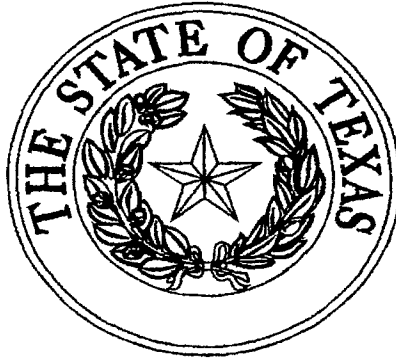


Control Number: 46438



Item Number: 2

Addendum StartPage: 0



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PUBLIC UTILITY COMMISSION OF TEXAS

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

WATER UTILITY NAME: J&S Water Company, LLC
CCN No. 12085 & 20658

ADDRESS OF UTILITY: 8010 Thompson Road
Street, P.O. Box and/or suite number
Highlands Texas 77562-3122
City and Zip Code

PHONE NUMBER: 281-383-9869
area code

NAME OF PERSON TO CONTACT REGARDING THIS FILING:

NAME: Bret W. Fenner, P.E

PHONE: 512-264-9124

EMAIL ADDRESS bretfenner@yahoo.com

PUC CLASS SIZE: B C (circle one)

INCREASE (DECREASE) 233,932 (From Sch. I-1, Line 33)
dollar amount

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

DESCRIBE OWNERSHIP OF COMPANY:

Limited Liability Partnership

DATE OF LAST GENERAL RATE CASE FILING: 11/01/11

DATE OF LAST NON-GENERAL RATE CHANGE*: 11/01/11

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

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

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

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

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

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

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

UTILITY NAME: J&S Water Company, LLC
 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: 7/31/2016
 DATE SUBMITTED TO PUC: 25-Nov-16

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

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

INSTRUCTIONS REV REQUIREMENT

UTILITY NAME: J&S Water Company, LLC

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION I - REVENUE REQUIREMENTS AND REVENUES

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

Instructions for Section I - Revenue Requirement and Revenues

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

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

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

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

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

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

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY (Water) PUC Docket No. <u>46438</u> Test Year End: <u>July 31, 2016</u>						
A	B	C	D	E	F=D+E	G
			Historical Test Year	K & M Changes	Adjusted Test Year	
Line No.	Acct. No.	Account Name				Reference/ Instructions
		Volume related expenses:				
1	610	Purchased water	0		0	Schedule II-3
2	615	Power Expense-production only	32,817		32,817	Schedule II-4
3	618	Other volume related expenses	4,681		4,681	Schedule II-5
4		Total volume related exp.	37,498	0	37,498	Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor	66,524		66,524	Schedule II-6, Line 1
6	620	Materials	35,847		35,847	Schedule II-7
7	631-636	Contract work	45,467		45,467	Schedule II-8
8	650	Transportation expenses	0		0	Schedule II-9
9	664	Other plant maintenance	0		0	Schedule II-10
10		Total non-volume related exp.	147,838	0	147,838	Add Lines 5-9
		Admin. & general expenses:				
11	601-2	Office salaries	0		0	Schedule II-6, line 2
12	601-3	Mgmt. salaries	0		0	Schedule II-6, line 3
13	604	Employee pensions & benefits	0		0	Schedule II-11
14	615	Purchased power-Office only	0		0	Schedule II-4
15	670	Bad debt expense	0		0	Schedule II-12
16	676	Office services & rentals	0		0	Schedule II-13
17	677	Office supplies & expenses	29,604		29,604	Schedule II-14
18	678	Professional services	6,548		6,548	Schedule II-15
19	684	Insurance	19,054		19,054	Schedule II-16
20	666	Regulatory (rate case) expense	0	4,000	4,000	Schedule II-17
21	667	Regulatory expense (other)	0		0	Schedule II-18
22	675	Miscellaneous expenses	34,924		34,924	Schedule II-19
23		Total admin. & general expense	90,130	4,000	94,130	Add Lines 11-22
24		Total operating Expenses	275,466		279,466	Lines 4 + 10 + 23
25	403	Depreciation	35,445		35,445	Sch III-3, Col E, Line 50
26	408	Taxes Other than Income	30,565		30,565	Sch IV(b), Line 8
27	409/10	Income Tax Expense	0	8,602	8,602	Schedule V, Line 7
28		TOTAL EXPENSES	341,476	12,602	354,078	
29		TOTAL HISTORIC REVENUE	273,256			Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN	(68,220)			Line 30 less Line 29
31		REQUESTED RETURN			54,349	Schedule III-1, Line 3
32		TOTAL REVENUE REQUIREMENT			408,427	Line 30 plus Line 34
33		REQUESTED ANNUAL REVENUE INCREASE		(to notice)	135,171	Line 32 less Line 29
34		PERCENTAGE INCREASE			2.9000	Line 36 divided by Line 33
35		LESS: OTHER REVENUES			43,186	Sch. II-3(b), Col. D, Line 8
36		Revenue for Rate Design		(to VI, line 1)	365,241	Line 33 minus Line 35

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY (Sewer) PUC Docket No. <u>46438</u> Test Year End: <u>July 31, 2016</u>						
A	B	C	D	E	F=D+E	G
			Historical Test Year	K & M Changes	Adjusted Test Year	
Line No.	Acct. No.	Account Name				Reference/ Instructions
		Volume related expenses:				
1	610	Purchased water	0		0	Schedule II-3
2	615	Power Expense-production only	25,785		25,785	Schedule II-4
3	618	Other volume related expenses	81,474		81,474	Schedule II-5
4		Total volume related exp.	107,259	0	107,259	Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor	52,268		52,268	Schedule II-6, Line 1
6	620	Materials	31,988		31,988	Schedule II-7
7	631-636	Contract work	35,724		35,724	Schedule II-8
8	650	Transportation expenses	0		0	Schedule II-9
9	664	Other plant maintenance	0		0	Schedule II-10
10		Total non-volume related exp.	119,980	0	119,980	Add Lines 5-9
		Admin. & general expenses:				
11	601-2	Office salaries	0		0	Schedule II-6, line 2
12	601-3	Mgmt. salaries	0		0	Schedule II-6, line 3
13	604	Employee pensions & benefits	0		0	Schedule II-11
14	615	Purchased power-Office only	0		0	Schedule II-4
15	670	Bad debt expense	0		0	Schedule II-12
16	676	Office services & rentals	0		0	Schedule II-13
17	677	Office supplies & expenses	23,261		23,261	Schedule II-14
18	678	Professional services	5,144		5,144	Schedule II-15
19	684	Insurance	14,971		14,971	Schedule II-16
20	666	Regulatory (rate case) expense	0	4,000	4,000	Schedule II-17
21	667	Regulatory expense (other)	0		0	Schedule II-18
22	675	Miscellaneous expenses	50,355		50,355	Schedule II-19
23		Total admin. & general expense	93,731	4,000	97,731	Add Lines 11-22
24		Total operating Expenses	320,970	4,000	324,970	Lines 4 + 10 + 23
25	403	Depreciation	48,432		48,432	Sch III-3, Col E, Line 50
26	408	Taxes Other than Income	24,015		24,015	Sch IV(b), Line 8
27	409/10	Income Tax Expense	0	10,600	10,600	Schedule V, Line 7
28		TOTAL EXPENSES	393,417	14,600	408,017	
29		TOTAL HISTORIC REVENUE	380,972			Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN	(12,445)			Line 30 less Line 29
31		REQUESTED RETURN			62,052	Schedule III-1, Line 3
32		TOTAL REVENUE REQUIREMENT			470,069	Line 30 plus Line 34
33		REQUESTED ANNUAL REVENUE INCREASE		(to notice)	89,097	Line 32 less Line 29
34		PERCENTAGE INCREASE			5.8671	Line 36 divided by Line 33
35		LESS: OTHER REVENUES			33,931	Sch. II-3(b), Col. D, Line 8
36		Revenue for Rate Design		(to VI, line 1)	436,138	Line 33 minus Line 35

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE FOR TEST YEAR ENDED: <u>July 31, 2016</u> I-2 HISTORICAL REVENUE SUMMARY				
Line No.	NARUC A/C	Description	Historical Test Year	
1.	461	Metered connections base rate revenue	459,096	From financial records
2.	461	Metered connection gallonage rate revenue	440,297	From financial records
3.	460	Unmetered (Flat rate) revenue	0	From financial records
4.		Total Metered & Flat Rate Revenue	865,846	
5.		Plus: Total Other Revenues	33,687	From II-3, Column B, line 7
6.		Total Historic Test Year Revenues per income statement and Annual Report*	899,393	Line 4 plus line 5

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

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

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

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
I-3 METERED ACTIVE CONNECTIONS BY METER SIZE (Water)
 FOR TEST YEAR ENDED: July 31, 2016

A	B	C	D	E	F	G	H
Number of Connections							
Line No.	Meter Size	End of Prior Year	Test Year Additions	End of Test Year	Average	Meter Ratios	Meter Equivalencies End of TY
		PUC report Sch. 9		(C+D)	(C + E) /2		(E x G)
1.	5/8" x 3/4"	807	10	817	808.5	1.0	817
2.	3/4"					1.5	
3.	1"					2.5	
4.	1 1/2"					5.0	
5.	2"	2	0	2	2	8.0	16
6.	3"	3	0	3	3	15	45
7.	4"					25	
8.	6"					50	
9.	Total	812	10	822	817		878
10	Average						

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE I-3 METERED ACTIVE CONNECTIONS BY METER SIZE (Sewer) FOR TEST YEAR ENDED: July 31, 2016							
A	B	C	D	E	F	G	H
		Number of Connections					
Line No.	Meter Size	End of Prior Year	Test Year Additions	End of Test Year	Average	Meter Ratios	Meter Equivalencies End of TY
		PUC report Sch. 9		(C+D)	(C + E) / 2		(E x G)
1.	5/8" x 3/4"	632	10	642	637	1.0	642
2.	3/4"					1.5	
3.	1"					2.5	
4.	1 1/2"					5.0	
5.	2"					8.0	
6.	3"					15	
7.	4"					25	
8.	6"					50	
9.	Total	632	10	642	637		642
10	Average						

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
I-4 UNMETERED (FLAT RATE) ACTIVE CONNECTIONS
 FOR TEST YEAR ENDED: July 31, 2016

A	B	C	D	E	F
		Number of Active Connections			
Line No.	Flat Rate Unit	End of Prior Year	Test Year Additions	End of Year	Average
		PUC report Sch. 9		(C + D)	(C + E) / 2
1.					
2.					
3.					
4.					
5.	Total				

INSTRUCTIONS - OPERATIONS AND MAINTENANCE

UTILITY NAME: J&S Water Company, LLC
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.

