenses	179,475		179,475	Schedule II-5
4		Total volume related exp.	205,539	-	205,539	Add Lines 1-3
		Non-volume related expenses:		**	artistation	
5	601-1	Employee labor				Schedule II-6, Line 1
6	620	Materials				Schedule II-7
7	631-636	Contract work	34,678		34,678	Schedule II-8
8	650	Transportation expenses				Schedule II-9
9	664	Other plant maintenance	97,941		97,941	Schedule II-10
10	en telefo	Total non-volume related exp.	132,619	+	132,619	Add Lines 5-9
		Admin. & general expenses:			· · · · · · · · · · · · · · · · · · ·	arktin en
11	601-2	Office salaries			-	Schedule II-6, line 2
12	601-3	Mgmt. salaries			-	Schedule II-6, line 3
13	604	Employee pensions & benefits				Schedule II-11
14	615	Purchased power-Office only			-	Schedule II-4
15	670	Bad debt expense	-	3,782	3,782	Schedule II-12
16	676	Office services & rentals			- '	Schedule II-13
17	677	Office supplies & expenses	2,366		2,366	Schedule II-14
18	678	Professional services	2,030		2,030	Schedule II-15
19	684	Insurance	3,653		3,653	Schedule II-16
20	666	Regulatory (rate case) expense		3,333		Schedule II-17
21	667	Regulatory expense (other)	5,258	1,976	,	Schedule II-18
22	675	Miscellaneous expenses	4,353			Schedule II-19
23		l'otal admin. & general expense	17,660	9,091		Add Lines 11-22
24		Total operating Expenses	355,818	9,091	364,909	Lines 4 + 10 + 23
25	403	Depreciation	132,621		132,621	Sch III-3, Col E, Line 50
26	408	Taxes Other than Income	3,254	200	3,454	Sch IV(b), Line 8
27	409/10	Income Tax Expense	-	-	-	Schedule V, Line 7
28		TOTAL EXPENSES	491,694		500,985	GREET, TOPA
29		TOTAL HISTORIC REVENUE	332,884	The state of the s	The second and the se	Sch I-2, Line 6
30	· · · · · · · · · · · · · · · · · · ·	HISTORICAL TEST YEAR RETURN	(158,810)	17 / 17 / 1860		Line 30 less Line 29
31	1	REQUESTED RETURN	72 864 236	(1) (1) (1)		Schedule III-1, Line 3
ļ	4 15.5%					l
32		TOTAL REVENUE REQUIREMENT			399,461	Line 30 plus Line 34
,,	:: · · · · · · · · · · · · · · · · · ·	REQUESTED ANNUAL REVENUE		/4	(( = = = =	 
33	ļ	INCREASE		(to notice)	66,577	Line 32 less Line 29
,	F	DED CENITA CE INICO PA OF			20.009/	Line 36 divided by Line
34		PERCENTAGE INCREASE			20.00%	Sch. II-3(b), Col. D,
35		LESS: OTHER REVENUES			£ 7£7 :	Line 8
36		Revenue for Rate Design	the second of the second	(to VI, line I)		Line 33 minus Line 35
טכ	見相談人も	Revenue for Rate Design	(4) = 100 (4) (4) (4) (5) (5) (5)	(to vi, line i)	392,094	Line 33 minus Line 33

#### UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY PUC Docket No. 'est Year Ent 12/31/2015 В F=D+E G Α Historical K & M Adjusted Test Year Test Year Changes Line Acct. Account Name Reference/ No. No. Instructions Volume related expenses: 1 610 Purchased water Schedule II-3 2 615 Power Expense-production only 26,064 26,064 Schedule II-4 Other volume related expenses 179,475 179,475 Schedule II-5 618 4 l'otal volume related exp. Add Lines 1-3 205,539 205,539 Non-volume related expenses: WALL BEFFER YES TY YEAR THE Schedule II-6, Line 1 5 601-1 Employee labor Materials Schedule II-7 6 620 Contract work Schedule II-8 531-630 34,678 34,678 Schedule II-9 Transportation expenses 8 650 Other plant maintenance 97,941 97,941 664 Schedule II-10 10 Total non-volume related exp. 132,619 132,619 [Add Lines 5-9] Admin. & general expenses: 27年10日新聞報 Schedule II-6, line 2 11 Office salaries 601-2 601-3 Schedule II-6, line 3 12 Mgmt. salaries 13 604 Employee pensions & benefits Schedule II-11 14 Purchased power-Office only Schedule II-4 615 670 3,782 | Schedule II-12 15 Bad debt expense 3,782 16 Office services & rentals Schedule II-13 676 17 677 Office supplies & expenses 2,366 2,366 Schedule II-14 18 Professional services 2,030 2,030 Schedule II-15 678 3,653 3,653 Schedule II-16 19 684 Insurance 20 Regulatory (rate case) expense 3,333 3.333 | Schedule II-17 666 7,234 21 Regulatory expense (other) 5,258 1,976 Schedule II-18 667 Miscellaneous expenses 4,353 Schedule II-19 22 675 4,353 26,751 Add Lines 11-22 Total admin. & general expense 17,660 9,091 Total operating Expenses Lines 4 + 10 + 23 24 355,818 9.091 364,909 Sch III-3, Col E, Line 50 Depreciation 132,621 25 403 132,621 Sch IV(b), Line 8 26 Taxes Other than Income 3,254 200 3,454 409/10 Income Tax Expense Schedule V, Line 7 TOTAL EXPENSES 491,694 500,985 29 TOTAL HISTORIC REVENUE 332,884 Sch I-2, Line 6 .;;\j`. RETURN 30 સું જોવી (158,810)Line 30 less Line 29 31 REQUESTED RETURN (84,880) Schedule III-1, Line 3 Her ist 32 REQUIREMENT 416,105 | Line 30 plus Line 34 1894 - 1811 REQUESTED ANNUAL REVENUE 33 INCREASE 83,221 Line 32 less Line 29 (to notice) Line 36 divided by Line 25.00% 33 34 PERCENTAGE INCREASE product. Sch. II-3(b), Col. D, Line LESS: OTHER REVENUES 35 6.767 8 Revenue for Rate Design 409,338 36 (to VI, line 1) Line 33 minus Line 35

