



Control Number: 46553



Item Number: 10

Addendum StartPage: 0

March 14, 2017

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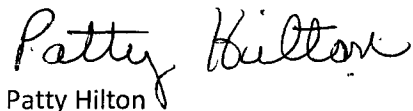
Michael Crnich
Public Utility Commission of Texas Legal Division,
1701 N. Congress Avenue
PO Box 13326
Austin, Texas 78711-3326

RE: Application of Carroll Water Company, Inc. for a Rate/Tariff Change Docket No. 46553

Dear Mr. Crnich,

I am enclosing the response to the Insufficiencies for filing. I have included a new updated copy of the application. If you have any questions you can contact me at (214) 476-9839, email carrollwater@att.net, or by mail at 513 Winding Creek Trail, Red Oak, Texas 75154. Thank you for your assistance with this application.

Sincerely,



Patty Hilton
Secretary
Carroll Water Company, Inc.

Encs.

Carroll Water Company, Inc.
513 Winding Creek Trail
Red Oak, Texas 75154

Docket No. 46553, Application of Carroll Water Company, Inc. for a Rate/Tariff Change

Answers to Insufficiencies for filing

1. Ensure all capitalized expenses are not included as part of administrative and general expenses, and capitalized on the Depreciation Schedules by amending Schedules II-6, II-7, and III-3 as appropriate.

I am attaching a copy of the entire application. I felt that it was best to send a copy of the application because of the number of changes I made to the application.

2. Provide an application with a revised test year for the "most recent 12-month period, beginning on the first day of a calendar or fiscal year quarter, for which operating data is available." The proposed test year ends on 2/29/16, which indicates that the Applicant filed a test year inconsistent with the definition of a test year in 16 TAC § 24.3(71).

I was informed that we did not need to file another application because we do not have 2016 information available which is the most recent year.

3. Provide explanations for expenditures that increase significantly from prior years and all known and measurable changes as applicable on schedules II-7, II-15, and II-18.

The schedules listed above have been amended. On schedule II-18 we have expenses to Prairieland Groundwater Conservation District which is considerably higher than the 1% fee that we pay to TCEQ each year. The payments are listed at the bottom of the page.

4. Per the instructions on Schedule II-6(a), attach a brief summary of the utility's capitalization policy and explain any changes in capitalization rates of more than 5% per year as applicable.

I removed the capitalization of salaries from this schedule. Our employees do not install plant in service as noted on Schedule II-6(a).

5. Provide gallonage billing data for all tiers based on the test year.

Gallons Billed	Tiers
16,949,400	0 – 10,000
3,559,450	10,001 – 15,000
8,898,150	15,001 and up

6. Amend the depreciation expense claimed on Schedule I-1 to accurately reflect the supporting depreciation schedules submitted for Schedule III-3.

A new copy of the application is attached to this document.

7. Provide Microsoft Excel version of Schedules III-3.

I sent this in an email to Michael Crnich. It did not allow me to put the totals at the bottom of the forms.

8. Confirm services lives on the depreciation Schedules III-3 are accurate.

I took this information from documents we have in the water company office.

9. Provide a copy of Carroll Water's most recently approved tariff.

The copy of the tariff is included with this response.

10. Provide a revised draft notice based on the new schedules with accurate billing comparisons and miscellaneous fees based on the current tariff including tap fee, reconnect fee per customer request, transfer fee, and meter test fee.

A copy of the revised draft notice is attached to this response.

11. Carry forward all expenses from Schedule IV(a) and Schedule IV(b) to line 27 of Schedule I-1, ensuring that the appropriate references tie to one another between schedules.

A copy of the revised application is attached to this response.

12. Complete Schedules III-1 and all supporting schedules to ensure the Applicant has the opportunity to earn a reasonable return amount based on its investments.

A new copy of the application is attached to this response. We are choosing not to ask for this because the rate increase appears to be significant.

13. Once changes are made to all the supporting schedules, the Applicant should update and recalculate Schedule I-1 with the new amounts. Specifically, the Applicant should ensure rows for columns D and E contain the accurate amount based on the appropriate supporting schedule, and that each row in column F contains the correct amount.

A new copy of the application is attached to this response.

WATER UTILITY TARIFF FOR

Walter J. Carroll Water Company, Inc.
dba Carroll Water Company
(Utility Name)

513 Winding Creek
(Business Address)

Red Oak, Texas 75154
(City, State, Zip Code)

(972) 617-0817
(Area Code/Telephone)

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

11543

This tariff is effective in the following county:

Ellis

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

None

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

Emerald Forest (PWS #0700058), Grande Casa Ranchitos (PWS #0700063),
Lakeview Ranchettes Estates (PWS #0700057), Spanish Grant (PWS #0700064)

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	3
SECTION 3.0 -- EXTENSION POLICY	8
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN.....	10
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37105-R, CCN 11543, NOVEMBER 28, 2011
APPROVED TARIFF BY SP/LG

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SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Rate</u>	<u>Gallonge Charge</u>
5/8" x 3/4"	\$29.00 (Includes 0- gallons)	\$2.65 per 1,000 gallons 0- 10,000 gallons
1"	\$29.00 (Includes 0- gallons)	\$2.90 per 1,000 gallons 10,001-15,000 gallons \$4.00 per 1,000 gallons 15,001 gallons thereafter

Additional Charge:

Prairielands Groundwater Conservation District (PGCD) water production fee\$0.24 per 1,000 gallons (Effective November 28, 2011)

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

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

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

REGULATORY ASSESSMENT 1.0%
 TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE \$1,000.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$40.00
 or other reason listed under section 2.0 of this tariff.