See Attachment A for utility financial documents for the test year, allocation of cost into cost categories and allocation between water and sewer.

UTILITY NAME: <u>J&S Water Company, LLC</u>
SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION
FOR TEST YEAR ENDED: <u>July 31, 2016</u>

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

Line No.	Water Production (1,000 Gallons)	A	B	C=A+B	D
		Test Year	K & M Changes	Adjusted Test Year	Reference
1	Total water pumped	113749240			PUC Annual Report
2	Total water purchased	32000	0	0	PUC Annual Report
3	Total water produced	113781240			Line 1 + line 2
4	Total water sold	75735240			PUC Annual Report
5	Total accounted for non-revenue water*	0	0	0	
6	Total unaccounted for water	36046000			Lines 3 less 4 less 5
7	Percentage	33.45			Line 6 divided by Line 3

* Describe the tracking technique for calculating line 5 and provide the records reflecting the calculation.

Known and measurable calculations and explanations:

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

Line No.	Description	A	B	C=A+B	D
		Test Year	K & M Change	Adjusted Test Year	Reference
1	Water Purchased (1,000 gallons)	0	0	0	PUC report Sch. D-1
2	Water Pumped (1,000 gallons)	0	0	0	PUC report Sch. D-1
3	Total production (1,000 gallons)	0	0	0	Lines 13 + 14

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-3 OTHER REVENUES & EXPENSES PASSED THROUGH FOR TEST YEAR ENDED: <u>July 31, 2016</u>
--

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

Line No.	A	B	C	D	D
	Purchased from:	Units purchased (in _____) (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 *				

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

II-3(b) Other revenues collected from customers

Line No.	A	B	C	D
	Item passed thru or type of other revenue	Test year historical revenues collected		Test year revenues netted against COS
1.	Tap Fees*	6,000		-0-
2.	Late Fees	32,138		32,138
3.	Meter Test Fees	0		0
4.	Reconnect Fees	11,292		11,292
5.	Purchased Water Fees	0		0
6.	Groundwater Conservation District Fees	211,618		0
7.	Other (attach detail**)	33,687		33,687
8.	Total Other Revenues	340,788		77,117

(to Sch. I-2, line 5)

(to Sch. I-1, line 35)

* Tap fees should be reported on Sch. III-8-CIAC, Line 1.

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

UTILITY NAME: _____ II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE PURCHASED POWER FOR TEST YEAR ENDED: _____
--

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

References below refer to Schedule I-1.

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

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

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

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

	Year	Amount
	_____	\$ _____
	2015	\$ <u>82,254.00</u>
Test Year	2016	\$ <u>58,602.00</u>
K & M Change		\$ _____ (to I-1, Column E, Line 2)
Adjusted Test year		\$ <u>58,602.00</u> (to I-1, Column F, Line 2)

Explanation and calculations of known and measurable change:

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

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

Volume related expenses

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

	Year	Amount
	_____	\$ _____
	_____	\$ _____
a. Test Year	_____	\$ _____
b. K & M Change		\$ _____ (to I-1, Column E, Line 14)
c. Adjusted Test year (a. + b.)		\$ _____ (to I-1, Column F, Line 14)

Explanation and calculations of known and measurable change:

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE (Water) II-5 OTHER RELATED VOLUME EXPENSES FOR THE TEST YEAR ENDED: July 31, 2016

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	
	_____	\$ _____	
	<u>2015</u>	\$ <u>12,550</u>	
a. Test Year	<u>2016</u>	\$ <u>8,359</u>	
b. K & M Change		\$ <u>0</u>	(to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ <u>8,359</u>	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

UTILITY NAME: <u> J&S Water Company, LLC </u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-5 OTHER RELATED VOLUME EXPENSES (Sewer) FOR THE TEST YEAR ENDED: July 31, 2016
--

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

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
3.	618	Other volume related expenses

Other volume related expenses

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

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

	Year	Amount	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	<u>2016</u>	<u>\$ 81,474</u>	
b. K & M Change		\$ <u>0</u>	(to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ <u>81,474</u>	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

Chemicals (Allocated to Sewer) \$ 3,678
Sludge Hauling \$ 77,796

UTILITY NAME _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-6 ALLOCATION OF PAYROLL EXPENSES
 FOR THE ADJUSTED TEST YEAR

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

Line No.	A Employee Name	B Test Year Payroll	C Capitalized Payroll	D Expensed Payroll	E 1st 7000 or new limit (FUTA max)	F 7,001 to 9000 or new limit (SUTA max)	G 9,001 to 118500 or new limit (or FICA max)	H over 118500 or new limit Total Payroll
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

Line 9, column F divided by line 9, column E = _____
 Percentage Capitalized

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

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

Line No.	Acct. No.	Account Name	Test Yr Expense
1.	601-1	Employee labor	
2.	601-2	Office salaries	
3.	601-3	Management salaries	
4.		Total Payroll Expenses	

to Schedule I-1, Line 5;
 to Schedule I-1, Line 11;
 to Schedule I-1, Line 12.
 (should equal II-6(a), Column C, Line 9.)

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

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

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-7 MATERIALS
 FOR THE TEST YEAR ENDED: **July 31, 2016**

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

Line No.	Account No.	Account Name
6.	620	Materials

II-7(a) Materials

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

	Year	Amount	
	<u> </u>	\$ <u> </u>	
	<u> </u> 2015	\$ <u> 23,787.00</u>	
a. Test Year	<u> </u> 2016	\$ <u> 102,909.00</u>	
b. K & M Change		\$ <u> (35,073.00)</u>	(to I-1, Column E, Line 6)
c. Adjusted Test year (a. + b.)		\$ <u> 67,836.00</u>	(to I-1, Column F, Line 6)

* A large item is more than 10% of the test year account balance and more than \$1,000.00

Expensed materials may not be included in rate base in materials and supplies inventories.

Explanation and calculations of known and measurable change:

II-7(b) Large Items:

Description	Amount	Date in service
(See Attachment A)		

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-8 CONTRACT WORK FOR THE TEST YEAR ENDED: July 31, 2016

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
			\$ _____
			\$ _____
	2015		\$ 40,104.00
a. Test Year	2016		\$ 81,191.00
b. K & M Change			\$ 0.00 (to I-1, Column E, Line 7)
c. Adjusted Test year (a. + b.)			\$ 81,191.00 (to I-1, Column F, Line 7)

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

Explanation and calculations of known and measurable change:

II-8(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-9 TRANSPORTATION FOR THE TEST YEAR ENDED: <u>July 31, 2016</u>
--

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

Line No.	Account No.	Account Name
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	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	<u>2016</u>	\$ <u>0.00</u>	
b. K & M Change		\$ _____	(to I-1, Column E, Line 8)
c. Adjusted Test year (a. + b.)		\$ _____	(to I-1, Column F, Line 8)

Explanation and calculations of known and measurable change:

II-9(b) Large Items*:

Description	Amount	Date in service

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

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-10 OTHER PLANT MAINTENANCE FOR THE TEST YEAR ENDED: July 31, 2016
--

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
			\$ <u> </u>
			\$ <u> </u>
a. Test Year	<u>2016</u>		\$ <u> 0.00</u>
b. K & M Change			\$ <u> </u> (to I-1, Column E, Line 9)
c. Adjusted Test year (a. + b.)			\$ <u> </u> (to I-1, Column F, Line 9)

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

Explanation and calculations of known and measurable change:

II-10(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: <u>J&S Water Compnay, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-11 EMPLOYEE PENSIONS AND BENEFITS FOR THE TEST YEAR ENDED: <u>July 31, 2016</u>

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

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

Employee pensions and benefits

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

List types of Pensions & Benefits:

<u>2016</u>	\$ <u>0.00</u>	\$ _____	\$ _____	\$ _____	\$ _____
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Cost per Employee:

<u>_____</u>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Number of Employees covered:

0.00

Cost per Employee:

List types of Pensions & Benefits:

<u>_____</u>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Number of Employees covered:

0.00

Cost per Employee:

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

UTILITY NAME <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-12 BAD DEBTS FOR THE TEST YEAR ENDED: July 31, 2016

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	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	2016	\$ 0.00	
b. K & M Change		\$ _____	(to I-1, Column E, Line 15)
c. Adjusted Test year (a. + b.)		\$ _____	(to I-1, Column F, Line 15)

Explanation and calculations of known and measurable change:

II-12(b) Large Items*:

Description	Amount	Date in service
N/A		

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

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-13 OFFICE SERVICES AND RENTALS FOR THE TEST YEAR ENDED: July 31, 2016

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	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	<u>2016</u>	\$ <u>0.00</u>	
b. K & M Change		\$ _____	(to I-1, Column E, Line 16)
c. Adjusted Test year (a. + b.)		\$ <u>0.00</u>	(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

UTILITY NAME <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-14 OFFICE SUPPLIES FOR THE TEST YEAR ENDED: July 31, 2016

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

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

II-14(a) Office supplies & expenses

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

	Year	Amount	
	_____	\$ _____	
	<u>2015</u>	\$ <u>135,670.00</u>	
a. Test Year	<u>2016</u>	\$ <u>52,865.00</u>	
b. K & M Change		\$ <u>0.00</u>	(to I-1, Column E, Line 17)
c. Adjusted Test year (a. + b.)		\$ <u>52,865.00</u>	(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 service
None		

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-15 PROFESSIONAL SERVICES FOR THE TEST YEAR ENDED: July 31, 2016
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This page is supplemental information. It is required to complete Schedule I-1. References below refer to Schedule I-1.