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY IC Docket No. Test Year End 12/31/2015

		PUC Docket No	Test Year End	1 12/3 1/2015		
A	В	С	D.	Е	F=D+E	G
			Historical	K&M	Adjusted	
<u> </u>	.~.		Test Year	Changes	Test Year	Charles of the control of the contro
11 1	Acct.	Account Name				Reference/
No.	No.					Instructions
		Volume related expenses:		바 경우		
1	610	Purchased water			-	Schedule II-3
2	615	Power Expense-production only	26,064			Schedule II-4
3	618	Other volume related expenses	179,475		1	Schedule II-5
4		Total volume related exp.	205,539	-	205,539	Add Lines 1-3
		Non-volume related expenses:	調片透明能		light hard	
5	601-1	Employee labor				Schedule II-6, Line 1
6	620	Materials	· ·			Schedule II-7
7	531-63	Contract work	34,678	_	34,678	Schedule II-8
8	650	Transportation expenses				Schedule II-9
9	664	Other plant maintenance	97,941		97,941	Schedule II-10
10	·	l'otal non-volume related exp.	132,619	•	132,619	Add Lines 5-9
		Admin. & general expenses:				10 10 10 10 10 10 10 10 10 10 10 10 10 1
11	601-2	Office salaries			-	Schedule II-6, line 2
12	601-3	Mgmt. salaries			-	Schedule II-6, line 3
13	604	Employee pensions & benefits			-	Schedule II-I 1
14	615	Purchased power-Office only			-	Schedule II-4
15	670	Bad debt expense	•	3,782	3,782	Schedule II-12
16	676	Office services & rentals				Schedule II-13
17	677	Office supplies & expenses	2,366		2,366	Schedule II-14
18	678	Professional services	2,030		2,030	Schedule II-15
19	684	Insurance	3,653		3,653	Schedule II-16
20	666	Regulatory (rate case) expense		3,333	3,333	Schedule II-17
21	667	Regulatory expense (other)	5,258	1,976		Schedule II-18
22	675	Miscellaneous expenses	4,353	_	4,353	Schedule II-19
23		Total admin. & general expense	17,660	9,091	26,751	Add Lines 11-22
24		Total operating Expenses	355,818	9,091	364,909	Lines 4 + 10 + 23
25	403	Depreciation	132,621		132,621	Sch III-3, Col E, Line 50
26	408	Taxes Other than Income	3,254	200		Sch IV(b), Line 8
27	409/1	Income Tax Expense	•	-		Schedule V, Line /
28	7.1°	TOTAL EXPENSES	491,694		500,985	Apple Longitude
29		TOTAL HISTORIC REVENUE	332,884	erick (* )	, i.e. ,	Sch I-2, Line 6
		HISTORICAL TEST YEAR		·线路4 / 21	,	*
30		RETURN	(158,810)			Line 30 less Line 29
31	11	REQUESTED RETURN		8 14 1 14 1 T	56,707	Schedule III-1, Line 3
32		REQUIREMENT	· 通数 34.4	41.11	557,692	Line 30 plus Line 34
		REQUESTED ANNUAL REVENUE				
33		INCREASE		(to notice)	224,808	Line 32 less Line 29
						Line 36 divided by Line
34		PERCENTAGE INCREASE			67.53%	
				-1 gr.~.		Sch. II-3(b), Col. D, Line
35		LESS: OTHER REVENUES	- 展門民工	Company of the Compan	6,767	
36		Revenue for Rate Design		(to VI, line I)	550,925	Line 33 minus Line 35

#### UTILITY NAME: PK-RE DEVELOPMENT COMPANY, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE FOR TEST YEAR ENDED: I-2 HISTORICAL REVENUE SUMMARY Line NARUC A/C Description No. Historical Test Year 461 Metered connections base rate revenue From financial records 183,134.08 461 Metered connection gallonage rate revenue 2. 109,482.50 From financial records 3. 460 Unmetered (Flat rate) revenue From financial records 0.00 Total Metered & Flat Rate Revenue 4. 292,616.58 5. Plus: Total Other Revenues From II-3, Column B, line 7 40,267.12 Total Historic Test Year Revenues per income statement and Annual Report\* 332,883.70 Line 4 plus line 5

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

<sup>\*</sup>Provide all calculations and explanations for any differences between the applicant's annual report and this schedule.

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

UTILITY NAME: PK-RE DEVELOPMENT COMPANY, INC.

#### SCHEDULES - CLASS B RATE/TARIFF CHANGE

#### I-3 METERED ACTIVE CONNECTIONS BY METER SIZE

FOR TEST YEAR ENDED: December 31, 2015

Α	В	С	D	E	F	G	Н
		,	Numbe	er of Connections			
Line No.	Meter Size	End of Prior Year	Test Year Additions	End of Test Year	Average	Meter	Meter Equivalencies End of TY
		PUC report Sch. 9		(C+D)	(C + E) /2		(E x G)
1.	5/8" x 3/4"	_ 26	3.6	29.6	27.8	r 1.0	' 29.6
2.	3/4"	82.17	12.53	94.7	88.435	1.5	142.05
3.	Į"	26.13	-7.56	18.57	22.35	2.5	46.425
4,	1 1/2"	0	0	0	0	5.0	0
5.	2"	0	0	0	0	8.0	0
6.							
7.		•					
8.	,					ļ	
9.	Total	134.3	8.57	142.87	138.585		218.075
10	Average						

## UTILITY NAME: PK-RE DEVELOPMENT COMPANY, SCHEDULES - CLASS B RATE/TARIFF CHANGE I-4 UNMETERED (FLAT RATE) ACTIVE CONNECTIONS FOR TEST YEAR ENDED: 12/31/15

Α	. В	С	D	Е	F
		Numb	er of Active Co	nnections	
Line No.	Flat Rate Unit	End of Prior Year	Test Year Additions	End of Year	Average
		PUC report Sch. 9		(C + D)	(C + E) /2
1.	NONE	•			
2.					
3.	-				į.
4.					,
5.	Total				

#### INSTRUCTIONS - OPERATIONS AND MAINTENANCE

UTILITY NAME: PK-RE DEVELOPMENT COMPANY, INC.
SCHEDULES - CLASS B RATE/TARIFF CHANGE
SECTION II - OPERATIONS AND MAINTENANCE

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

#### Instructions for Section II

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

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

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

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## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION FOR TEST YEAR ENDED: 12/31/15

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

Line No.	Water Production (1,000 Gallons)	А	В	C= A+B	D
		Test Year	K & M Changes	Adjusted Test Year	Reference
1	Total water pumped				PUC Annual Report
2	Total water purchased	•			PUC Annual Report
3	Total water produced	•	ż		Line 1 + line 2
4	Total water sold	8,815	0	8,815	PUC Annual Report
5	Total accounted for non-revenue water*				1,
6	Total unaccounted for water			ŧ	Lines 3 less 4 less
7	Percentage	2.			Line 6 divided by Line 3

<sup>\*</sup> Describe the tracking technique for calculating line 5 and provide the records reflecting the calculation.