RATES LISTED ARE EFFECTIVE ONLY IF THIS PAGE HAS TCEQ APPROVAL STAMP

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE.....\$25.00

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

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

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

RETURNED CHECK CHARGE.....\$20.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$50.00

METER TEST FEE.....\$25.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

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%)

RATES LISTED ARE EFFECTIVE ONLY IF
THIS PAGE HAS TCEQ APPROVAL STAMP

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NOTICE OF PROPOSED RATE CHANGE
TO BE PROVIDED TO THE CUSTOMERS
PURSUANT TO THE TEX. WATER CODE § 13.1871

7/26/63

AFFIDAVIT

State of Texas

County of Ellis

I, Walter Carroll being dully sworn file this **Notice of Proposed Rate Change** as Owner of Carroll Water Company, Inc., that in such capacity I am qualified and authorized to file and verify such NOTICE: and that all statements and matters set forth herein are true and correct.

I further represent that a copy of the attached notice was provided by postal mail delivery to each customer or other affected parties on or about _____, 2016.

AFFIANT
(Utility's Authorized Representative)

Carroll Water Company, Inc.

If the AFFIANT to this form is anyone 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 BEFORE ME

This the _____ day of _____, 2016, to certify which witness my hand and seal of office.

SEAL

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES ON _____

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P.U.C. DOCKET NO. 46553

NOTICE OF PROPOSED RATE CHANGE
PURSUANT TO TEXAS CODE § 13.1871

Carroll Water Company, Inc. CCN 11543

has filed a rate case with the Public Utility Commission of Texas (Commission or PUC). The application may be review online at interchange puc.texas.gov. You may also inspect a copy of the rate change application at the utility's office at the address below or at the Commission's office (1701 N. Congress Avenue, Austin, Texas 78701). The proposed rates will apply to service received after the effective date 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 47 rate payers (10% of the utility's customers over whose rates the Commission has original jurisdiction) or from an 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 DATE: _____

(must be at least 35 days after the notice is provided to the customers and 35 days after the application is filed). (Proposed rate requests 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 proceedings in excess of the rate finally ordered plus interest.)

Reasons for Proposed Rate Change:

The company has hired two employees since the last rate case in 2011. Also, our expenses have increased and our revenues have remained virtually the same since the last increase.

Billing Comparison including the 1% fee:

Water:

Existing ___\$43.89___ 5,000 gals.	Proposed ___\$64.86___ 5,000 gals.
Existing ___\$57.90___ 10,000 gals.	Proposed ___\$89.86___ 10,000 gals.
Existing ___\$138.58___ 30,000 gals.	Proposed ___\$229.86___ 30,000 gals.

Grande Casa, Spanish Grant, Lakeview Ranchettes, Emerald Forest
Subdivisions or Systems Affected by the Rate Change

Carroll Water Company, Inc. 513 Winding Creek Trail, Red Oak, Texas 75154

\$95,306.40

Annual Revenue Increase

Date Notice Delivered

Date of the Last Rate Change - September 28, 2011 (pass through) July 12, 2009 (regular rate increase)
Date Meters Typically Read - 26th to the 28th of each month

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

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P.U.C. DOCKET NO. 46553

RATE PAYER 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 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326**

Unless protests are received from 10% of the rate payers or from an 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 the customers submitting protests):

First Name _____ Last Name _____

Phone Number _____ Fax Number _____

Address, city, and 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 actions:

- Water Rate Change.

Signature of Protester:

_____ Date _____

Si desea información en Español, puede llamar al
1-800-782-8477

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

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NOTICE OF PROPOSED RATE CHANGE – WATER

CURRENT RATES			PROPOSED RATES		
Monthly Base Rate including 0 gallons Meter Size: RESIDENTIAL:			Monthly Base Rate including 0 gallons Meter Size: RESIDENTIAL:		
5/8" and 3/4"	\$29.00		5/8" and 3/4"	\$39.86	
1"	\$29.00		1"	\$39.86	
1 1/2"			1 1/2"		
2"			2"		
3"			3"		
Other			Other		
GALLONAGE CHARGE			GALLONAGE CHARGE		
TIER	VOLUME	CHARGE per 1,000 gal.	TIER	VOLUME	CHARGE per 1,000 gal.
1	1 to 10,000 gal.	\$2.89/1,000	1	1 to 2,000 gal.	\$3.00/1,000
2	10,001 to 15,000 gal.	\$3.14/1,000	2	2,001 to 4,000 gal.	\$4.00/1,000
3	15,001 and up	\$4.24/1,000	3	4,000 to 6,000 gal.	\$5.50/1,000
			4	6,001 to 8,000 gal.	\$6.00/1,000
			5	8,001 to 10,000 gal.	\$6.50/1,000
			6	10,001 and up	\$7.00/1,000
MISCELLANEOUS FEES			MISCELLANEOUS FEES		
Tap Fee:	\$2,000.00		Tap Fee:	\$2,000	
Reconnect Fee:	\$25.00		Reconnect Fee:	\$25.00	
Non-payment			Non-payment		
Customer Request:	None		Customer Request:	None	
Transfer Fee (same system):	\$20.00		Transfer Fee (same system):	\$25.00	
Late Charge:	\$5.00		Late Charge:	\$5.00	
Return Check Charge:	\$20.00		Return Check Charge:	\$25.00	
Deposit:	\$50.00		Deposit:	\$50.00	
Meter Test Fee:	None		Meter Test Fee:	\$25.00	

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

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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: Carroll Water Co, Inc.
 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: 2-29-16
 DATE SUBMITTED TO PUC: _____

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

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UTILITY NAME: Carroll Water Co., Inc
 GENERAL WATER RATE/TARIFF CHANGE APPLICATION SCHEDULES
 TABLE OF CONTENTS (Page 2 of 2)

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

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9/17/15

INSTRUCTIONS REV REQUIREMENT

UTILITY NAME: Carroll Water Co., Inc

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.