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

II-15(a) Professional services

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

	Year	Amount	
	_____	\$ _____	
	<u>2015</u>	\$ <u>8,335.00</u>	
a. Test Year	<u>2016</u>	\$ <u>11,692.00</u>	
b. K & M Change		\$ <u>0.00</u>	(to I-1, Column E, Line 18)
c. Adjusted Test year (a. + b.)		\$ <u>11,692.00</u>	(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
AFTE FINANCIAL SERVICES	\$ 1,827.78	09/03/2015
AFTE FINANCIAL SERVICES	\$ 2,152.22	09/25/2015
AFTE FINANCIAL SERVICES	\$ 1,330.00	02/17/2016
AFTE FINANCIAL SERVICES	\$ 1,330.00	03/08/2016
Matthew Lawson, PLLC	\$ 1,367.90	05/16/2016

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-16 INSURANCE
 FOR THE TEST YEAR ENDED: **July 31, 2016**

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

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
19.	684	Insurance

Insurance

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

	<u>Year</u>	<u>Amount</u>	
	_____	\$ _____	
	<u>2015</u>	\$ <u>19,863.00</u>	
a. Test Year	<u>2016</u>	\$ <u>34,025.00</u>	
b. K & M Change		\$ <u>0.00</u>	(to I-1, Column E, Line 19)
c. Adjusted Test year (a. + b.)		\$ <u>34,025.00</u>	(to I-1, Column F, Line 19)

Types of insurance:

<u>2016</u>	\$ <u>12,211.00</u>	<u>2016</u>	<u>Equipment</u>	<u>Associated Acceptance Inc</u>
Year	Total amount	Period Covered	Type	Company
<u>2016</u>	\$ <u>6,131.00</u>	<u>2016</u>	<u>Liability</u>	<u>Infinity Insurance Companies</u>
Year	Total amount	Period Covered	Type	Company
<u>2016</u>	\$ <u>9,817.00</u>	<u>2016</u>	<u>Vehicle</u>	<u>Infinity Insurance Companies</u>
Year	Total amount	Period Covered	Type	Company

Explanation and calculations of known and measurable change:

UTILITY NAME <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-17 REGULATORY EXPENSE FOR THE TEST YEAR ENDED: July 31, 2016
--

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

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

II-17(a) Regulatory commission expense

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

	Year	Amount	
	_____	\$ _____	
	<u>2015</u>	\$ <u>0.00</u>	
a. Test Year	<u>2016</u>	\$ <u>0.00</u>	
b. K & M Change		\$ <u>8,000.00</u>	(to I-1, Column E, Line 20 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ <u>8,000.00</u>	(to I-1, Column F, Line 20 - see instructions above)

Explanation and calculations of known and measurable change:

Cost to prepare Rate/tariff Change Application

* 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
B & D Environmental, Inc.	\$ 8,000.00	11/18/2016

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-18 REGULATORY EXPENSE
 FOR THE TEST YEAR ENDED: July 31, 2016

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	
		\$	
		\$	
a. Test Year	2016	\$	0.00
b. K & M Change		\$	
c. Adjusted Test year (a. + b.)		\$	

(to I-1, Column E, Line 21 - see instructions above)

(to I-1, Column F, Line 21 - see instructions above)

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-18 (b) Large Items:

Description	Amount	Date in service

UTILITY NAME: **J&S Water Compnay, LLC**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-19 MISCELLANEOUS EXPENSE
 FOR THE TEST YEAR ENDED: **July 31, 2016**

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	
	2015	\$	53,808.00	
a. Test Year	2016	\$	85,279.00	
b. K & M Change		\$	0.00	(to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test year (a. + b.)		\$	85,279.00	(to I-1, Column F, Line 22 - see instructions above)

Explanation and calculations of known and measurable change:

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

II-19 (b) Large Items:

Description	Amount	Date in service
(See Attachment A)		

SECTION III RATE BASE INSTRUCT

UTILITY NAME: J&S Water Company, LLC

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: <u>J&S Water Company, LLC</u>	
SCHEDULES - CLASS B RATE/TARIFF CHANGE	
III-1 REQUESTED RETURN (Water)	
FOR THE TEST YEAR ENDED:	July 31, 2016

RETURN ON RATE BASE:

Line No	Description	Amount
1	Test year end rate base (from III-2, Line 16)	533,880
2	Requested ROR (Col G, Line 7 below)	10.18%
3	Return on rate base (Line 1 x Line 2)	54,349

Rate of Return:

A	B	C	D	E	F	G
Line No.	Description	Amount	Percentage	Rate	Reference	Weighted Average Rate
			Amount from previous column divided by Line 6, Column C			$G=(E \times F)$
4	Equity (Rate base less Line 5, Column D)	354,196		12.0000%	Col E = Requested return on equity	9.1300%
5	Long Term Debt and Advances from associated companies from Schedule III-6	111,376		4.4000%	Col E = From Sch. III-6, Column H, Line 9	1.05%
6	Total capitalization (Rate Base Sch III-2, Line 16)	465,572				
7	Return on rate base Col G, Line 6 rounded to nearest 0.01%)				Line 4 + Line 5	10.18%

To Line 2 above

* ROE = Return on Equity

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE III-1 REQUESTED RETURN (Sewer) FOR THE TEST YEAR ENDED: July 31, 2016
--

RETURN ON RATE BASE:

Line No	Description	Amount
1	Test year end rate base (from III-2, Line 16)	611,350
2	Requested ROR (Col G, Line 7 below)	10.15%
3	Return on rate base (Line 1 x Line 2)	62,052

Rate of Return:

A Line No.	B Description	C Amount	D Percentage	E Rate	F Reference	G Weighted Average Rate
			Amount from previous column divided by Line 6, Column C			$G=(E \times F)$
4	Equity (Rate base less Line 5, Column D)	458,933		12.0000%	Col E = Requested return on equity	9.1300%
5	Long Term Debt and Advances from associated companies from Schedule III-6	125,336		4.4000%	Col E = From Sch III-6, Column H, Line 9	1.05%
6	Total capitalization (Rate Base Sch III-2, Line 16)	584,269				
7	Return on rate base Col G, Line 6 rounded to nearest 0.01%)				Line 4 + Line 5	10.18%

To Line 2 above

* ROE = Return on Equity

UTILITY NAME: J & S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-2 RATE BASE SUMMARY (Water)
 FOR THE TEST YEAR ENDED: July 31, 2016

Line No.	Description	Amount	Reference
1	Additions:		(From)
2.	Utility plant (Original Cost)	969,494	Schedule III-3, Line 50, Col D
3.	Construction work in progress	8,312	Schedule III-4, Line 5
4.	Materials and supplies	0	Schedule III-4, Line 8
5.	Working cash (capital)	23,289	Schedule III-5, Line 2
6.	Prepayments	0	Schedule III-4, line 8
7.	Other Additions	0	Add schedule
8.	TOTAL ADDITIONS (Add Lines 2 through 6)	1,001,095	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	467,215	Schedule III-3, Col F, Line 50
10.	Advances for construction	0	Schedule III-8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	0	Schedule III-8(b), Col G, Line 6
12.	Accumulated deferred income taxes	0	Schedule III-9(a), Line 3
13.	Accumulated deferred investment tax credits	0	Schedule III-9(b), Line 3
14.	Other Deductions	0	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	467,215	
16.	RATE BASE (Line 8, less Line 15)	533,880	

UTILITY NAME: J & S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-2 RATE BASE SUMMARY (Sewer)
 FOR THE TEST YEAR ENDED: July 31, 2016

Line No.	Description	Amount	Reference
1	Additions:		(From)
2.	Utility plant (Original Cost)	1,477,488	Schedule III-3, Line 50, Col D
3.	Construction work in progress	0	Schedule III-4, Line 5
4.	Materials and supplies	0	Schedule III-4, Line 8
5.	Working cash (capital)	27081	Schedule III-5, Line 2
6.	Prepayments	0	Schedule III-4, line 8
7.	Other Additions	0	Add schedule
8.	TOTAL ADDITIONS (Add Lines 2 through 6)	1,504,569	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	893,219	Schedule III-3, Col F, Line 50
10.	Advances for construction	0	Schedule III- 8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	0	Schedule III- 8(b), Col G, Line 6
12.	Accumulated deferred income taxes	0	Schedule III- 9(a), Line 3
13.	Accumulated deferred investment tax credits	0	Schedule III- 9(b), Line 3
14.	Other Deductions	0	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	893,219	
16.	RATE BASE (Line 8, less Line 15)	611,350	

UTILITY NAME: J&S Water Company, LLC										Schedule III-3		
SCHEDULES - CLASS B RATE/TARIFF CHANGE										(Provide a schedule for each PWS system)		
III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION-										Add schedules as needed, provide a summary also		
Line No	[A] Item	[B] Date of Installation	[C] Service Life (yrs) **	[D.1] Original Cost when installed \$	[D.2] Customer CIAC amount	[D]- [D.1] - [D.2] Adjusted Original Cost for Customer CIAC ¹	Time in Service			Depreciation		[G] = [D]-[F] Net Book Value (\$)
							Years in Service	Months	Days	[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$)(Reserve)	
1	303 Land and land rights											
2	307 Wells		.50									
	Well Pumps:											
3	311 5 hp or less		.5									
4	311 Greater than 5 hp		10									
	Booster Pumps:											
5	311 5 hp or less		5									
6	311 Greater than 5 hp		10									
7	320 Chlorinators		10									
	Structures:											
8	304 Wood		15									
9	304 Masonry		30									
10	305 Storage Tanks		50									
11	311 Pressure Tanks		50									
12	331 Distribution System (mains and lines)		50									
13	334 Meters and Service (taps not covered by fees)		20									
14	340 Office Equipment		10									
15	341 Vehicles		5									
16	343 Shop Tools		15									
17	345 Heavy Equipment		10									
18	348 Fencing		20									
	Other: (Please list)											
19												
20												
50	Total											

(See Attachment B)

To Sch III-1, line 27

To Sch III-2, line 2

To Sch III-2, line 9

Add detailed worksheets if necessary to support this Schedule.

¹ Any amount paid for an item that was not incurred by the utility, such as by a customer, is deducted from the original cost. The adjusted original cost amount here, Column D-2, labeled "Adjusted Original Cost for Customer CIAC". Column D-2 will then be depreciated and the net book value will be calculated (Column G). For an item with the entire amount of its original cost paid for by customer(s), Columns D-2, E, F and G would be zero. See Schedule III-8 for developer CIAC

UTILITY NAME: J&S Water Company, LLC
SCHEDULES - CLASS B RATE/TARIFF CHANGE (Water)
III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE
FOR TEST YEAR ENDED: July 31, 2016

ORIGINAL COST DATA

A Line No.	B Description	C Amount	D Amount
1.	Beginning Gross Plant balance - (from previous rate case)	Must match previous rate case.	\$ 652,992.00
2.	Plant additions after previous rate case		
3.	(See Attachment B)	\$ 316,502.00	
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)		\$ 969,494.00
12.	Test year plant retirements after previous rate case:		
13.	(See Attachment B)	\$ 467,215.00	
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.	Total retirements (add line 13 through 20, Col C)		\$ 467,215.00
22.	Ending balance (line 1 + line 11 - line 21)	Equals as III-3, Column D; line 50.	\$ 502,279.00

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

UTILITY NAME: **J&S Water Company, LLC**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE **(Sewer)**
III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE
 FOR TEST YEAR ENDED: **July 31, 2016**

ORIGINAL COST DATA

A	B	C	D
Line No.	Description	Amount	Amount
1.	Beginning Gross Plant balance - (from previous rate case)	Must-match previous rate case	\$ 1,276,533.00
2.	Plant additions after previous rate case		
3.	(See Attachment B)	\$ 200,955.00	
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)		\$ 1,477,488.00
12.	Test year plant retirements after previous rate case:		
13.	(See Attachment B)	\$ 893,219.00	
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.	Total retirements (add line 13 through 20, Col C)		\$ 893,219.00
22.	Ending balance (line 1 + line 11 - line 21)	Equals as III-3, Column D, line 50	\$ 584,269.00

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

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE **(Water)**
**III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS,
 MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS**
 FOR THE TEST YEAR ENDED: July 31, 2016

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

III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS:

A	B	C
Line No.	Description	Test Year Amount
1.	Beginning balance	0
2.	Test year costs added	8312
3.	Test year construction costs completed	0
4.	Ending balance	8312
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.