Known and measurable calculations and explanations:

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

		A	В	C=A+B	D
Line		Test	K&M	Adjusted	Reference
No.	Description	Year	Change	Test Year	Reference
1	Water Purchased (1,000 gallons)	`		D.	PUC report Sch. D-1
2	Water Pumped (1,000 gallons)			,	PUC report Sch. D-1
3	Total production (1,000 gallons)			7	Lines 13 + 14

Known and measurable calculations and explanations:

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE H-3 OTHER REVENUES & EXPENSES PASSED THROUGH FOR TEST YEAR ENDED: 12/31/15

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

Line	A	В	C ·	D	D
No.				·	•
	Purchased from:	Units purchased (in 1,000 ) (e.g. 1,000 gal, AC - FT)	Price Per Unit	Total Calculated Cost (B x C)	Actual Cost paid per financial records
1.					
2.		-			
3.					
4.	Total *			Fi ti	

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

II-3(b) Other revenues collected from customers

Line	A	В	THE CHARLE	D
No.		ε	STATE OF THE	
, para de la companya de la company	Item passed thru or type of other revenue	Test year historical revenues collected		Test year revenues netted against COS
1.	Tap Fees*	33,500.00	<b>外型器有限的通信器</b>	北京第一0-美国的
2.	Late Fees	3,540.90	<b>第二人员的</b>	3.540.90
3.	Meter Test Fees	, 0	- 原本語及音句	0.00
4.	Reconnect Fees	0	<b>计算机器的现在分</b>	» 0.00
5.	Purchased Water Fees	0	ALL CONTRACTOR	0.00
6.	Groundwater Conservation District Fees	. ,		0.00
7.	Other (attach detail**)	3,226.22	<b>西班牙别的</b>	3,226.22
8.	Total Other Revenues	40,267.12	型組織的地名	6.767.12

(to Sch. 1-2, line 5)

(to Sch. I-1; line 35)

<sup>\*</sup> Tap fees should be reported on Sch. III-8-CIAC, Line 1.

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

PK-RE DEVELOPMENT, INC.

Test year ended 12/31/15

#### Other Revenue

Transfers and Deposit 300 TCEQ Fees 2926.22

UTILITY NAME: PK-RE DEVELOPMENT, INC.

II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE
PURCHASED POWER

FOR TEST YEAR ENDED: 13/31/15

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

References below refer to Schedule I-1.

Line No.	Account No.	Account Name
2.	615.1 Pu	rchased Power (électric) -production

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

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

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

	Year		Amount		
	2013	s	17,190.75	-	
	2014	\$	10,094.91	_	
Test Year	2015	\$	26,063.74	ž.	
K & M Change		\$	-	(to I-I, Column E, Line 2)	
Adjusted Test year		\$	26,063.74	(to 1-1, Column F, Line 2)	

Explanation and calculations of known and measurable change:

Note: Increase in electricituy costs is the result of an increase in rates and incereases in usage due to the addition of new customers.

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

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

#### Volume related expenses

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

	Year	Amo	ount	
	2013	\$	_	
	2014	s	-	•
a. Test Year	2015	\$	-	.1
b. K & M Change		\$	-	(to 1-1, Column E, Line14)
c. Adjusted Test year (	a. + b.)	\$	•	(to I-1, Column F, Line 14)

Explanation and calculations of known and measurable change:

Note: The company does not break out the cost of electricity for office use...

UTILITY NAME: PK-RE DEVELOPMENT, INC.
SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-5 OTHER RELATED VOLUME EXPENSES
FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	Account Name
3.	618	Other volume related expenses

#### Other volume related expenses

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

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

Y	'ear		Amount	
•	. 2013	\$	153,088.66	
-	2014	<b>s</b>	120,692.83	
a. Test Year	2015	\$	179,475.12	
b. K & M Change		\$		(to I-1, Column E, Line 3)
c. Adjusted Test year	(a.+b.)	\$ <u>.</u>	179,475.12	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

Note: This account includes chemicals used to treat wastewater and sludge hauling. The test year amount is higher than the previous two years due to increases in the number of customers served.

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UTILITY NAME PK-RE DEVELOPMENT, INC.
SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-6 ALLOCATION OF PAYROLL EXPENSES
FOR THE ADJUSTED TEST YEAR 12/31/15

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

		Y	В	၁	Ω	ш	is.	5	H
Line	Employœ	Test Year	Test Year Capitalized Expensed	Expensed	İSt	7,001 to	9,001 to over	over	Total
Š	Name	Payroll	Payroll	Payroll	7000 or new limit	9000 or new limit	new limit new limit	118500 or new limit	Payroll
					(FUTA max)	(FUTA max) (SUTA max) (or FICA max)	(or FICA max)	•	
1.						ı			
2.	NONE		1	79	-				
3.									
4.			1						
5.		,	,						
6.									
7.									
8.									
9.	Total								
10.	Percentage Capitalized		Line 9, colur	Line 9, column F divided by line 9, column E=	by line 9, α	olumn E=			
							-		

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

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

	to Schedule I-1, Line 5.	to Schedule I-1, Line 11.	to Schedule I-1, Line 12.	(should equal II-6(a), Column C, Line 9.)
Test Yr Expense				0
Account Name	601-1 Employee labor	601-2 Office salaries	601-3   Management salaries	. Total Payroll Expenses
Acct. No.	1-109	601-2	601-3	
Line Acct. No. No.	l.	2.	3.	4.