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UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 I-1 REVENUE REQUIREMENT SUMMARY

PUC Docket No. _____ Test Year End: 2-29-16

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	0	Schedule II-3
2	615	Power Expense-production only	31,590	0	31,590	Schedule II-4
3	618	Other volume related expenses	8,066	4,966	13,032	Schedule II-5
4		Total volume related exp.	39,656	4,966	44,622	Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor	79,877	2,773	80,050	Schedule II-6, Line 1
6	620	Materials	35,580	0	35,580	Schedule II-7
7	631-636	Contract work	0	0	0	Schedule II-8
8	650	Transportation expenses	23,363	0	23,363	Schedule II-9
9	664	Other plant maintenance	0	0	0	Schedule II-10
10		Total non-volume related exp.	138,820	2,773	138,993	Add Lines 5-9
		Admin. & general expenses:				
11	601-2	Office salaries	37,032	2,345	37,206	Schedule II-6, line 2
12	601-3	Mgmt. salaries	25,342	0	25,342	Schedule II-6, line 3
13	604	Employee pensions & benefits	0	0	0	Schedule II-11
14	615	Purchased power-Office only	0	0	0	Schedule II-4
15	670	Bad debt expense	0	0	0	Schedule II-12
16	676	Office services & rentals	0	0	0	Schedule II-13
17	677	Office supplies & expenses	13,826	0	13,826	Schedule II-14
18	678	Professional services	2,900	0	2,900	Schedule II-15
19	684	Insurance	5,138	0	5,138	Schedule II-16
20	666	Regulatory (rate case) expense	0	0	0	Schedule II-17
21	667	Regulatory expense (other)	12,644	0	12,644	Schedule II-18
22	675	Miscellaneous expenses	3,391	0	3,391	Schedule II-19
23		Total admin. & general expense	108,869	2,345	101,043	Add Lines 11-22
24		Total operating Expenses	279,345	10,084	234,658	Lines 4 + 10 + 23
25	403	Depreciation	31,381	-1,698	29,683	Sch III-3, Col E, Line 50
26	408	Taxes Other than Income	17,559	0	17,559	Sch IV(b), Line 8
27	409/10	Income Tax Expense	0	0	0	Schedule V, Line 7
28		TOTAL EXPENSES	328,285	18,470	331,900	
29		TOTAL HISTORIC REVENUE	287,409			Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN	-40,876			Line 30 less Line 29
31		REQUESTED RETURN			0	Schedule III-1, Line 3
32		TOTAL REVENUE REQUIREMENT			40,816	Line 30 plus Line 34
33		REQUESTED ANNUAL REVENUE INCREASE		(to notice)	40,816	Line 32 less Line 29
34		PERCENTAGE INCREASE			1.00%	Line 36 divided by Line 33
35		LESS: OTHER REVENUES			12,775	Sch. II-3(b), Col. D, Line 8
36		Revenue for Rate Design		(to VI, line 1)	28,041	Line 33 minus Line 35

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UTILITY NAME: <u>Carroll Water Co., Inc</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE FOR TEST YEAR ENDED: <u>2-29-16</u> I-2 HISTORICAL REVENUE SUMMARY			
Line No.	NARUC A/C	Description	Historical Test Year
1.	461	Metered connections base rate revenue	138,600.00
2.	461	Metered connection gallonage rate revenue	132,705.00
3.	460	Unmetered (Flat rate) revenue	00.00
4.		Total Metered & Flat Rate Revenue	00.00
5.		Plus: Total Other Revenues	16,164.00
6.		Total Historic Test Year Revenues per income statement and Annual Report*	287,469.00

From financial records

From financial records

From financial records

From II-3, Column B, line 7

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.

18763

UTILITY NAME: Carroll Water Co. Inc.
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 I-3 METERED ACTIVE CONNECTIONS BY METER SIZE
 FOR TEST YEAR ENDED: 2-29-16

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"	454	12	466	460	1.0	459
2.	3/4"	0	0	0	0	1.5	0
3.	1"	2	0	2	2	2.5	5
4.	1 1/2"	0	0	0	0	5.0	0
5.	2"	0	0	0	0	8.0	0
6.							
7.							
8.							
9.	Total	454	12	468	461		464
10.	Average	454	12	468	461		464

19863
 9/17/15.

UTILITY NAME: Carroll Water Co Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 I-4 UNMETERED (FLAT RATE) ACTIVE CONNECTIONS
 FOR TEST YEAR ENDED: 2-29-16

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				

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INSTRUCTIONS - OPERATIONS AND MAINTENANCE

UTILITY NAME: Carroll Water Co., Inc
SCHEDULES - CLASS B RATE/TARIFF CHANGE
SECTION II - OPERATIONS AND MAINTENANCE

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

Instructions for Section II

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

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

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

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UTILITY NAME: Carroll Water Co, Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION
 FOR TEST YEAR ENDED: 2-29-16

**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	50,451,900	2,000,000	52,451,900	PUC Annual Report
2	Total water purchased	0	0	0	PUC Annual Report
3	Total water produced	50,451,900	2,000,000	52,451,900	Line 1 + line 2
4	Total water sold	29,407,000	0	29,407,000	PUC Annual Report
5	Total accounted for non-revenue water*	0	0	0	
6	Total unaccounted for water	21,044,900	0	21,044,900	Lines 3 less 4 less 5
7	Percentage	42%	0	42%	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)				PUC report Sch. D-1
2	Water Pumped (1,000 gallons)				PUC report Sch. D-1
3	Total production (1,000 gallons)				Lines 13 + 14

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UTILITY NAME: Carroll Water Co. Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-3 OTHER REVENUES & EXPENSES PASSED THROUGH
 FOR TEST YEAR ENDED: 2-29-16

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*	0.00		0.00
2.	Late Fees	8,900.00		8,900.00
3.	Meter Test Fees	00.00		00.00
4.	Reconnect Fees	3,875.00		3,875.00
5.	Purchased Water Fees	00.00		00.00
6.	Groundwater Conservation District Fees	3,389.00		-6,090.00
7.	Other (attach detail**)	00.00		00.00
8.	Total Other Revenues	16,164.00		12,775.00

(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.