*****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: J&S Water Company, LLC
 SCHEDULES FOR CLASS B RATE/TARIFF CHANGE
III-5 WORKING CASH ALLOWANCE CALCULATIONS
 FOR THE TEST YEAR ENDED: July 31, 2016

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

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

A Line No	B Description	Class B		Class C	
		Water	Sewer	Water	Sewer
1	Annual O & M Expenses	279,466	324,970		
2	Working Cash (Line 3 / Line 5)	23,289	24,081		
3	Divisor	12	12	8	8

From Sch I-1, line 25

To Sch III-2, line 5

UTILITY NAME: J&S Water Company, LLC
SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-6 LONG TERM DEBT/ NOTES PAYABLE – WATER AND SEWER
FOR THE YEAR ENDED: July 31, 2016

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

	(A) Long Term Debt Name of Bank/Lender	(B) Date of Issue	(C) Date of Maturity	(D) Original Amount of Loan	(E) Outstanding or Unpaid Balance- End of Test Year	(F) Interest Rate	(G)=Col E, Line 20 x Col. F, Line 20 Weighted Average
1	Part 1 - Debt						
2							
3	Plains State Bank	6/4/2014	6/4/2017	403,447	141,818	5.25	3.26
4	Ford Credit - F350	8/13/2012	8/13/2017	47,655	5,812	6.24	0.16
5	Ford Credit - F250	7/6/2016	7/6/2021	63,424	62,451	3.59	0.98
6	Kubota Credit Corporation	4/25/2014	4/24/2019	34,457	17,803	0	0
7							
8							
9	Total			548,983	227,884		4.4

to Sch III-1,
Column G,
Line 5

List short term debt, if any:

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE (Water) III-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE FOR THE TEST YEAR ENDED: July 31, 2016
--

ACCUMULATED DEPRECIATION:

Line No.	Description	Dollar Amount
1.	Ending-Prior Rate Case (Docket No. 37123-R)	N/A
2.	Ending balance per Sch III-3, Column F, Line 50	467,215
	Describe accounting adjustments made between the prior rate case and the current rate case:	
	Rate base was not established previous rate case	

Must match previous rate case.

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE **(Sewer)**
III-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE
 FOR THE TEST YEAR ENDED: July 31, 2016

ACCUMULATED DEPRECIATION:

Line No.	Description	Dollar Amount
1.	Ending-Prior Rate Case (Docket No. 37123-R)	N/A
2	Ending balance per Sch III-3, Column F, Line 50	893,219
	Describe accounting adjustments made between the prior rate case and the current rate case:	
	Rate base was not established previous rate case	

Must match previous rate case.

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-8 ADVANCES FOR CONSTRUCTION AND CONTRIBUTIONS IN AID OF CONSTRUCTION
 FOR THE TEST YEAR ENDED: July 31, 2016

III-8(a) ADVANCES FOR CONSTRUCTION:

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

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

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

Line No.	A Item	B Date of Installation or Contribution	C Total Cost	D Amount of Developer Contribution	E Annual amortization	F Accumulated Amortization	G (G)=(D) - (F) Rate Base Value (to Sch III-2)
1.	None						
2.							
3.							
4.							
5.							
6.	Total						

*Customer CIAC is entered directly on III-3

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-9 DEFERRED INCOME TAXES AND
DEFERRED INVESTMENT TAX CREDITS
 FOR THE TEST YEAR ENDED: July 31, 2016

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

III-9(a) ACCUMULATED DEFERRED INCOME TAXES:

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

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	0

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-10 OTHER DEFERRED ASSETS
 FOR THE TEST YEAR ENDED: July 31, 2016

III-10(a) : Other Deferred Assets

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

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

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

SECTION IV OTHER TAX INSTRUCT

UTILITY NAME: J&S Water Company, LLC

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.

SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV(a) ESTIMATE OF TAXES OTHER THAN INCOME
FOR THE TEST YEAR ENDED: July 31, 2016

PROPERTY TAXES:

A	B	C	D	E
Line No.	Description	Amount	Amount	Reference
1	Property taxes paid in in test year			per property tax bills
2	Utility plant added in test year			Schedule III-3(a), Line 11
3	Utility plant retirements in test year			Schedule III-3(a), Line 21
4	Net additions			Line 2 minus line 3
5	Net Property tax rate			Line 1 / beginning of test year gross plant balance from III-3 (a), Col. D, Line 1
6	Test year property tax on additions			Line 4 times Line 5
7	Adjusted Test year property tax expense			Line 1 + Line 6
8	Known and measurable change			Line 7 minus Line 1

PAYROLL TAXES (BASED ON ADJUSTED TEST YEAR NUMBERS):

A	B	C	D	E	F	G
Line No.	Tax Type	Wage Level	Tax Rate	Taxable Wages	Reference	Tax
					SCHEDULE II-6	(D x E)
9	FICA	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)					
15	Less. Capitalized	Use % on Sch II-6(a), line 10	%			
16	Test year Payroll Tax Expense	Line 13 less 14				
17	Known and measurable change				(Line 13 minus Line 14)	

OTHER TAXES:

A	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)			
23	Sch IV(a), Total known and measurable change (Line 8 plus line 17, Column G plus line 21, Column K)			

UTILITY NAME: <u>J&S Water Company, LLC</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE IV(b) REVENUE RELATED TAXES AND EXPENSES FOR THE TEST YEAR ENDED: <u>July 31, 2016</u>						
A	B	C	D	E	F=B+C+D+E	
Line		Texas Margins Tax	City Franchise Taxes	Bad Debt Expense	Other Revenue Related	Totals
1	Test year expense					0.00
2	Test year effective rate (test year tax expense/historic test year revenues-Sch I-1)					
3	Gross up factor (1.0 divided by (1.0 minus Line (example below))					
4	Change in revenue requirement (Sch I-1, line 33)					
5	Adjusted revenue requirement (Line 3 x Line 4)					
6	Adjusted expense (Line 3 times Line 4)					

SECTION V FEDERAL INCOME TAX

SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section V calculated federal income tax at present rates.

Instructions for Section V

Complete SCHEDULE V per instructions found in the reference column.

UTILITY NAME: <u>J&S Water Company, LLC</u>	
SCHEDULES - CLASS B RATE/TARIFF CHANGE (Water)	
V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE	
FOR THE TEST YEAR ENDED: <u>July 31, 2016</u>	

A	B	C	D
Line		Amount	Reference
1	Requested Return	54,349	Schedule III-1, Line 3 or II-1, line 34
2	Less: Synchronized Interest	5,605	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return	48,744	Line 1 minus Line 2
4	Income taxes at proposed rates	7,312	Line 17 below
5	Effective tax rate	0.15	Line 4 divided by Line 3
6	Total gross up factor	1.176	1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax	8,602	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%	7,312
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	7,312

UTILITY NAME: J&S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE (Sewer)
 FOR THE TEST YEAR ENDED: July 31, 2016

A	B	C	D
Line		Amount	Reference
1	Requested Return	62,052	Schedule III-1, Line 3 or II-1, line 34
2	Less: Synchronized Interest	6,419	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return	55,633	Line 1 minus Line 2
4	Income taxes at proposed rates	8,908	Line 17 below
5	Effective tax rate	0.16	Line 4 divided by Line 3
6	Total gross up factor	1.19	1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax	10,600	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%	7,500
13	Next 25,000 of taxable income	25,000	25%	1,408
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	8,908

UTILITY NAME: <u>J&S Water Company, LLC</u> 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: S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
Schedule VI-1 RATE DESIGN
 FOR THE TEST YEAR ENDED: July 31, 2016

Line No.	A	B	C
		Reference	
	DETERMINATION OF FIXED COSTS		
1.	Gross revenues to be recovered:	Sch I-1, Line 36	
	Less variable costs:		
2.	Purchased water - Account 610	Sch I-1, Col. F, line 1	
3.	Purchased power	line 2	
4.	Other volume	line 3	
5.	Other volume		
6.			
7.			
8.			
9.			
10.	FIXED COSTS (Line 1 minus Lines 2-9)		
11.	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE		
12.	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		
	RECAP:		
13.	RECOVERED THROUGH BASE SERVICE CHARGE	Line 10	
14.	RECOVERED THROUGH VOLUMETRIC RATE	Line 1 - Line 10	
	TOTAL	Equals Line 1	
	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		
15.	TOTAL METER EQUIVALENTS	Sch I-3, Col H, line 9	
16.	CHARGE PER 5/8" X 3/4" METER	Line 13 / Line 15	
	TO BE RECOVERED THROUGH VOLUMETRIC RATE		
17.	TOTAL WATER SALES IN 1,000 GALS	Sch II-1(a), Col C, line 4	
18.	VOLUMETRIC RATE (CHARGE PER 1,000 GALS)	Line 14 / Line 17	
	PROPOSED RATES:		
19.	FOR ALL WATER DELIVERED PER 1,000 gallons	Line 18 of attach calc	
	BASE SERVICE CHARGE (PER 5/8" X 3/4")		
	Meter size	Line 16	Equivalency Base Rate/size
20.	5/8 X 3/4"	X 1.0 =	
21.	3/4"	X 1.5 =	
22.	1"	X 2.5 =	
23.	1 1/2"	X 5.0 =	
24.	2"	X 8.0 =	
25.	3"	X 15.0 =	
26.	4"	X 25.0 =	

(See Attachment C)

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.

AFFIDAVIT
&
NOTICE OF RATE CHANGE

AFFIDAVIT

STATE OF TEXAS

COUNTY OF HARRIS

I, Jerry Nowling being duly sworn, file this **NOTICE OF PROPOSED RATE CHANGE**

as OWNER

(indicate relationship to Utility, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Utility): that, in such capacity, I am qualified and authorized to file and verify such NOTICE; and that all statements made and matters set forth herein are true and correct.

I further represent that a copy of the attached NOTICE was provided by mail (method of delivery)

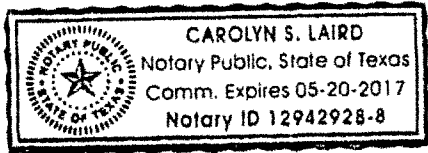
to each customer or other affected party on or about November 25, 20 16

Jerry Nowling
AFFIANT
(Utility's Authorized Representative)

J+S Water Company
NAME OF UTILITY

If the Affiant to this form is any person other than the sole owner, partner, officer of the Utility, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME,
this the 21st day of November, 20 16 to certify
which witness my hand and seal of office.