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

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

#### UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-7 MATERIALS FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	, Accou	nt Name		
6.	620	Ma	terials		, e
II-7(a) Materi	als				
Indicate the ki	inds of expenses in If the Test Year is	als for the last two re cluded in this accour s higher than previou	it by identify	ing a	ll large* items in
	Year		Amou	nt	
	2013		·	-	<del>-</del>
	2014		· 		_
a. Test Year	· 2015		3	-	_
b. K & M Cha	inge	5	3	-	(to I-1, Column E, Line 6
c. Adjusted Te	est year (a. + b.)	\$	· 	•	(to I-1, Column F, Line 6
* A large item	is more than 10%	of the test year acco	unt balance	and n	nore than \$1,000.00
Expensed mat	erials may not be i	ncluded in rate base	in materials	and s	upplies inventories.
Explanation a	nd calculations of	known and measura	ble change:		
					11-
II-7(b) Large	Items:				at to
Description		Amount	Date in ser	vice	
]	None				
<del>~~~</del>					
•	· · · · · · · · · · · · · · · · · · ·		ļ		

#### UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE **II-8 CONTRACT WORK**

FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-7(a) Contract work

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

	Year	Amount	
		\$	Management of the state of the
· —	2013	\$	29,616.43
_	, 2014	\$	23,267.02
a. Test Year	2015	\$	34,678.37
b. K & M Char	nge	\$	0.00 (to I-1, Column E, Line 7)
c. Adjusted Tes	t year (a. + b.)	\$	34,678.37 (to I-1, Column F, Line 7)

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

Explanation and calculations of known and measurable change:

Note: Contract services have increased to to the increases in the number of customers served.

II-8(b) Large Items:

Description		Amount	Date in service
Contract operations	S	20,726.75	1/1/15 - 12/31/15
Testing	\$	4,631.46	1/1/15 - 12/31/15
Administrative Fees	\$	3,755.15	1/1/15 - 12/31/15
Customer billing	\$	5,565.01	1/1/15 - 12/31/15

### UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE

#### II-9 TRANSPORTATION

FOR THE TEST YEAR ENDED: 12/31/15

	upplemental informa low refer to Schedul	ation. It is required to le I-1.	complete Sched	lule I-1.
Line No.	Account No.	Accoun	t Name	<del></del>
8.	650	Transportation e	xpense	
II-9(a) Transp	portation expense			er.
For example, activities too?	is there one vehicle u	e utility and allocate to utility and allocate to utility solved that is part of	ty, or is it used f	or non-business
factor include operating and The purpose of	d. A vehicle which is maintenance expens of this supplemental	cost per unit (say 34 c s part of the Plant in S ses (oil, gas, repairs, m page is to ensure that tion is not listed twice	service should sl aintenance) exc vehicle expense	now only actual luding insurance. will be recorded
	Year		Amount	
	2013	· <b>\$</b>	•	<del>_</del>
	2014	\$ .	•	<b></b>
a. Test Year	2015	\$	· ••	1.
b. K & M Cha	nge`	\$	_	(to 1-1, Column E, Line 8)
c. Adjusted Te	est year (a. + b.)	\$	-	(to I-1, Column F, Line 8)
Explanation a	nd calculations of kn	own and measurable	change:	,
II-9(b) Large I				·········
Desc	cription	Amount	Date in ser	vice
	Vone			
			*	
		<del></del>		
				<u> </u>

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

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-10 OTHER PLANT MAINTENANCE FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	Account Name
9.	664	Other plant maintenance

#### II-10(a) Other plant maintenance

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

	Year		Amount	
<del>************************************</del>	. 2013	\$	132,264.48	-
-	2014	` <b>\$</b>	83,034.47	•
a. Test Year	2015	\$	97,940.69	
b. K & M Change		\$ <u></u>	•	(to I-1, Column E, Line 9)
c. Adjusted Test ye	ar (a. + b.)	\$	97,940.69	(to I-1, Column F, Line 9)

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

Explanation and calculations of known and measurable change:

#### II-10(b) Large Items:

Description	Amou	nt	Date in	service
R&M General AWR	\$	3,826.75	1/1/15 to	12/31/15
R&M - Wastewater	\$ .	52,170.19	1/1/15 to	12/31/15
R&M - Grinder Pumps	\$	41,943.75	1/1/15 to	12/31/15
				· · · · · · · · · · · · · · · · · · ·

UTILITY NAME: PK-RE DEVELOPMENT, INC.
SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-11 EMPLOYEE PENSIONS AND BENEFITS
FOR THE TEST YEAR ENDED: 12/31/15

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

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

Employee pensions and benefits NONE

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

List types of Pensions & Benefits:

	\$		\$		\$	S		S	
Year		Total Amount	_ '	Pensions	 Health		Other :		Amount Capitalized*
Cost per Employee:		•							
·	s		S		\$	\$		\$	
Year	•	Total Amount	'	Pensions	 Health		Other *		Amount Capitalized*
Number of Employees covered:									
Cost per Employee:			_						
List types of Pensions & Benefits	:								
	S		\$		\$	S		\$	
Year	•	Total Amount		Pensions	 Health		Other		Amount Capitalized*
Number of Employees covered:									
Cost per Employee:					use % on Sch 1	1-6(±),	line 10)		

### UTILITY NAMEPK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-12 BAD DEBTS

FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-12 Bad debts/Uncollectibles

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

	Year		Amount	
**************************************		_ s		•
•		_ s	•	
a. Test Year	****	. s		_
b. K & M Change		s	2,257.37	(to I-1, Column E, Line 15)
c. Adjusted Test ye	ear (a. + b.)	s	2,257.37	(to I-1, Column F, Line 15)

Explanation and calculations of known and measurable change:

The bad debts amount was determined by writing off customer balances over 120 days old.