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UTILITY NAME: <u>Carroll Water Co., Inc.</u> II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE PURCHASED POWER FOR TEST YEAR ENDED: <u>2-29-16</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
2.	615.1	Purchased Power (electric) -production

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

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

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

	Year	Amount	
	<u>2013</u>	\$ <u>29,895.00</u>	
	<u>2014</u>	\$ <u>33,091.00</u>	
Test Year	<u>2015</u>	\$ <u>31,590.00</u>	
K & M Change		\$ <u>0</u>	(to I-1, Column E, Line 2)
Adjusted Test year		\$ <u>31,590.00</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	
	<u>2013</u>	\$ <u>0</u>	
	<u>2014</u>	\$ <u>0</u>	
a. Test Year	<u>2015</u>	\$ <u>0</u>	
b. K & M Change		\$ <u>0</u>	(to I-1, Column E, Line 14)
c. Adjusted Test year (a. + b.)		\$ <u>0</u>	(to I-1, Column F, Line 14)

Explanation and calculations of known and measurable change:

24763

9/17/15

UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-5 OTHER RELATED VOLUME EXPENSES
 FOR THE TEST YEAR ENDED: 2-29-16

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. Samples & chlorine

	Year	Amount	
	<u>2013</u>	\$ <u>12,908.00</u>	
	<u>2014</u>	\$ <u>13,032.00</u>	
a. Test Year	<u>2015</u>	\$ <u>8,066.00</u>	
b. K & M Change		\$ <u>4,966.00</u>	(to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ <u>13,032.00</u>	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

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9/17/15

UTILITY NAME Carroll Water Co., Inc.
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-6 ALLOCATION OF PAYROLL EXPENSES
 FOR THE ADJUSTED TEST YEAR 2-29-16

SOME SALARIES MUST BE CAPITALIZED IN THIS REPORT IF EMPLOYEES INSTALL PLANT IN SERVICE
II-6(a) PAYROLL COSTS: *Our employees do not do this*

Line No.	Employee Name	A Test Year Payroll	B Capitalized Payroll	C Expensed Payroll	D 1st 7000 or new limit	E 7,001 to 9000 or new limit	F 9,001 to 11,850 or new limit	G over 11,850 or new limit	H Total Payroll
1.	Pickie Reeder	57,055		57,141	42.00	45.00	7,038		57,141
2.	Denma Carroll	22,822		22,909	42.00	45.00	1,747		22,909
3.	Branson Stewart	22,822		22,909	42.00	45.00	1,747		22,909
4.	Patty Hiltow	14,210		14,297	42.00	45.00	1,188		14,297
5.	Walter Carroll	25,948		25,948					
6.									
7.									
8.									
9.	Total	142,857		143,204	168.00	180.00	11,724	65.00	117,256
10.	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	80,050
2.	601-2	Office salaries	37,206
3.	601-3	Management salaries	25,948
4.		Total Payroll Expenses	143,204

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 than 5% per year.
 ** Attach an explanation and calculation for K&M salary changes from test year

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UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 II-7 MATERIALS
 FOR THE TEST YEAR ENDED: 2-29-16

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>2013</u>	\$ <u>60,485</u>
	<u>2014</u>	\$ <u>39,700</u>
a. Test Year <u>3/2015 - 2/2016</u>		\$ <u>35,580</u>
b. K & M Change		\$ <u>0</u> (to I-1, Column E, Line 6)
c. Adjusted Test year (a. + b.).		\$ <u>35,580</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
TNT Carports	2,152	6-9-15
Pollock Drilling	4,920	5-8-15
Pollock Drilling	2,287	6-11-15
Pollock Drilling	12,078	7-24-15
Pollock Drilling	1,950	1-22-16
Pollock Drilling	17,245	2-22-16
FCX Performance	3,843	5-22-15
Landmark Equip.	9,201	4-15-15

UTILITY NAME: <u>Carroll Water Co., Inc</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-8 CONTRACT WORK FOR THE TEST YEAR ENDED: <u>2-29-16</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
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
<u>2012</u>	\$ <u>0</u>
<u>2013</u>	\$ <u>0</u>
<u>2014</u>	\$ <u>0</u>
a. Test Year <u>3/2015 - 2/2016</u>	\$ <u>0</u>
b. K & M Change	\$ <u>0</u> (to I-1, Column E, Line 7) *
c. Adjusted Test year (a. + b.)	\$ <u>0</u> (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

288/163
9/17/15

UTILITY NAME: <u>Carroll Water Co, Inc</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-9 TRANSPORTATION FOR THE TEST YEAR ENDED: <u>2-29-16</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
<u>2013</u>	\$ <u>12,532</u> no insurance included
<u>2014</u>	\$ <u>9,950</u>
a. Test Year <u>3/2015 - 2/2016</u>	\$ <u>23,363</u> includes gas
b. K & M Change	\$ <u>0</u> (to I-1, Column E, Line 8)
c. Adjusted Test year (a. + b.)	\$ <u>23,363</u> (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.