SEAL

Carolyn S Laird
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS
Carolyn S Laird
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 5-20-2017

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

J & S. Water Company, LLC 12085 & 20658

Company Name

CCN Number(s)

has filed a rate change application with the Public Utility Commission of Texas (Commission or PUC). The application may be reviewed online at interchange.puc.texas.gov. You may also inspect a copy of the rate change application at your utility's office at the address below or at the Commission's office (1701 N. Congress Ave, Austin, TX 78701). The proposed rates will apply to service received after the effective date provided below, unless modified or suspended by the Commission. If the Commission receives a sufficient number of protests, separately or in a combined protest letter, from at least ⁶⁴ [number of] ratepayers (10 percent of the utility's customers over whose rates the Commission has original jurisdiction) or from any affected municipality before the 91st day after the proposed effective date, the matter will be set for hearing. **See Protest Form on the next page for instructions on how to protest.**

EFFECTIVE DATE OF PROPOSED INCREASE: 1/1/2017

(must be at least 35 days after notice is provided to customers and 35 days after application is filed)
(Proposed rates requested by the utility are not final. The Commission may modify the rates and order a refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest.)

Reason(s) for proposed Rate Change:

Allow the utility to generate enough revenue to cover those expenses that are reasonable and necessary to provide service to the ratepayers and allow the utility a reasonable opportunity to earn a reasonable return on its invested capital used and useful.

BILLING COMPARISON (Five Oaks, Maple Leaf Gardens & Oakland Village Subdivisions)

Water

Existing	5,000 gallons:	\$ 30.94 /mo	Proposed	5,000 gallons:	\$ 43.38 /mo
Existing	10,000 gallons:	\$ 38.44 /mo	Proposed	10,000 gallons:	\$ 62.88 /mo
Existing	30,000 gallons:	\$ 68.44 /mo	Proposed	30,000 gallons:	\$ 140.88 /mo

Sewer (Excludes Oakland Village Subdivision)

Existing	5,000 gallons:	\$ 39.58 /mo	Proposed	5,000 gallons:	\$ 50.07 /mo
Existing	10,000 gallons:	\$ 49.58 /mo	Proposed	10,000 gallons:	\$ 60.07 /mo

Five Oaks (PWS #1011832 & WQ0012382001), Maple Leaf Gardens (PWS #1011493 & WQ0012342001, Oakland Village (PWS #1010049) & Woodland Acres (PWS #030027 & WQ001172001)

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

8010 Thompson Road Highlands Texas 77562-3122
Company Address City State Zip

(281) 383-9869
Company Phone Number

233,932.00 11/25/2016
Annual Revenue Increase Date Notice Delivered

11/1/2011 Various days through the month
Date of Last Rate Change Date Meters Typically Read

* Prior to providing notice, the utility shall file a request for the assignment of a docket number for the application.

P.U.C. DOCKET NO. 46438

RATEPAYER PROTEST

If you wish to PROTEST the proposed rate change, you must submit this form and 10 copies to:

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

Unless protests are received from at least 10% of ratepayers or from any affected municipality, or the Commission Staff requests a hearing, no hearing will be held and the rates will be effective as proposed.

CUSTOMER INFORMATION (to be completed by customers submitting protests)

First Name: _____ Last Name: _____

Phone Number: _____ Fax Number: _____

Address, City, State: _____

Location where service is received: _____

(if different from the mailing address)

Please fill out the following:

I wish to PROTEST the following proposed rate action/s:

- Water Rate Change Sewer Rate Change Both Water and Sewer Rate Change
 Other (please specify below)

Signature of Protestant: _____

Date: _____

**Si desea informacion en Espanol, puede llamar al
1-888-782-8477**

**Hearing- and speech-impaired individuals with text telephones may contact the PUC's Customer Assistance
Hotline at
512-936-7136**

NOTICE OF PROPOSED RATE CHANGE – WATER

CURRENT RATES			PROPOSED RATES		
Monthly base rate including _____ g gallons.			Monthly base rate including _____ g gallons		
Meter Size:			Meter Size:		
RESIDENTIAL			RESIDENTIAL		
5/8" or 3/4"	\$	23.44	5/8" or 3/4"	\$	23.88
1"	\$	58.60	1"	\$	59.70
1 1/2"	\$	117.20	1 1/2"	\$	119.40
2"	\$	187.52	2"	\$	191.04
3"	\$	351.60	3"	\$	358.20
Other: 4"	\$	586.00	Other: 4"	\$	597.00
6"	\$	1,172.00	6"	\$	1,194.00
GALLONAGE CHARGE:			GALLONAGE CHARGE:		
TIER	VOLUME	CHARGE per 1000 gals.	TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	All Billed Gallons	\$ 1.50 /1000 gals.	Tier 1	All Billed Gallons	\$ 1.50 /1000 gals.
\$ 2.06 per 1,000 gallons for the North Harris County Regional Water Authority's ground water pumpage fee for the Five Oaks, Maple Leaf Gardens and Oakland Village subdivisions			\$ 2.40 per 1,000 gallons for the North Harris County Regional Water Authority's ground water pumpage fee for the Five Oaks, Maple Leaf Gardens and Oakland Village subdivisions		
MISCELLANEOUS FEES			MISCELLANEOUS FEES		
Tap Fee	\$	600.00	Tap Fee	\$	600.00
Reconnect fee: Non-payment	\$	25.00	Reconnect fee: Non-payment (Maximum - \$25.00)	\$	25.00
Customer's Request	\$	50.00	Customer's Request	\$	50.00
Transfer Fee	\$	50.00	Transfer Fee	\$	50.00
Late Charge	\$	5.00	Late charge: (Indicate either \$5.00 or 10%)	\$	5.00
Returned Check Charge	\$	30.00	Returned Check Charge	\$	30.00
Deposit	\$	50.00	Deposit (Maximum \$50.00)	\$	50.00
Meter test fee	\$	25.00	Meter test fee (Maximum - \$25.00)	\$	25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

If applicable, list any bill payment assistance programs to low income Ratepayers.

None

Phone Payment Fee: A fee of five percent (5%) of the amount paid will be charged for all phone payments

NOTICE OF PROPOSED RATE CHANGE –SEWER

CURRENT RATES	PROPOSED RATES
Monthly base rate including _____ 0] gallons Meter Size:	Monthly base rate including _____ 0] gallons Meter Size:
RESIDENTIAL	RESIDENTIAL
5/8" or 3/4" \$ 29.58	5/8" or 3/4" \$ 40.07
1" \$ 73.95	1" \$ 100.18
1 1/2" \$ 147.90	1 1/2" \$ 200.35
2" \$ 236.64	2" \$ 320.56
3" \$ 443.70	3" \$ 601.05
Other: 4" \$ 739.50	Other: 4" \$ 1,001.75
6" \$ 1,479.00	6" \$ 2,003.50
GALLONAGE OR FIXED CHARGE:	GALLONAGE OR FIXED CHARGE:
\$ _____ 2.00	\$ _____ 2.00
<input type="checkbox"/> per month; OR	<input type="checkbox"/> per month; OR
<input checked="" type="checkbox"/> for each additional 1,000 gallons over the minimum. Gallonge charges are determined based on average consumption for winter period which includes the following months: December, January & February	<input checked="" type="checkbox"/> for each additional 1,000 gallons over the minimum. Gallonge charges are determined based on average consumption for winter period which includes the following months: December, January & February
MISCELLANEOUS FEES	MISCELLANEOUS FEES
Tap Fee \$ Actual Cost	Tap Fee \$ Actual Cost
Reconnect fee: Non-payment \$ 25.00	Reconnect fee: Non-payment (Maximum - \$25.00) \$ 25.00
Customer's Request \$ 50.00	Customer's Request \$ 50.00
Transfer Fee \$ 50.00	Transfer Fee \$ 50.00
Late Charge \$ 5.00	Late charge: (Indicate either \$5.00 or 10%) \$ 5.00
Returned Check Charge \$ 30.00	Returned Check Charge \$ 30.00
Deposit \$ 50.00	Deposit (Maximum \$50.00) \$ 50.00
Meter test fee \$ N/A	Meter test fee \$ N/A (Maximum - \$25.00)

Regulatory Assessment of 1% is added to base rate and gallonge charges. Additional fees and meter sizes may be shown on a separate page.

If applicable, list any bill payment assistance programs to low income Ratepayers.

None
Phone Payment Fee: A fee of five percent (5%) of the amount paid will be charged for all phone payments

PASS THROUGH ADJUSTMENT CLAUSE

The utility may pass on only to those customers served by a system subject to the jurisdiction of any regional water authority and/or any groundwater reduction plan, any increase or decrease in its underground water district pumpage fee or purchased water fee. To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 24.21 (h). Example of a Pass Through Provision

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

G = approved gallonage charge, per 1,000 gallons;

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

ATTACHMENT A

J & S WATER CO.
Profit and Loss
August 2015 - July 2016

	<u>Total</u>
Income	
Fees	-140.00
Sales	1,250.00
Pay By Phone/Fee	372,017.84
WATER & SEWER PAYMENTS	<u>492,577.81</u>
Total Sales	\$ 865,845.65
Sales of Product Income	4,500.00
Services	<u>29,187.50</u>
Total Income	\$ 899,393.15
Gross Profit	\$ 899,393.15
Expenses	
Automobile Expense	1,975.00
Bank Loan	5,594.26
Bank Loan-75K for J&S	3,797.09
Bank Service Charges	2,168.99
Charge Back fees	573.29
Contract Labor	73,007.00
Cost of sludge processing	59,245.70
Dues and Subscriptions	1,500.00
Equipment Rental	31,871.49
Field Expenses	700.00
Insurance	5,865.75
Equipment	12,211.32
Liability Insurance	6,130.70
Vehicle	<u>9,817.27</u>
Total Insurance	\$ 34,025.04
Interest Expense	16,813.29
Loan Interest	<u>458.33</u>
Total Interest Expense	\$ 17,271.62
Land Payment	7,300.00
Late Fees	451.52
Licenses and Permits	8,400.32
Loans To	2,300.00
Miscellaneous	3,860.00
Office Expenses	14,184.49
Answering Service	2,988.68
CC Processing Fees	3,586.61
Office Labor	19,079.89
Office Supplies	538.15
postage	<u>646.45</u>
Total Office Expenses	\$ 41,024.27
Operations	8,184.00
Chemicals	8,358.90
Maintenance & Repairs	13,670.70
Equipment	5,872.09
Sewer	5,291.60