II-12(b) Large Items\*:

Description	Amount	Date in service	
NONE			
1			
*			

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

# UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-13 OFFICE SERVICES AND RENTALS FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-13(a) Office services and rentals

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

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

Explanation and calculations of known and measurable change:

\* A large item is more than 10% of the test year account balance and more than \$1,000. II-13(b) Large Items:

Description	Amount	Date in service
NONE		
	·	
	, 1	

### UTILITY NAME PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-14 OFFICE SUPPLIES

FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-14(a) Office supplies & expenses

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

	Year		Amount	
	2013	<b>s</b>	1,907.19	
	2014	s	1,871.13	
a. Test Year	2015	s	2,365.50	
b. K & M Chang	e	s_	_	(to I-I, Column E, Line 17)
c. Adjusted Test	year (a. + b.)	<b>s</b>	2,365.50	(to I-I, Column F, Line 17)

Explanation and calculations of known and measurable change:

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

II-14(b) Large Items:

Description		Amount	Date in service	
Misc. Office Expenses	s	3,950.39	1/1/15 to	12/31/1
, , , , , , , , , , , , , , , , , , , ,	-			
			<u> </u>	
	_		, ,	

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## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-15 PROFESSIONAL SERVICES FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-15(a) Professional services

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

Yea	Year		Amount	
-	2013	<b>s</b>	10,614.19	
	2014	<b>s</b>	2,205.06	
a. Test Year	· 2015	<b>s</b>	2,029.96	
b. K & M Change		<b>s</b>	-	(to I-1, Column E, Line 18)
c. Adjusted Test y	ear (a. + b.)	s	. 2,029.96	(to I-1, Column F, Line 18)

Explanation and calculations of known and measurable change:

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

II-15(b) Large Items:

Description		Amount	Date in service
Accounting	. <b>S</b>	2,498.75	1/1/15 - 12/31/15
Legal	\$	422.19	1/1/15 - 12/31/15
Other	\$	469.10	1/1/15 - 12/31/15
			<u> </u>
			•

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# UTILITY NAME: PK-RE Development, Inc. SCHEDULES - CLÁSS B RATE/TARIFF CHANGE II-16 INSURANCE FOR THE TEST YEAR ENDED: 12-31-15

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

Account Name

Account No.

Line No.

Year

19.		684	Insurar	ice			
periods an included in	d estimate n this acco	ount by identif previous years	Year. Indi Sying all lai	cate the ki	nds of expenses If the Test		
	Year		Ar	nount			
		2013	\$	3,419.85			
		2014	s	3,561.44			
a. Test Ye	ar	2015	\$	3,653.45			
b. K & M	Change		\$		(to 1-1, Column E, Line 19)		
c. Adjuste	d Test yea	r (a. + b.)	\$	3,653.45	(to I-1, Column F, Line 19)		
Types of i	nsurance: \$	3,653.45	2015		General Liability	ALTERIS INSURANCE SERV.	, INC.
Year	To	tal amount	Period	Covered	Type	Company	
	s			<u>.</u>		h	
Year	То	tal amoûnt	Period	Covered .	Type	Company	
	\$						

Explanation and calculations of known and measurable change:

Period Covered

Total amount

Type

Company

### UTILITY NAMEPK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-17 REGULATORY EXPENSE FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	Account Name
20.	666	Regulatory (Rate Case) Expense

#### II-17(a) Regulatory commission expense

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

Year	Year		ŧ
201	<u>3</u> \$_		
201	<u>4</u> \$_	•	,
a. Test Year 201	<u>5</u> \$_	-	
b. K & M Change	s_	3,333.33	(to I-1, Column E, Line 20 - see instructions a
c. Adjusted Test year (a. + b.),	s	3,333.33	(to I-1, Column F, Line 20 - see instructions a

Explanation and calculations of known and measurable change:

To reflect 1/3 of rate case expnse in test year expenses

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

II-17(b) Large Items:

Description		Amount	Date in service	
1/3 Rate Case preparation	\$ 3,333.33		Apr. and May '16	
	١.			

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### UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE

#### II-18 REGULATORY EXPENSE

FOR THE TEST YEAR ENDED: 12/31/15

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

Line No.	Account No.	Account Name		
21.	667	Regulatory commission expense		

#### II-18(a) Regulatory commission expense

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

	Year		Amount	
-	2013	s_	2,049.43	
	2014	s	3,414.55	
a. Test Year	2015	s_	5,258.13	
b. K & M Change	į.	<b>\$</b>		(to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test yea	ır (a. + b.)	\$	5,258.13	(to I-1, Column F, Line 21 - see instructions above)

Explanation and calculations of known and measurable change:

Note: K & M change equals increase in regulatory assessment fees related to rate ncrease.

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

II-18 (b) Large Items:

Amount	Date in service	
\$ 2,926.22	1/1/15 - 12/31/15	
\$ 2,331.91	1/1/15 - 12/31/15	
	•	
\$	<u> </u>	

# UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE II-19 MISCELLANEOUS EXPENSE FOR THE TEST YEAR ENDED: 12/31/15

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

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

#### II-19 (a) Miscellaneous expense

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

	Year		Amount	
	2013	<b>s</b> _	3,056.25	
	2014	<b>s</b> _	3,049.08	<b>₩</b>
a. Test Year	2015	<b>s</b> _	4,353.05	
b. K & M Cha	inge	<b>\$</b>	-	(to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Te	est year (a. + b.)	<b>\$</b>	4,353.05	(to I-1, Column F, Line 22 - see instructions above)

Explanation and calculations of known and measurable change:

Note: Test year exopenses have increased due to the increase in number of customers served.

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

II-19 (b) Large Items:

Description	Amount		Date in service	
Bank fees	\$	77.00	1/1/15 - 12/31/15	
Telephone	\$	3,876.77	1/1/15 - 12/31/15	
Waste Removal	\$	306.87	1/1/15 - 12/31/15	
Natural gas	\$	92.41	1/1/15 - 12/31/15	
		-		
i .				

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#### SECTION III RATE BASE INSTRUCT

UTILITY NAME: PK-RE DEVELOPMENT, INC.