29,863
9/17/15

UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-10 OTHER PLANT MAINTENANCE
 FOR THE TEST YEAR ENDED: 2-29-16

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>2013</u>	\$ <u>0</u>
<u>2014</u>	\$ <u>0</u>
a. Test Year <u>3/2015 - 2/2016</u>	\$ <u>0</u>
b. K & M Change	\$ <u>0</u> (to I-1, Column E, Line 9)
c. Adjusted Test year (a. + b.)	\$ <u>0</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

30 ~~7~~ 63
 9/7/15

UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 II-11 EMPLOYEE PENSIONS AND BENEFITS
 FOR THE TEST YEAR ENDED: 2-29-14

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

NA

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:

Year	\$ Total Amount	\$ Pensions	\$ Health	\$ Other	\$ Amount Capitalized*
------	-----------------	-------------	-----------	----------	------------------------

Cost per Employee:

Year	\$ Total Amount	\$ Pensions	\$ Health	\$ Other	\$ Amount Capitalized*
------	-----------------	-------------	-----------	----------	------------------------

Number of Employees covered:

Cost per Employee:

List types of Pensions & Benefits:

Year	\$ Total Amount	\$ Pensions	\$ Health	\$ Other	\$ Amount Capitalized*
------	-----------------	-------------	-----------	----------	------------------------

Number of Employees covered:

Cost per Employee:

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

31863

UTILITY NAME <u>Carroll Water Co, Inc</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-12 BAD DEBTS FOR THE TEST YEAR ENDED: <u>2-29-16</u>
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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
15.	670	Bad Debts

NA

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	_____	\$ _____
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

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

32863

9/17/15

UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-13 OFFICE SERVICES AND RENTALS
 FOR THE TEST YEAR ENDED: 2-29-16

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

NA

II-13(a) Office services and rentals

We do not rent office space.

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		\$		
b. K & M Change		\$		(to I-1, Column E, Line 16)
c. Adjusted Test year (a. + b.)		\$		(to I-1, Column F, Line 16)

Explanation and calculations of known and measurable change:

* 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

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9/17/13

UTILITY NAME: <u>Carroll Water Co., Inc.</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-14 OFFICE SUPPLIES FOR THE TEST YEAR ENDED: <u>2-29-16</u>
--

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

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

II-14(a) Office supplies & expenses

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

	Year	Amount	
	<u>2013</u>	\$ <u>7,036</u>	
	<u>2014</u>	\$ <u>3,455</u>	
a. Test Year	<u>3/2015 - 2/2016</u>	<u>13,826</u>	
b. K & M Change	\$ <u>0</u>		(to I-1, Column E, Line 17)
c. Adjusted Test year (a. + b.)	\$ <u>13,826</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

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9/17/15

UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-15 PROFESSIONAL SERVICES
 FOR THE TEST YEAR ENDED: 2-29-16

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>2013</u>	\$ <u>4,252</u>	
	<u>2014</u>	\$ <u>3,455</u>	
a. Test Year	<u>3/2015 - 2/2016</u>	\$ <u>2,900</u>	
b. K & M Change		\$ <u>0</u>	(to I-1, Column E, Line 18)
c. Adjusted Test year (a. + b.)		\$ <u>2,900</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

35963

9/17/15

UTILITY NAME: Carroll Water Co., Inc
 , SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-16 INSURANCE
 FOR THE TEST YEAR ENDED: 2-29-16

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

Line No.	Account No.	Account Name
19.	684	Insurance

Insurance

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

Year	Amount
<u>2013</u>	\$ <u>3,832</u>
<u>2014</u>	\$ <u>2,921</u>
a. Test Year <u>3/2015 - 2/2016</u>	\$ <u>5,138</u>
b. K & M Change	\$ <u>0</u> (to I-1, Column E, Line 19)
c. Adjusted Test year (a. + b.)	\$ <u>5,138</u> (to I-1, Column F, Line 19)

Types of insurance:

<u>2015</u> Year	\$ <u>1,168.08</u> Total amount	<u>2015</u> Period Covered	<u>Key Man</u> Type	<u>State Mutual</u> Company
<u>2015</u> Year	\$ <u>370.00</u> Total amount	<u>2015</u> Period Covered	<u>Life Ins</u> Type	<u>Washington Natl.</u> Company
<u>2015</u> Year	\$ <u>3,600</u> Total amount	<u>3/2015 - 2/2016</u> Period Covered	<u>Auto</u> Type	<u>Farmers</u> Company

Explanation and calculations of known and measurable change:

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9/17/15

UTILITY NAME: <u>Carroll Water Co., Inc</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-17 REGULATORY EXPENSE FOR THE TEST YEAR ENDED: <u>2-29-16</u>

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

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
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>2013</u>	\$ <u>0</u>	
	<u>2014</u>	\$ <u>0</u>	
a. Test Year <u>3/2015 - 2/2016</u>		\$ <u>0</u>	
b. K & M Change		\$ <u>0</u>	(to I-1, Column E, Line 20 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ <u>0</u>	(to I-1, Column F, Line 20 - 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-17(b) Large Items:

Description	Amount	Date in service

37,63

UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-18 REGULATORY EXPENSE
 FOR THE TEST YEAR ENDED: 2-29-16

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

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

II-18(a) Regulatory commission expense

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

This includes the money paid to Prairie land.

	Year	Amount
	<u>2013</u>	<u>\$ 12,993</u>
	<u>2014</u>	<u>\$ 15,504</u>
a. Test Year	<u>3/2015 - 2/2016</u>	<u>\$ 12,644</u>
b. K & M Change		<u>\$ 0</u>
c. Adjusted Test year (a. + b.)		<u>\$ 12,644</u>

(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
TCEQ	2,465	1-29-16
Prairie land	4,148	8-21-15
Prairie land	5,331	2-25-16

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 9/7/15

UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 II-19 MISCELLANEOUS EXPENSE
 FOR THE TEST YEAR ENDED: 2-29-16

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
<u>2013</u>	\$ <u>3,832</u>
<u>2014</u>	\$ <u>5,556</u>

a. Test Year, 3/2015 - 2/2016 \$ 3,381

b. K & M Change \$ 0 (to I-1, Column E, Line 22 - see instructions above)

c. Adjusted Test year (a. + b.) \$ 3,381 (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

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 9/1/15

SECTION III RATE BASE INSTRUCT

UTILITY NAME: Carroll Water Co., Inc
SCHEDULES - CLASS B RATE/TARIFF CHANGE
SECTION III RATE BASE INSTRUCTIONS

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

Instructions for Section III

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

408.63

9/17/15

UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-1 REQUESTED RETURN
 FOR THE TEST YEAR ENDED: 2-29-16

RETURN ON RATE BASE:

NA

Line No		
1	Test year end rate base (from III-2, Line 16)	
2	Requested ROR (Col G, Line 7 below)	
3	Return on rate base (Line 1 x Line 2)	

Because the rate increase appears to be significant we are choosing not to request an ROR at this time.