Supplies	1,972.58
Water	28,983.91
Total Maintenance & Repairs	\$ 55,790.88
Sewer Analysis	30,987.00
Sludge Hauling	18,549.62
Water Analysis	3,727.09
Total Operations	\$ 125,597.49
Payroll Expenses	23,443.04
1099 wages	2,140.00
941 penalty	513.49
Taxes	11,532.40
TX Unemployment Insurance	20.32
Wages	118,792.25
Total Payroll Expenses	\$ 156,441.50
Postage and Delivery	2,057.24
Professional Fees	111.00
Accounting	9,463.25
Engineering	0.00
Legal Fees	2,117.90
Total Professional Fees	\$ 11,692.15
Refund Customer Deposits	2,144.49
Regulatory fees	1,724.42
Penalties	8,617.65
Total Regulatory fees	\$ 10,342.07
Reimbursements	11,131.24
Repairs	
Equipment Repairs	5,165.95
Total Repairs	\$ 5,165.95
Taxes	
FUTA 940 taxes	263.97
Local	33.00
Property	16,634.93
Total Taxes	\$ 16,931.90
Telephone	6,515.84
Training	450.00
Travel & Ent	20,500.00
Travel	3,000.00
Total Travel & Ent	\$ 23,500.00
Truck expense-tolls	-524.98
Truck Expenses	3,151.98
Gas & Diesel	4,748.76
Tags & registration	28.50
Total Truck Expenses	\$ 7,929.24
Truck payment	28,370.93
Unapplied Cash Bill Payment Expense	325.34
Utilities	298.96
Gas and Electric	58,303.13
Water	526.37
Total Utilities	\$ 59,128.46
Total Expenses	\$ 762,264.45
Net Operating Income	\$ 137,128.70
Other Expenses	

Reconciliation Discrepancies-1		213.12
Total Other Expenses	\$	<u>213.12</u>
Net Other Income	-\$	<u>213.12</u>
Net Income	\$	136,915.58

Wednesday, Sep 14, 2016 11:15.05 AM PDT GMT-5 - Cash Basis

J & S Water Company, LLC

Allocation from Profit & Loss Statement - August 2015 to July 2016

Account	Employee Labor 601-1	Contract Work 636	Sludge Hauling 618	Chemicals 618	Utilities 615.1	Materials 620	Office Expense 681	Profess. Services 682	Insurance 684	Misc. 675	Payroll Taxes 408	Other Taxes 408	Non O&M Expense	Totals
Automobile Expense						1975								1975
Bank Loan													5594	5594
Bank Loan -75K for J&S													3797	3797
Bank Service Charges							2169							2169
Charge Back fees							573							573
Contract Labor		73007												73007
Cost of Sludge processing			59246											59246
Dues & Subscriptions						31871				1500				31871
Equipment Rental						700								700
Field Expenses									5866					5866
Insurance									12211					12211
Equipment									6131					6131
Liability Insurance									9817					9817
Vehicle													16813	16813
Interest Expense													458	458
Loan Expense													7300	7300
Land Payment													452	452
Late Fees													8400	8400
Licenses and permits													2300	2300
Loans To														
Miscellaneous										8400				8400
Office Expense							14184							14184
Answering Service							2989							2989
CC Processing Fees							3587							3587
Office Labor							19080							19080
Office Supplies							538							538
postage							646							646
Operations														
Chemicals				8359										8359
Maintanace & Repairs														
Equipment						13671								13671
Sewer						5872								5872
Supplies						5292								5292
Water						1973								1973
						28984								28984

Allocation from Profit & Loss Statement - August 2015 to July 2016

Account	Employee Labor	Contract Work	Sludge Hauling	Chemicals	Utilities	Materials	Office Expense	Profess. Services	Insurance	Misc.	Payroll Taxes	Other Taxes	Non O&M Expense	Totals
Sewer Analysis										30987				30987
Sludge Hauling			18550							3727				18550
Water Analysis														3727
Payroll Expenses											23443			23443
1099 wages											2140			2140
941 penalty											513			513
Taxes											11532			11532
Texas Unemployment Insurance											20			20
Wages	118792													118792
Postage and Delivery							2057							2057
Professional Fees								111						111
Accounting								9463						9463
Legal Fees								2118						2118
Refund Customer Deposits										1724			2144	2144
Regulatory fees														1724
Penalties													8618	8618
Reimbursements										11131				11131
Equipment Repairs						5166								5166
Taxes														
FUTA 940 taxes											264			264
Local												33		33
Property												16635		16635
Telephone														
Training							6516							6516
Travel & Ent.														
Travel														
Truck Expense - Tolls														
Truck Expense										450				450
Gas & Diesel										20500				20500
Tags & Registration										3000				3000
Truck payment														
Unapplied Cash Bill Payment														
Utilities					299									299
Gas and Electric					58303									58303
Water							526							526
Totals:	118792	81191	77796	8359	58602	102909	52865	11692	34025	85279	37912	16668	76172	762262

J & S Water Company, LLC - Combined Revenue Cost Allocations

Calculation of Cost Allocation Factors

Total Number of Connections: Water (822) + Sewer (642) = 1,464 Connections

Allocation Factor for Sewer Cost: 642 connections ÷ 1,464 total connections = .438 or 44 %

Allocation Factor for Water Cost: 822 connections ÷ 1,464 total connections = .561 or 56 %

Cost Categories	Combined Cost Totals	Water	Sewer
<u>Employee Labor 601-1</u>	\$ 118,792		
Water - 56%		\$ 66,524	
Sewer - 44%			\$ 52,268
<u>Contract Work 636</u>	\$ 81,191		
Water - 56%		\$ 45,467	
Sewer - 44%			\$ 35,724
<u>Chemicals 618</u>	\$ 8,359		
Water - 56%		\$ 4,681	
Sewer - 44%			\$ 3,678
<u>Utilities 615.1</u>	\$ 58,602		
Water - 56%		\$ 32,817	
Sewer - 44%			\$ 25,785
<u>Office Expense 681</u>	\$ 52,865		
Water - 56%		\$ 29,604	
Sewer - 44%			\$ 23,261
<u>Professional Services 677</u>	\$ 11,692		
Water - 56%		\$ 6,548	
Sewer - 44%			\$ 5,144
<u>Insurance 684</u>	\$ 34,025		
Water - 56%		\$ 19,054	
Sewer - 44%			\$ 14,971
<u>Payroll Taxes 408</u>	\$ 37,912		
Water - 56%		\$ 21,231	
Sewer - 44%			\$ 16,681
<u>Other Taxes 408</u>	\$ 16,668		
Water - 56%		\$ 9,334	
Sewer - 44%			\$ 7,334

Materials 620	Total	Water	Sewer	Capitalized
Automobile Expense	\$ 1,975	\$ 1,106	\$ 869	\$ 0
Equipment Rental	\$ 31,871	\$ 17,848	\$ 14,023	\$ 0
Field Expenses	\$ 700	\$ 392	\$ 308	\$ 0
Equipment Repair	\$ 5,166	\$ 2,893	\$ 2,273	\$ 0
Truck Expense - Tolls	\$ (525)	\$ (294)	\$ (231)	\$ 0
Truck Expense	\$ 3,152	\$ 1,765	\$ 1,387	\$ 0
Gas & Diesel	\$ 4,749	\$ 2,659	\$ 2,090	\$ 0
Tags & Registration	\$ 29	\$ 16	\$ 13	\$ 0
Maintenance & Repair	\$ 13,671	\$ (91)	\$ (71)	\$ 13,833
Equipment	\$ 5,872	\$ 3,288	\$ 2,584	\$ 0
Sewer	\$ 5,292		\$ 1,850	\$ 3,442
Sewer Supplies	\$ 1,973		\$ 1,972	\$ 0
Supplies Water	\$ 28,984	\$ 6,264	\$ 4,922	\$ 17,798
Totals:	\$ 102,909	\$ 35,847	\$ 31,988	\$ 35,073

J & S Water Company, LLC - Combined Revenue Cost Allocations

Miscellaneous: 675	Total	Water	Sewer
Dues & Subscriptions	\$ 1,500	\$ 840	\$ 660
Licenses and Permits	\$ 8,400	\$ 7,585	\$ 815
Miscellaneous	\$ 3,860	\$ 2,162	\$ 1,698
Sewer Analysis	\$ 30,987		\$ 30,987
Water Analysis	\$ 3,727	\$ 3,727	
Regulatory Fees	\$ 1,724	\$ 965	\$ 759
Reimbursements	\$ 11,131	\$ 6,233	\$ 4,898
Training	\$ 450	\$ 252	\$ 198
Travel & Ent.	\$ 20,500	\$ 11,480	\$ 9,020
Travel	\$ 3,000	\$ 1,680	\$ 1,320
Totals:	\$ 85,279	\$ 34,924	\$ 50,355

Other Revenues	Total	Water	Sewer
Late Fees / Reconnections	\$ 43,430	\$ 24,321	\$ 19,109
Sale of Product	\$ 4,500	\$ 2,520	\$ 1,980
Services - Christian Tabernacle	\$ 29,187	\$ 16,345	\$ 12,842
Totals:	\$ 77,117	\$ 43,186	\$ 33,931

Calculation of Debt Allocation

Total Net Book Value (Rate Base): Water (\$465,572) + Sewer (\$567,645) = \$ 1,033,217

Allocation Factor for Sewer Cost: \$567,645 ÷ \$1,033,217 = .549 or 55%

Allocation Factor for Water Cost: \$465,572 ÷ \$1,033,217 = .450 or 45%

Debt Instruments	Total	Water	Sewer
Plains State Bank	\$ 141,818	\$ 63,818	\$ 78,000
Ford Credit - F350	\$ 5,812	\$ 2,615	\$ 3,197
Ford Credit - F250	\$ 62,451	\$ 28,103	\$ 34,348
Kubota Credit Corporation	\$ 17,803	\$ 8,011	\$ 9,792
Totals:	\$ 227,884	\$ 102,548	\$ 125,336