SCHEDULES - CLASS B RATE/TARIFF CHANGE
SECTION III RATE BASE INSTRUCTIONS

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

#### Instructions for Section III

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

### UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-I REQUESTED RETURN

FOR THE TEST YEAR ENDED:

12/31/15

#### **RETURN ON RATE BASE:**

Line No.		
1	Test year end rate base (from III-2, Line 16)	1,708,037
2	Requested ROR ( Col G, Line 7 below)	3.32%
3	Return on rate base (Line 1 x Line 2)	56,707

#### Rate of Return:

A	В	С	D	E	F	G
Line No.	Description	Amount	Percentage	Rate	Reference	Weighted Average , Rate
, j , j , j , j			Amount from previous column divided by Line 6, Column C			G≃(E x F)
4.	Equity (Rate base less Line 5, Column D)	912,604.31	\$3.4300%	0.0000%	Col E = Requested return on equity	0.0000%
5.	Long Term Debt and Advances from associated companies from Schedule III-6	795,432.96				, 3.3200%
6.	Total capitalization (Rate Base Sch III-2, Line 16)	1,708,037.27				्यास्य वर्षः । व
7.	Return on rate base Col G, Line 6 rounded to nearest 0.01%)				Line 4 + Line 5	3.32%

o Line 2 above

<sup>\*</sup> ROE = Return on Equity

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-2 RATE BASE SUMMARY

FOR THE TEST YEAR ENDED: 12/31/15

7 1		1	<del>                                     </del>
Line No.	Description	Amount	Reference
1	Additions:	Du man "	(From) :: sk
2.	Utility plant (Original Cost)	3,089,187.16	Schedule III-3, Line 50, Col D
3.	Construction work in progress	-	Schedule III-4, Line 5
4.	Materials and supplies	_	Schedule III-4, Line 8
5.	Working cash (capital)	45,613.67	Schedule III-5, Line 2
6.	Prepayments	_	Schedule III-4, line 8
7.	Other Additions	-	Add schedule
8.	TOTAL ADDITIONS (Add Lines 2 through 6)	3,134,800.83	
	Deductions:		Training of the state of the st
9.	Reserve for depreciation (Accumulated)	1,426,763.56	Schedule III-3, Col F, Line 50
10.	Advances for construction	-	Schedule III- 8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	-	Schedule III- 8(b), Col G, Line 6
12.	Accumulated deferred income taxes		Schedule III- 9(a), Line 3
13.	Accumulated deferred investment tax credits	-	Schedule III- 9(b), Line 3
14.	Other Deductions	•	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	1,426,763.56	.,
16.	RATE BASE (Line 8, less Line 15)	1,708,037.27	(海) ( ) 特别 ( ) ( ) ( ) ( )

			Y NAME		-RE DEVELOPM		-					***************************************	Schedule III-3
	111				RATE/TARIFF C E (NET BOOK V		THE ATLON				(Provide a	schedule for eac	h PWS eveloim)
		OTILITY	int in s	ERVIC	E (NEI BOOK 1	ALUE) CALC	JULATION					needed, provide a sur	• .
	[A]·	[B]	[0	<u> </u>	[D.1]	[D.2]	D = D.1 - D.2			D	epreciation		
			1				Adjusted Original	Tim	e in Servic	æ	į.	[F]	
Line	Item	Date of Installation	Service Li	ic (yrs)	Original Cost when installed \$	Customer CIAC amount	Cost for Customer	Years in		_	[E] = [DJ(C] Annual (\$)	Accumulated (\$) (Reserve)	[G] = [D]-[F] Net Book Value (\$
No.						<u></u>	CIAC	Service	Months	Days		(Reserve)	
1	Collection System		ļ	<u> </u>	ļ								
2	360 Collection System • Force	3/31/2004	50	<u> </u>	267,876.57		267,876.57	12	8	0	5,357.53	67,862.06	200,014.5
3		6/21/2005	50	<u> </u>	95,466.80		95,466.80	11	6	9	1,909.34	22,004.44	73,462.3
4	361 Collection System	5/23/2006	50	<u> </u>	148,909.69		148,909.69	10	7	8	2,978.19	31,584.49	117,325.20
3		6/30/2007	_ 50	ļ	404,326.11		404,326.11	9	6	0	8,086.52	76,821.96	327,504.1
6	366 Pressure Services	3/31/2004	20	<u> </u>	63,800.00		63,800.00	12	8	0	3,190.00	40,406.67	23,393.3
8		6/21/2005	20		33,000.00		33,000.00		6	9	1,650.00	19,015.68	13,984.32
9	Pumping Equipment	- Innines	<u> </u>	<del> </del>	42 (05 00		12 (0) 22		<del></del>	_	4 3 (0 5 2	£1.327.00	10 630 00
10	371 Grinder Pumps	12/31/2004	10	<del> </del>	42,695.00		42,695.00	12	0	0	4,269.50	51,234.00	(8,539.00
11		5/31/2005	10	<del> </del>	5,000.00		5,000.00		7	0	500.00	5,791.67	(791.67
12		11/30/2005	10	<b>├</b> ──	115,350.00		115,350.00	11	1	0	11,535.00	127,846.25 153,000.00	(12,496.25
13		12/31/2006	10		153,000.00		153,000.00	9	0	0	7,900.00		2,060,00
14		6/30/2007	10	<b> </b>	79,000.00		79,000.00		6	0		75,050.00	3,950.00
15		3/29/2012	10	<b> </b>	3,166.32		3,166.32	4	9	2	316.63 247.89	1,505.74	
16		3/30/2012 4/30/2012	10	<b> </b>	2,478.93		2,478.93	4	8	0	316.63	1,178.17	1,300.76
17		6/19/2012	10	-	3,166.32		3,166.32	4		11	316.63	1,477.02	1,731.93
18		10/8/2012	10	<u> </u>	3,166.32 3,166.32		3,166.32 3,166.32	4	6 2	23	316.63	1,339.25	1,827.0
19	<del></del>	10/8/2012	10	<del> </del>				4	2	14	316.63	1,339.23	1,834.88
20		2/1/2013	10	-	3,166.32 2,925.00		2,925.00	3	10	27	292.50	1,142.89	1,782.11
21		2/21/2013	10		3,572.25		3,572.25	3	10	7	357.23	1,376.21	2,196.04
22		12/31/2014	10	<b> </b>	18.491.33		18,491.33	2	0	0	1,849.13	3,698.27	14,793.06
		1/31/2015	10	<u> </u>	2,250.00	(2,250.00)	10,471.55	٣		-	1,047.13	3,076.27	14,735.00
		2/28/2015	10		8,500.00	(8,500.00)	-	-			-		<u> </u>
		4/30/2015	10	<del> </del>	3,750.00	(3,750.00)		$\vdash \dashv$	-	H	<del></del>		
		5/31/2015	10		5,750.00	(5,750.00)							
		7/31/2015	10		500.00	(500.00)	<del> </del>						-
		8/31/2015	10		4,750.00	(4,750.00)	<del></del>			Н	<b></b>		•
		9/30/2015	10		3,750.00	(3,750.00)			=			-	-
		10/31/2015	10		3,750.00	(3,750.00)							•
23		11/9/2015	10		1,948.50		1,948,50		1	21	194.85	222.30	1,726.20
	1	12/31/2015	10		500.00	(500.00)	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		$\vdash$	Ħ	171.03		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
24	Treatment and Disposal Plant									$\dashv$			
25	380 Wastewater Treatment Plant	10/22/2004	25		450,370.74		450,370,74	12	2	9	18,014.83	219,624.63	230,746.11
26		3/14/2005	25		491,789.94		491,789.94	11	8	17	19,671.60	230,418.18	261,371,76
27	389 Discharge Irrigation System	3/17/2005	25		316,578.01		316,578.01	11	8	14	12,663.12	148,222.11	168,355.90
28		6/30/2007	25		376,776.69		376,776.69	9	6	0	15,071.07	143,175.14	233,601.55
29													
****													
***		,							****				
***	Total	\$22.74	X 27/20:		3,122,687.16	(33,500.00)	3,089,187.16				132,621.45	1,426,763.56	1,662,423.60
					To Sch 111-2.		···					To Sch III-2.	