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)				Col E = Requested return on equity.	
5.	Long Term Debt and Advances from associated companies from Schedule III-6				Col E = From Sch. III-6, Column H, Line 9	
6	Total capitalization (Rate Base Sch III-2, Line 16)					
7.	Return on rate base Col G, Line 6 rounded to nearest 0.01%				Line 4 + Line 5	

To Line 2 above

* ROE = Return on Equity

41863

UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-2 RATE BASE SUMMARY
 FOR THE TEST YEAR ENDED: 2-29-16

Line No.	Description	Amount	Reference (From)
1	Additions:		
2.	Utility plant (Original Cost)	405,251	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)	43,348	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)	448,599	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	261,213	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)	261,213	
16.	RATE BASE (Line 8, less Line 15)	187,386	

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9/17/15

All Systems

UTILITY NAME Carroll Water Co. Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION
 Schedule III-3
 (Provide a schedule for each PWS system)
 Add schedules as needed, provide a summary also

Line No	Item	Date of Installation	Service life (yrs) **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Time in Service			Depreciation			[G] = [D]-[F] * Net Book Value (\$)
							Years in Service	Months	Days	[B] = [D]/[C] Annual (\$)	[F] (\$) (Reserve)		
1	303 Land and land rights	1988, 1975		41,000									41,000
2	307 Wells	11	50	54,582			45	46					21,904
3	Well Pumps:												
3	311 5 hp or less		5										
4	311 Greater than 5 hp	2015, 2014	10	22,043			1						19,838
	Booster Pumps:												
5	311 5 hp or less		5										
6	311 Greater than 5 hp	1-15, 8-15	10	3,843			1						3,459
7	320 Chlorinators	1987	10	740			29						0
	Structures:												
8	304 Wood	1970, 1987, 1901, 1986	15	8,771			14	10					1,222
9	304 Aluminum Metal	6-9-15	2015	2,152			1						2,009
10	305 Storage Tanks	1971, 1987	50	20,610			29	45					5,462
11	311 Pressure Tanks	2008	50	7,232			15						5,057
12	331 Distribution System (mains and lines)	1987, 1971	50	104,109			29	45					29,747
13	334 Meters and Service (taps not covered by fees)	1-3-71, 1-4-87	20	11,809			29	45					0
14	340 Office Equipment		10										
15	341 Vehicles	10-1-02	5	35,000			10						0
16	343 Shop-Foot Vehicle	11-11	515	47,792			5						0
17	345 Heavy Equipment	4-2008	10	33,848			8						6,767
18	348 Fencing	3-2002	20	4,360			14						1,308
	Other: (Please list)												
19	additional fencing	3-2009	20	160			7						104
20	Lawn Mower	4-15-15	5	9,200			1						7,310
50	Total			405,251									144,037

Add detailed worksheets if necessary to support this Schedule
 To Sch III-2, line 2
 To Sch I-1, line 27
 To Sch III-2, line 9
 25

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.

43863

Emerald Forest

UTILITY NAME: Carrall Water Co. Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE

Schedule III-3

(Provide a schedule for each PWS system)

Add schedules as needed, provide a summary also

Line No	Item	Date of Installation	Service Life (yrs) **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Time in Service			Depreciation			Net Book Value (\$)
							Years	Months	Days	[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$) (Reserve)	[G] = [D]-[F]	
1	303 Land and land rights	4-15-02		25,000			14			412	5,768	25,000	
2	307 Wells	4-15-02	50	80,582			14			412	5,768	14,814	
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 15 hp	5/28/15	10	1,281			1			128	128	1,153	
7	320 Chlorinators		10										
Structures:													
8	304 Wood	4-15-02	15	335			14			22	313	22	
9	304 Masonry		30										
10	305 Storage Tanks	3-23-71	50	10,000			45			200	9,000	1,000	
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	10-1-06	5	8,750			10			1,750	8,750	0	
16	343 Shop/Tools Vehicle	11/7/11	25	11,948			5			2,390	11,948	0	
17	345 Heavy Equipment	4-23-08	10	8,462			8			846	6,768	1,694	
18	348 Fencing	3-22-02	20	4,360			14			218	3,052	1,308	
Other: (Please list)													
19	Additional Fence	3-3-09	20	160			7			8	56	104	
20	Lawn Mower	4-15-15	5	2,300			1			460	460	1,840	
50	Total			93,178						6,434	46,243	46,935	

Add detailed workpapers if necessary to support this Schedule

To Sch III-2, line 2

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

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

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Lakeview Ranchettes

UTILITY NAME: Carroll Water Co. Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION
 0
 Schedule III-3
 (Provide a schedule for each PWS system)
 Add schedules as needed, provide a summary also

Line No	Item	Date of Installation	Service Life (yrs) **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Time in Service			Depreciation							
							Years	Months	Days	(E) - (D)/(C) Annual (\$)	(F) Accumulated (\$ Reserve)	(G) = (D)-(F) Net Book Value (\$)					
1	303 Land and land rights																
2	307 Wells	1970	50	1500			46				30	1380	120				
	Well Pumps:																
3	311 5 hp or less		5														
4	311 Greater than 5 hp	5/1/15	10	5469			1				547	547	4922				
	Booster Pumps:																
5	311 5 hp or less		5														
6	311 Greater than 5 hp	5/28/15	10	1281			1				128	128	1153				
7	320 Chlorinators		10														
	Structures:																
8	304 Wood	6-9-15	15	2152			1				143	143	2009				
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 (laps not covered by fees)		20														
14	340 Office Equipment		10														
15	341 Vehicles	10/1/06	5	8750			10				1750	8750	0				
16	343 Shop-Tools Vehicles	11/7/11	25	11948			5				2390	11948	0				
17	345 Heavy Equipment	4-23-08	10	8462			8				846	6768	1694				
18	348 Fencing		20														
	Other: (Please list)																
19							1				460	460	1840				
20	Lawn Mower	4-15-15	5	2300							460	460	1840				
50	Total			29710							6294	30224	11738				

Add detailed worksheets if necessary to support this Schedule

To Sch III-2, line 2

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

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-9 for developer CIAC.