ATTACHMENT B

J & S Water Company L.L.C. Depreciation Schedule - Water

Test Period Ends: 31-Jul-16		Item Description	Installation Date	Original Cost	Expected Service Life	Remaining Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
<u>FIVE OAKS</u>									
Land			1-Jan-81	\$14,441	50	14	\$1,615	\$57,671	\$14,441
Wells - 2 Ea.			1-Jan-81	\$80,771	50	24	\$492	\$12,878	\$23,100
GST - 84,000 gal.			1-Jul-90	\$24,602	10	3	\$511	\$3,369	\$11,724
Booster Pump - 10 Hp			5-Jan-10	\$5,112	10	4	\$543	\$3,011	\$1,743
Booster Pump - 10 Hp			21-Jan-11	\$5,432	10	4	\$149	\$931	\$2,421
Pump Repair			12-May-10	\$1,491	50	24	\$248	\$6,492	\$560
PST - 10,000 gal.			1-Jul-90	\$12,403	50	14	\$2,515	\$89,801	\$5,910
Distribution System			1-Jan-81	\$125,770	10	8	\$188	\$283	\$35,969
(Since Last Rate Case)									
Road Gravel			28-Jan-15	\$1,875	10	8	\$111	\$238	\$1,592
Booster Pump - 15 Hp			9-Jun-14	\$1,105	20	19	\$48	\$47	\$867
Meters - 10 Ea.			13-Aug-15	\$963	10	9	\$1,677	\$1,475	\$916
Well Pump - 20 Hp			15-Sep-15	\$16,773	20	20	\$164	\$64	\$15,298
Fencing			10-Mar-16	\$3,275	50	50	\$0	\$0	\$3,211
CWIP: 5000 gal. Tank			11-Aug-16	\$8,312					\$8,312
<u>WOODLAND ACRES</u>									
Land			1-Jun-74	\$2,090	50	5	\$515	\$23,298	\$2,090
Wells - 2 Ea.			1-Jul-71	\$25,750	50	26	\$234	\$5,541	\$2,452
GST - 21,000 gal.			1-Jan-93	\$11,711	50	26	\$334	\$7,896	\$6,170
GST - 42,000 gal.			1-Jan-93	\$16,686	50	15	\$176	\$6,197	\$8,790
PST - 6000 gal.			1-Jul-81	\$8,802	10	5	\$130	\$709	\$2,605
Booster Pump - 7.5 Hp			22-Feb-11	\$1,299	15	9	\$182	\$1,057	\$590
Wood Building			21-Oct-10	\$2,734	10	3	\$200	\$1,356	\$1,677
Electrical Controls			28-Oct-09	\$2,000	50	10	\$1,203	\$47,871	\$644
Dist. System			1-Dec-76	\$60,140	10	6	\$116	\$405	\$12,269
(Since Last Rate Case)									
Booster Pump - 15 Hp			31-Jan-13	\$1,155	5	4	\$1,079	\$1,615	\$750
Well Pump - 5 Hp			2-Feb-15	\$5,393	50	49	\$335	\$295	\$3,778
Well w/ 20 Hp Pump			15-Sep-15	\$16,773	10	9	\$181	\$265	\$16,478
Chl Equipment			13-Feb-15	\$1,806	50	47	\$52	\$180	\$1,541
Gate Valves - 3 Ea.			22-Feb-13	\$2,609					\$2,429
Totals:				\$461,272			\$12,998	\$272,945	\$188,327

Depreciation Schedule - Water

J & S Water Company L.L.C.

Test Period Ends:		31-Jul-16					
Item Description	Installation Date	Original Cost	Expected Service Life	Remaining Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
MAPLE LEAF							
Land	1-Jul-78	\$9,918					\$9,918
Land	1-Jan-81	\$9,801					\$9,801
Water Plant	1-Mar-81	\$46,755	50	14	\$935	\$33,232	\$13,523
3" Dia. Master Meter	16-Nov-10	\$1,134	20	14	\$57	\$325	\$809
Chl Equipment	15-Mar-10	\$1,486	10	4	\$149	\$951	\$535
GST - 63,000 gal.	1-Jul-78	\$12,727	50	12	\$255	\$9,727	\$3,000
Dist. System	1-Jul-78	\$26,134	50	12	\$523	\$19,974	\$6,160
Dist. System	1-Sep-78	\$16,017	50	12	\$320	\$12,187	\$3,830
Dist. System	1-Nov-83	\$400	50	17	\$8	\$263	\$137
Dist. System	1-May-83	\$52,197	50	17	\$1,044	\$34,831	\$17,366
2" Dia: Master Meter	10-Apr-07	\$385	20	11	\$19	\$180	\$205
(Since Last Rate Case)							
Well	2-Jun-16	\$65,678	50	50	\$1,314	\$213	\$65,465
Engineering - Well	28-May-16	\$3,000	50	50	\$60	\$11	\$2,989
Booster Pumps - 15 Hp	18-Jun-14	\$2,195	10	8	\$220	\$467	\$1,728
Booster Pump - 15 Hp	16-Sep-15	\$1,139	10	9	\$114	\$100	\$1,039
Well Pump - 20 Hp	3-Mar-15	\$12,632	10	9	\$1,263	\$1,791	\$10,841
GST - Pad	28-Jun-14	\$2,400	50	48	\$48	\$101	\$2,299
GST	4-Nov-14	\$11,423	50	48	\$228	\$399	\$11,024
PST - 5000 gal.	29-Jul-15	\$20,108	50	49	\$402	\$407	\$19,701
Crane - PST Install.	29-Jul-15	\$1,712	50	49	\$34	\$35	\$1,677
Chl Equipment	14-Sep-15	\$1,513	10	9	\$151	\$133	\$1,380
Electrical Equipment	10-Mar-11	\$1,193	10	5	\$119	\$646	\$547
Interconnection - WHC11	28-Apr-16	\$1,500	20	20	\$75	\$19	\$1,481
Totals:		\$301,447			\$7,338	\$115,990	\$185,457

J & S Water Company L.L.C.		Depreciation Schedule - Water					
Test Period Ends: 31-Jul-16		Original Cost	Expected Service Life	Remaining Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
Item Description	Installation Date						
OAKLAND VILLAGE							
Land	1-Sep-79	\$2,947					\$2,947
Well & Pumps	1-Sep-79	\$16,129	50	13	\$323	\$11,949	\$4,180
Well & Pumps	1-Sep-79	\$16,129	50	13	\$323	\$11,949	\$4,180
PST - 500 gal.	1-Sep-79	\$7,250	50	13	\$145	\$5,371	\$1,879
Dist. System	1-Sep-79	\$32,351	50	13	\$647	\$23,966	\$8,385
GENERAL ITEMS							
Office Site Land - 50%	1-Sep-13	\$25,000					\$25,000
Meter Calibration	28-Nov-14	\$1,575	20	18	\$79	\$132	\$1,443
Pump - 10 Hp	21-Jan-11	\$5,432	10	4	\$543	\$543	\$4,889
Office Site Land - 50%	1-Sep-13	\$25,000					\$25,000
Truck F350 - 50%	31-Aug-12	\$23,828	5	1	\$4,766	\$18,722	\$5,106
Truck F250 - 50%	16-Jul-16	\$31,712	5	5	\$6,342	\$261	\$31,451
Billing Software - 50%	10-Mar-09	\$1,351	10	3	\$135	\$1,002	\$349
Test Equipment -50%	24-Jan-11	\$844	10	4	\$84	\$467	\$377
Kuboto Tractor - 50%	25-Apr-14	\$17,229	10	8	\$1,723	\$3,919	\$13,309
Totals: Page 3		\$206,775			\$15,109	\$78,281	\$128,494
Totals: Page 2		\$301,447			\$7,338	\$115,990	\$185,457
Totals: Page 1		\$461,272			\$12,998	\$272,945	\$188,327
Totals - Utility Water Plant:		\$969,494			\$35,445	\$467,215	\$502,279

Depreciation Schedule - Sewer

J & S Water Company L.L.C.

Test Period Ends:		31-Jul-16						
Item Description	Installation Date	Original Cost	Expected Service Life	Remaining Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value	
FIVE OAKS								
Land	1-Jul-81	\$19,939					\$19,939	
Lift Stations - 3 Ea.	1-Jul-84	\$32,295	50	18	\$646	\$20,793	\$11,502	
Package Plant	1-Jul-84	\$211,390	50	18	\$4,228	\$136,102	\$75,287	
Rake Drive	19-Apr-95	\$3,600	50	29	\$72	\$1,538	\$2,062	
Collection Lines	1-Jul-84	\$220,609	50	18	\$4,412	\$142,038	\$78,571	
Pump Equipment	30-Jul-09	\$2,800	10	3	\$280	\$1,968	\$832	
Catwalk - Materials	7-Jan-10	\$1,203	50	43	\$24	\$158	\$1,045	
Catwalk - Materials	7-Jan-10	\$1,673	50	43	\$33	\$220	\$1,453	
Catwalk - Installation	15-Mar-11	\$4,000	50	45	\$80	\$432	\$3,568	
(Since Last Rate Case)								
Fencing - Chain	24-Aug-12	\$5,846	20	16	\$292	\$1,154	\$4,692	
Shredder Pump	21-Apr-15	\$9,722	5	4	\$1,944	\$2,495	\$7,227	
Pump Repair - 5 Hp.	25-Mar-13	\$1,786	5	2	\$357	\$1,201	\$585	
Submersible Pump - 5 Hp.	1-Feb-13	\$5,500	5	1	\$1,100	\$3,856	\$1,644	
Collection Tank	6-Dec-13	\$8,000	50	47	\$160	\$425	\$7,575	
Base & Asphalt	8-Jun-15	\$1,372	10	9	\$137	\$158	\$1,214	
Tank Base	7-Jul-14	\$975	50	48	\$20	\$40	\$935	
Pump - 5 Hp.	27-Feb-15	\$5,645	5	4	\$1,129	\$1,613	\$4,032	
Metering Pump	9-Apr-15	\$1,881	5	4	\$376	\$495	\$1,386	
Tank Base	28-Jan-15	\$1,875	10	8	\$188	\$283	\$1,592	
Tank / Stand	9-Nov-15	\$2,879	50	49	\$58	\$42	\$2,837	
5000 gal. Tank	23-Sep-15	\$4,168	50	49	\$83	\$71	\$4,097	
Painting WWTP	4-May-16	\$5,600	50	50	\$112	\$27	\$5,573	
Misc. Metal Frame	8-Oct-15	\$4,692	50	49	\$94	\$77	\$4,615	
Misc. Metal Frame	9-Oct-15	\$479	50	49	\$10	\$8	\$471	
Totals:		\$557,929			\$15,835	\$315,195	\$242,733	

J & S Water Company L.L.C.