Add detailed workpapers if necessary to support this Schedule.

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

# UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE FOR TEST YEAR ENDED: 12/31/2015

#### ORIGINAL COST DATA

A	ъ В	C	D
Line			1
No.	Description	Amount	Amount #
	Beginning Gross Plant balance - (from	Must match previous	2 042 020 55
1.	previous rate case)	rate case	3,043,939.55
2.	Plant additions after previous rate case		
3.	371 Grinder Pumps - 2012	\$ 18,310.53	
4.	371 Grinder Pumps - 2013	\$ 6,497.25	
5.	371 Grinder Pumps - 2014	\$ 18,491.33	
6.	371 Grinder Pumps - 2015	\$ 1,948.50	
7.		,	
8.		,	Jedany si i Geografi
9.	,		
10.			
	Total additions (add lines 3 through 10,		N.
11.	Col C)		\$ 45,247.61
	Test year plant retirements after previous	्रा प्रमुख्या । र प्रमुख्या	一个脸点 一件人工作
12.	rate case:	. Ind	
13.		\$ .	
14.			
15.			
16.			
17:			rth.
18.	A		
19.			
20.	ъ.,		
	Total retirements (add line 13 through	1.33(\$) . 1.34	
21.	20, Col C)		\$ -
	Ending balance (line 1 + line 11 - line	Equals as III-3,	
22.	21)	Column D, line 50	\$ 3,089,187.16

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

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS, MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS

FOR THE TEST YEAR ENDED: 12/31/15

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

#### III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS:

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

Typically zero, to Schedule III-2, Line 3

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

To III-2, Line 4.

To III-2, Line 6.

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

UTILITY NAME: PK-RE DEVELOPMENT, INC.

SCHEDULES FOR CLASS B RATE/TARIFF CHANGE

III-5 WORKING CASH ALLOWANCE CALCULATIONS

FOR THE TEST YEAR ENDED:

- 1. No working cash allowance is permitted when a utility bills its customers in advance and provides service to flat rate customers only. Sewer connections count for the purposes of this schedule.
- 2. A utility which has all metered customers and bills monthly shall divide its annual Operating and Maintenance (O&M) expenses (excluding all taxes and depreciation) by 12 if it is a Class B utility, or by 8 if it is a Class C utility filing a Class B package to calculate working cash allowance. An example follows:

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

Α	В	Water	Sewer	Water	Sewer	
Line No	Description	, Cla	ss B	Cla	iss C	
1	Annual O & M Expenses	· ·			364,909	From Sch 1-1, line 25
2	Working Cash (Line 3 / Line 5)				<sub>E</sub> 45,614	To Sch III-2, line 5
3	Divisor	12	12	8	*+ <b>8</b>	

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UTILITY NAME: PK-RE DEVELOPMENT, INC.

#### SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

FOR THE YEAR ENDED: 12/31/15

List the following information concerning debt and equity of the utility and attach copies of notes payable used. Round all percentages to two (2) decimal places. If debt from affiliated interests is allocated to the utility, provide workpapers demonstrating and justifying the allocation.

(A) Long Term Debt Name of Bank/Lender	(B) Date of Issue	(C)	(D) Original Amount of Loan	(E) Outstanding or Unpaid Balance- End of Test Year	(F) Interest Rate	(G)=Col. E, Line 20 x Col. F, Line 20 Weighted Average	
1 Part 1 - Debt		•					
2 SBA Loan	6/30/2010	,	843,000.00	629,527.08	5.89%	37,079.15	
3 Omni Bank	8/31/2009		1,261,598.90	1,223,002.06	7.77%	95,027.26	
4 N/P Russel Epright	Various	None	Various	600,600.97	8.00%	48,048.08	
5 N/P Rusty Parker	Various	None	Various	292,550.97	8.00%	23,404.08	]
6						-	
7			r				1
8 -							ļ.
9 Total			2,104,598.90	1,852,529.14	7.13%		Lin

List short term debt, if any:

None

UTILITY NAME: PK-RE DEVELOPMENT, INC.

SCHEDULES - CLASS B RATE/TARIFF CHANGE
HI-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE
FOR THE TEST YEAR ENDED: 12/31/15

#### ACCUMULATED DEPRECIATION:

Line No.	Description	Dollar Amount	
1.	Ending-Prior Rate Case (Docket No. ) 2013-0509-UCR	1,181,498.76	Must match previous rate case.
2	Ending balance per Sch III-3, Column F, Line 50	1,426,763.56	
	Describe accounting adjustments made between the prior rate case and the current rate case:		
	None	,	
		i Y	
	<u> </u>		
	AND THE RESERVE AND ADDRESS OF THE PARTY OF		

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UTILITY NAME: PK-RE DEVELOPMENT, INC.