45863

Grande
Casa

UTILITY NAME: Carroll Water Co, Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION

Schedule III-3
 (Provide a schedule for each PWS system)
 Add schedules as needed, provide a summary also

Line No.	Item	Date of Installation	Service Life (yrs) **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Time in Service			Depreciation									
							Years	Months	Days	(E) = (D)/(C) Annual (\$)	(F) Accumulated (\$ Reserve)	(G) = (D)-(F) Net Book Value (\$)							
1	303 Land and land rights	1971		16,000															
2	307 Wells	1971	50	23,500			45			470	21,150	2,350	16,000						
Well Pumps:																			
3	311 5 hp or less		5																
4	311 Greater than 5 hp	2/2/16	10	7755			1			1776	776	6979							
Booster Pumps:																			
5	311 5 hp or less		5																
6	311 Greater than 5 hp	5/28/15	10	1,281			1			128	128	1,153							
7	320 Chlorinators		10																
Structures:																			
8	304 Wood	2001	15	2,436			15			162	2,436	0							
9	304 Masonry		30																
10	305 Storage Tanks		50																
11	311 Pressure Tanks	2001	50	7,232			15			145	2,175	5,057							
12	331 Distribution System (main and lines)	1971	50	43,709			45			874	39,330	4,379							
13	334 Meters and Service (taps not covered by fees)	1971	20	655			45			33	655	0							
14	340 Office Equipment		10																
15	341 Vehicles	10/1/86	5	8,750			10			1,750	8,750	0							
16	343 Shop Tools	11/7/11	15	11,948			5			2,390	11,948	0							
17	345 Heavy Equipment	4-23-08	10	8,462			8			846	6,768	1,694							
18	348 Fencing		20																
Other: (Please list)																			
19																			
20	Lawn Mower	4-15-15	5	2300			1			460	460	1840							
50	Total			109,566						8034	94,576	37,946							

Add detailed worksheets if necessary to support this Schedule

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

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

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Spanish Grant

UTILITY NAME: Carroll Water Co. Inc.
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION

Schedule III-3
 (Provide a schedule for each PWS system)
 Add schedules as needed, provide a summary also

Line No	Item	Date of Installation	Service Life (yrs)	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC	Time in Service			Depreciation							
							Years in Service	Months	Days	(E) - (D)/(C) Annual (\$)	(F) Accumulated (\$)(Reserve)	(G) - (D)/(F) Net Book Value (\$)					
1	303 Land and land rights																
2	307 Wells	9/1/99	50	7,000				17			140	2,380	4,620				
	Well Pumps:																
3	311 5 hp or less		5														
4	311 Greater than 5 hp	7/6/15	10	18,819				1			882	882	7,937				
	Booster Pumps:																
5	311 5 hp or less		5														
6	311 Greater than 5 hp		10														
7	320 Chlorinators	10/87	10	740				29			74	740	0				
	Structures:																
8	304 Wood	10/8000	15	6,000				16			400	6,000	0				
9	304 Masonry		30														
10	305 Storage Tanks	10/87	50	10,610				29			212	6,148	4,462				
11	311 Pressure Tanks		50														
12	331 Distribution System (mains and lines)	10/87	50	60,400				29			1,208	35,032	25,368				
13	334 Meters and Service (taps not covered by fees)	10/87	20	11,154				29			558	11,154	0				
14	340 Office Equipment		10														
15	341 Vehicles	10/1/02	5	8,750				10			1,750	8,750	0				
16	343 Shop-Tools Vehicle	11/7/11	155	11,948				5			2,390	11,948	0				
17	345 Heavy Equipment	4/23/08	10	8,462				8			846	6,716	1,694				
18	348 Fencing		20														
	Other: (Please list)																
19																	
20	Lawn Mower	4-15-15	5	8,300				1			460	460	1840				
50	Total			133,721							8,920	90,262	45,921				

Add detailed worksheets if necessary to support this Schedule

To Sch III-2, line 2

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

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

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UTILITY NAME: Carroll Water Co., Inc.
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE
 FOR TEST YEAR ENDED: 2-29-16

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	\$ 323,046
2.	Plant additions after previous rate case		
3.	Well Pump (Lakeview)	\$ 9,920	
4.	Well Pump (Spanish Grant)	12,078	
5.	Well Pump (Grande Casa)	17,245	
6.	15 hp booster ⁽³⁾ pump	3,843	
7.			
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)		\$ 43,086
12.	Test year plant retirements after previous rate case:		
13.		\$	
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.	Total retirements (add line 13 through 20, Col C)		\$ 0
22.	Ending balance (line 1 + line 11 - line 21)	Equals as III-3, Column D, line 50	\$ 397,819

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

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9/17/15

UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
**III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS,
 MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS**
 FOR THE TEST YEAR ENDED: 2-29-16

***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	
2.	Test year costs added	
3.	Test year construction costs completed	
4.	Ending balance	
5.	Average balance - test year (line 1 plus line 4, divided by 2)	

N.A

Typically zero, to Schedule III-2, Line 3

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

To III-2, Line 4.

To III-2, Line 6.