Test Period Ends:	31-Jul-16						
Item Description	Installation Date	Original Cost	Expected Service Life	Remaining Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
WOODLAND ACRES							
Land	1-Jun-74	\$1,160					\$1,160
Land for Sewer Lines	22-Feb-02	\$11,000					\$11,000
Lift Station - 2 ea.	1-Jul-76	\$12,588	50	10	\$252	\$10,126	\$2,462
Treatment Plant	1-Oct-79	\$191,064	50	13	\$3,821	\$141,230	\$49,834
Surge Tanks	25-Sep-02	\$6,000	50	36	\$120	\$1,667	\$4,333
Rake Arm Repair	28-Feb-07	\$3,375	50	41	\$68	\$638	\$2,737
900 gal. Tank	30-Jul-09	\$2,800	50	43	\$56	\$394	\$2,406
Collection Lines	1-Jul-76	\$226,608	50	10	\$4,532	\$182,282	\$44,325
Cleanout Bottom - Plant	3-Jan-11	\$18,900	30	24	\$630	\$3,524	\$15,376
(Since Last Rate Case)							
Lift Station Pump - 3 Hp	22-Mar-13	\$3,078	5	2	\$616	\$2,075	\$1,003
Sewer Pump - 1 Hp	15-Nov-12	\$1,034	5	1	\$207	\$769	\$265
Blower	11-Jun-13	\$1,400	5	2	\$280	\$882	\$518
Blower	15-Sep-14	\$2,419	5	3	\$484	\$910	\$1,509
Misc. Metal Frame	18-Mar-14	\$1,499	50	48	\$30	\$71	\$1,428
Misc. Metal Frame	8-Mar-15	\$1,536	50	49	\$31	\$43	\$1,493
Lift Station Pump - 3 Hp	12-Sep-14	\$1,116	5	3	\$223	\$422	\$694
Lift Station Pump - 3 Hp	31-Mar-15	\$2,269	5	4	\$454	\$608	\$1,661
Lift Station Pump	13-Apr-16	\$3,442	5	5	\$688	\$206	\$3,236
Base & Asphalt	8-Jun-15	\$1,372	10	9	\$137	\$158	\$1,214
Sewer Pump - 15 Hp	1-May-14	\$1,221	10	8	\$122	\$276	\$945
Sewer Pump - 15 Hp	1-Aug-14	\$1,032	10	8	\$103	\$207	\$825
Sewer Pump - 10 Hp	12-Aug-14	\$986	5	3	\$197	\$390	\$596
Totals Page 2:		\$495,898			\$13,051	\$346,878	\$149,020

J & S Water Company L.L.C.

Test Period Ends:		31-Jul-16					
Item Description	Installation Date	Original Cost	Expected Service Life	Remaining Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
MAPLE LEAF							
Land	1-Jan-81	\$9,801					\$9,801
Lift Station - 3 ea.	1-Jul-81	\$32,172	50	15	\$643	\$22,651	\$9,521
Package Plant	1-May-83	\$105,288	50	17	\$2,106	\$70,260	\$35,029
Digester	9-May-94	\$2,150	50	28	\$43	\$959	\$1,191
Digester	3-Jun-94	\$2,150	50	28	\$43	\$956	\$1,194
Digester	10-Jul-94	\$2,270	50	28	\$45	\$1,005	\$1,265
Main Lines	1-May-83	\$160,359	50	17	\$3,207	\$107,009	\$53,350
Air Lines	24-Sep-94	\$2,000	50	28	\$40	\$877	\$1,123
Collection Lines	9-Dec-94	\$5,168	50	28	\$103	\$2,245	\$2,923
Construction Crew - 22 Hrs.	10-Apr-07	\$1,221	30	21	\$41	\$380	\$841
Lift Station Pump 1 Hp	27-Aug-14	\$1,119	5	3	\$224	\$433	\$686
(Since Last Rate Case)							
Shredder Pumps - 3 Hp	4-Mar-13	\$2,171	5	2	\$434	\$1,485	\$686
Engineering Clarifier	8-Sep-14	\$1,000	50	48	\$20	\$38	\$962
Sewage Pump - 1/2 Hp	26-Nov-13	\$1,066	5	2	\$213	\$573	\$493
Lift Station Pump - 1/2 Hp	28-May-14	\$1,104	5	3	\$221	\$482	\$622
Air System	12-Aug-15	\$4,111	5	4	\$822	\$800	\$3,311
Shredder Pump	13-Aug-15	\$9,722	5	4	\$1,944	\$1,886	\$7,836
Sewage Pump - 1 Hp	19-Jun-14	\$1,189	5	3	\$238	\$505	\$684
Totals Page 3:		\$323,698			\$6,496	\$206,775	\$116,924

J & S Water Company L.L.C.

Test Period Ends: 31-Jul-16

Item Description	Installation Date	Original Cost	Expected Service Life	Remaining Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
GENERAL ITEMS							
Office Site Land - 50%	1-Sep-13	\$25,000	5	1	\$4,766	\$18,722	\$25,000
Truck F350 - 50%	31-Aug-12	\$23,828	5	5	\$6,342	\$261	\$5,106
Truck F250 - 50%	16-Jul-16	\$31,712	10	8	\$1,723	\$3,919	\$31,451
Kubota Tractor - 50%	25-Apr-14	\$17,229	10	3	\$1,335	\$1,002	\$13,309
Billing Software - 50%	10-Mar-09	\$1,351	10	4	\$84	\$467	\$349
Test Equipment -50%	24-Jan-11	\$844	10				\$377
Totals Page 4:		\$99,963			\$13,050	\$24,371	\$75,592
Totals Page 3:		\$323,698			\$6,496	\$206,775	\$116,924
Totals Page 2:		\$495,898			\$13,051	\$346,878	\$149,020
Totals Page 1:		\$557,929			\$15,835	\$315,195	\$242,733
Totals - Utility Sewer Plant:		\$1,477,488			\$48,432	\$893,219	\$584,269

ATTACHMENT C

Water Revenue Requirement and Water Rate Design

J & S Water Supply, LLC.

Item	Cost	%	Fixed	%	Variable
Salaries	\$66,524	50	\$33,262	50	\$33,262
Contract Labor	\$45,467	90	\$40,920	10	\$4,547
Chemicals and Treatment	\$4,681	0	\$0	100	\$4,681
Utilities	\$32,817	0	\$0	100	\$32,817
Repairs and Maintenance	\$35,847	50	\$17,924	50	\$17,924
Office Supplies	\$29,604	50	\$14,802	50	\$14,802
Professional Services	\$6,548	100	\$6,548	0	\$0
Insurance	\$19,054	100	\$19,054	0	\$0
Rate Case Expense	\$4,000	100	\$4,000	0	\$0
Miscellaneous	\$34,924	50	\$17,462	50	\$17,462
Depreciation & Amortization	\$35,445	100	\$35,445	0	\$0
Property / Other Taxes	\$9,334	100	\$9,334	0	\$0
Payroll Tax	\$21,231	50	\$10,616	50	\$10,616
Sub-total (Less F.I.T. & Return)	\$345,476		\$209,366		\$136,110
% of Total (Fixed + Variable)			60.60%		39.40%
Federal Income Taxes (F.I.T.)	\$8,602	100	\$8,602	0	\$0
Return	\$54,349	100	\$54,349	0	\$0
Less other Revenues	-\$43,186		-\$43,186		
TOTAL	\$365,241		\$229,131		\$136,110

Test Year Customer Equivalents = 878
 Gallons Included in Minimum Bill = 0
 Total Test Year Gallons Billed = 75,735,240

Gallonge Charge

Variable Costs / (Total Test Year Gallons Billed / 1,000 gallons) = \$1.80 per 1,000 gal

Minimum Bill

Fixed Costs / 12 months / Test Year Customer Equivalents = \$21.75 per month

	Proposed Rate
Using Gallonge charge of	\$ 1.50 per 1,000 gallons
Yeilds a Minimum Bill of	\$ 23.88 per month

Minimum Bill = [Total Costs - (Gallonge charge * Gallons Billed / 1000)] / 12 months / Customer Equivalents

	Minimum Bill	Gallonge Rate
5/8" x 3/4" (standard)	\$ 23.88	\$ 1.50 per 1,000 gal
1" (multiply standard by 2.5)	\$ 59.70	
1 1/2" (multiply standard by 5.0)	\$ 119.40	
2" (multiply standard by 8.0)	\$ 191.04	
3" (multiply standard by 15.0)	\$ 358.20	
4" (multiply standard by 25.0)	\$ 597.00	
6" (multiply standard by 50.0)	\$ 1,194.00	

Sewer Revenue Requirement and Sewer Rate Design

J & S Water Company, LLC.

Item	Cost	%	Fixed	%	Variable
Salaries	\$52,268	50	\$26,134	50	\$26,134
Contract Labor	\$35,724	90	\$32,152	10	\$3,572
Chemicals and Treatment	\$3,678	0	\$0	100	\$3,678
Utilities	\$25,785	0	\$0	100	\$25,785
Repairs and Maintenance	\$31,988	50	\$15,994	50	\$15,994
Office Supplies	\$23,261	50	\$11,631	50	\$11,631
Professional Services	\$5,144	100	\$5,144	0	\$0
Sludge Hauling	\$77,796	0	\$0	100	\$77,796
Rate Case Expense	\$4,000	100	\$4,000	0	\$0
Miscellaneous	\$50,355	50	\$25,178	50	\$25,178
Insurance	\$14,971	100	\$14,971	0	\$0
Property / Other Taxes	\$7,334	100	\$7,334	0	\$0
Depreciation & Amortization	\$48,432	100	\$48,432	0	\$0
Payroll Tax	\$16,681	50	\$8,341	50	\$8,341
Sub-total (Less F.I.T. & Return)	\$397,417		\$199,309		\$198,108
% of Total (Fixed + Variable)			50.15%		49.85%
Federal Income Taxes (F.I.T.)	\$10,600	100	\$10,600	0	\$0
Return	\$62,052	100	\$62,052	0	\$0
Less other Revenues	-\$33,931		-\$33,931		
TOTAL	\$436,138		\$238,030		\$198,108

Test Year Customer Equivalents = 642
 Gallons Included in Minimum Bill = 0
 Total Test Year Gallons Billed = 63,704,000

Gallage Charge

Variable Costs / (Total Test Year Gallons Billed / 1,000 gallons) = \$3.11 per 1,000 gal

Minimum Bill

Fixed Costs / 12 months / Test Year Customer Equivalents = \$30.90 per month

	Proposed Rate
Using Gallage charge of \$	2.00 per 1,000 gallons
Yields a Minimum Bill of \$	40.07 per month

Minimum Bill = [Total Costs - (Gallage charge * Gallons Billed / 1000)] / 12 months / Customer Equivalents

	Minimum Bill	
5/8" x 3/4" (standard)	\$ 40.07	
1" (multiply standard by 2.5)	\$ 100.18	Gallage Rate \$ 2.00 per 1,000 gal
1 1/2" (multiply standard by 5.0)	\$ 200.35	
2" (multiply standard by 8.0)	\$ 320.56	
3" (multiply standard by 15.0)	\$ 601.05	
4" (multiply standard by 25.0)	\$ 1,001.75	
6" (multiply standard by 50.0)	\$ 2,003.50	