SCHEDULES - CLASS B RATE/TARIFF CHANGE

III-8 ADVANCES FOR CONSTRUCTION AND

CONTRIBUTIONS IN AID OF CONSTUCTION

FOR THE TEST YEAR ENDED: 12/31/15

#### III-8(a) ADVANCES FOR CONSTRUCTION:

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

<sup>\*</sup>If any advances or CIAC from developers or customers are refundable, please provide the potential date of refunding, if known.

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

	Α .	. В	С	D	E	F	G
Line							(G)=(D) - (F)
No.	Item .	Date of Installation or Contribution	Total Cost	Amount of Developer Contribution	Annual amortization	Accumulated Amortization	Rate Base Value ( to Sch III-2)
1.			•				
2.	NONE -						
3.							<u> </u>
4.							
5.							
6.	Total						

<sup>\*</sup>Customer CIAC is entered directly on III-3

# UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-9 DEFERRED INCOME TAXES AND DEFERRED INVESTMENT TAX CREDITS

FOR THE TEST YEAR ENDED: 12/31/15

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

#### III-9(a) ACCUMULATED DEFERRED INCOME TAXES:

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

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

Line No.	Description	Test Year Amount
140.		7 mount
1.	Beginning balance	0 ,
2.	Test year amortization	0
3.	Ending balance	0

# UTILITY NAME: \_ PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE III-10 OTHER DEFERRED ASSETS FOR THE TEST YEAR ENDED: \_ 12/31/15

III-10(a): Other Deferred Assets

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

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

Line No.	Description	Test Year Amount	Total Accum Amort End of test year
I.	NONE		
2.			
3.	·		4

#### SECTION IV OTHER TAX INSTRUCT

. UTILITY NAME: PK-RE DEVELOPMENT, INC.

SCHEDULES > CLASS B RATE/TARIFF CHANGE
Section IV is used to report taxes other than income for proposed revenues.

#### Instructions for Section IV

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

### UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE IV(a) ESTIMATE OF TAXES OTHER THAN INCOME FOR THE TEST YEAR ENDED: 12/31/15

#### PROPERTY TAXES:

Α	В	C C	D	t E
Line No.	Description	Amount	Amount	Reference
ī	Property taxes paid in in test year	(1) 内以 (1)	L	per property tax bills
2	Utility plant added in test year	117,375		Schedule III-3(a), Line 11
3	Utility plant retirements in test year		は事態の機能	Schedule III-3(a), Line 21
4	Net additions .	117,375	一半時期的三、快潮	Line 2 minus line 3
5	Net Property tax rate	0.1700%		Line 1 / beginning of test year gross plant balance from III-3 (a), Col. D, Line I
6	Test year property tax on additions		199.54	Line 4 times Line 5
7	Adjusted Test year property tax expense		5,634.53	Line I + Line 6
8	Known and measurable change	200		Line 7 minus Line 1

#### PAYROLL TAXES (BASED ON ADJUSTED TEST YEAR NUMBERS):

Α	В	,c.	D	Ē	F	н G
Line No.	Тах Туре .	Wage Level	Tax Rate	Taxable Wages	Reference	Tax
	2. 6年,经、精	fle (Almadoured)		<b>"原物酶"</b> 医	SCHEDULE II-6	(D x E) *
9	FICA	wages to	%	•	Column D+E+F Line 9	
10_	Medicare	wages to	%		Column H Line 9	
11	Added Medicare (Affordable Care Act)	wages to	%			
12	Federal unemployment	wages to	%		Column D Line 9	
13	State unemployment	wages to	%		Column D+E Line 9	•
14	Total (add Lines 11 through 14)					ŀ
15	Less: Capitalized	Use % on Sch II-6(a), line 10	%		्र वर्षेष्ठ स्मितनीत् -	1 6
16	Test year Payroll Tax Expense	Line 13 less 14	-			
17	Known and measurable change	· .	(Line 13 mir	ius Line 14).		

#### OTHER TAXES:

Α	I	J	K	L
Line No.	Description	Test year	K & M change	Adjusted Test Year
18	Other taxes & licenses			•
19				
20		·		
21	Total Other Taxes (Line 18 + Line 19 + Line 20)	•	•	- ]
22	Total this page - taxes other than income (Line 7) + (Col G, Line 16) + (Col L, Line 21)			5,564
23	Sch IV(a), Total known and measurable change (Line 8 plus line 17, Column G plus line 21, Column K)			20Ò

## UTILITY NAME: PK-RE DEVELOPMENT, INC. SCHEDULES - CLASS B RATE/TARIFF CHANGE IV(b) REVENUE RELATED TAXES AND EXPENSES FOR THE TEST YEAR ENDED: 12/31/15

Α		В	С	D	Е	F=B+C+D+E
Line		Texas Margins Tax	City Franchise Taxes	Bad Debt Expense	Other Revenue Related	Totals
1	Test year expense			2,257.37	2,926.22	5,183.59
2	Test year effective rate (test year tax expense/historic test year revenues-Sch I-1)	•		332,883.70	332,883.70	332,883.70
3	Gross up factor (1.0 divided by (1.0 minus Line (example below)			1.0068	1.0089	1.0158
			-		11.19	
4	Change in revenue requirement (Sch I-1, line 33)	J. J. J.	ত ্ৰিক্			221,307.40
5	Adjusted revenue requirement (Line 3 x Line 4)		74. July		: ' :	224,808.06
6	Adjusted expense (Line 3 times Line 4)					3,500.66
7	Add Schedule IV(a), Line 20	Fall Street	SERRECTION.	5.32 - 5.7	36 7 - Waret	•
8	Total taxes other than FIT (to Sch I-1, Col F, Line 26)					3,500.66
	<u> </u>				K&M	

1,524.48

1,976.18

 Example: Test Year Franchise tax
 \$ 100
 Bad debts<sup>4</sup>

 Test Year revenues:
 \$ 2,000
 RAF

 Percentage (100/2000):
 0.050

 Gross up factor (1/(1-0.05))
 1.052631579