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

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UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES FOR CLASS B RATE/TARIFF CHANGE
III-5 WORKING CASH ALLOWANCE CALCULATIONS
 FOR THE TEST YEAR ENDED: 2-29-16

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	N/A	N/A	328,285	0
2	Working Cash (Line 3 / Line 5)	N/A	N/A	43,348	0
3	Divisor		12		8

From Sch I-1, line 25

To Sch III-2, line 5

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UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 III-6 LONG TERM DEBT/ NOTES PAYABLE - WATER AND SEWER
 FOR THE YEAR ENDED: 2-29-16

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 I - Debt						
2	Ally	11/7/11	2/7/18	47,790	12,197	4.49	548
3	Inwood Water	5/5/15	5/4/20	40,000	33,555	2.85	956
4							
5							
6							
7							
8							
9	Total			87,790	45,752		1,504

To Sch III-1,
Column G,
Line 5

List short term debt, if any:

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UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE
 FOR THE TEST YEAR ENDED: 2-29-16

ACCUMULATED DEPRECIATION:

Line No.	Description	Dollar Amount
1.	Ending-Prior Rate Case (Docket No. <u>2010-0131-UCR</u>)	<u>323,046</u>
2	Ending balance per Sch III-3, Column F, Line 50	<u>263,002</u>
	Describe accounting adjustments made between the prior rate case and the current rate case:	
	Well pump (Lakeview)	<u>9,920</u>
	Well pump (Spanish Grant)	<u>12,078</u>
	Well pump (Grande Casa)	<u>17,245</u>
	15 hp booster pumps	<u>3,843</u>

Must match previous rate case.

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UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-8 ADVANCES FOR CONSTRUCTION AND CONTRIBUTIONS IN AID OF CONSTRUCTION
 FOR THE TEST YEAR ENDED: 2-29-16

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.							
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.	Tap Fees	2015	2,000	0	0	0	0
2.							
3.							
4.							
5.							
6.	Total		2,000	0	0	0	0

*Customer CIAC is entered directly on III-3

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UTILITY NAME: <u>Carroll Water Co., Inc</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE III-9 DEFERRED INCOME TAXES AND DEFERRED INVESTMENT TAX CREDITS FOR THE TEST YEAR ENDED: <u>2-29-14</u>

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:

NA

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

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

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

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UTILITY NAME: Carroll Water Co, Inc.
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-10 OTHER DEFERRED ASSETS
 FOR THE TEST YEAR ENDED: 2-29-16

III-10(a) : Other Deferred Assets NA

Line No.	Description	Test Year Amount
1.		
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.			
2.			
3.			

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SECTION IV OTHER TAX INSTRUCT

UTILITY NAME: Carroll Water Co., Inc.

SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

Instructions for Section IV

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

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UTILITY NAME: Carroll Water Co., Inc
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV(a) ESTIMATE OF TAXES OTHER THAN INCOME
 FOR THE TEST YEAR ENDED: 2-29-16

PROPERTY TAXES:

A	B	C	D	E
Line No.	Description	Amount	Amount	Reference
1	Property taxes paid in in test year		1,843	per property tax bills
2	Utility plant added in test year	43,086		Schedule III-3(a), Line 11
3	Utility plant retirements in test year			Schedule III-3(a), Line 21
4	Net additions	43,086		Line 2 minus line 3
5	Net Property tax rate	323.046		Line 1 / beginning of test year gross plant balance from III-3 (a), Col. D, Line 1
6	Test year property tax on additions		0	Line 4 times Line 5
7	Adjusted Test year property tax expense		1,843	Line 1 + Line 6
8	Known and measurable change	1,843		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 475,500	12.4 %	108,600	Column D+E+F Line 9	6,733
10	Medicare	wages to 475,500	2.9 %	108,600	Column H Line 9	1,575
11	Added Medicare (Affordable Care Act)	wages to _____	NA %	NA		NA
12	Federal unemployment	wages to 7,000	.6 %	28,000	Column D Line 9	168.00
13	State unemployment	wages to 9,000	.47 %	36,000	Column D+E Line 9	169.00
14	Total (add Lines 11 through 14)			281,200		8,645
15	Less: Capitalized	Use % on Sch II-6(a), line 10.		88,568		
16	Test year Payroll Tax Expense	Line 13 less 14				8,645.
17	Known and measurable change			(Line 13 minus Line 14)		8,476

OTHER TAXES:

A	I	J	K	L
Line No.	Description	Test year	K & M change	Adjusted Test Year
18	Other taxes & licenses			
19	Estimated Tax	7,240	0	7,240
20				
21	Total Other Taxes (Line 18 + Line 19 + Line 20)	7,240	0	7,240
22	Total this page - taxes other than income (Line 7) + (Col G, Line 16) + (Col L, Line 21)			17,728
23	Sch IV(a), Total known and measurable change (Line 8 plus line 17, Column G plus line 21, Column K)			17,559

57,463

UTILITY NAME: <u>Carroll Water Co., Inc</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE IV(b) REVENUE RELATED TAXES AND EXPENSES FOR THE TEST YEAR ENDED: <u>2-29-16</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	0	0	0	0
2	Test year effective rate (test year tax expense/historic test year revenues-Sch I-1)	0	0	0	301,295	301,295
3	Gross up factor (1.0 divided by (1.0 minus Line (example below))				1	1
4	Change in revenue requirement (Sch I-1, line 33)					40,816
5	Adjusted revenue requirement (Line 3 x Line 4)					40,816
6	Adjusted expense (Line 3 times Line 4)					40,816

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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.

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UTILITY NAME: Carroll Water Co., Inc.
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE
 FOR THE TEST YEAR ENDED: 2-29-16

NA

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

To Sch I-1, Line 27

FEDERAL INCOME TAX CALCULATION:

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

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UTILITY NAME: Carroll Water Co., Inc.
VI RATE DESIGN INSTRUCTIONS
SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section VI is used for rate design.

Instructions for Section VI:

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

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UTILITY NAME: <u>Carroll Water Co., Inc</u>				
SCHEDULES - CLASS B RATE/TARIFF CHANGE				
Schedule VI-1 RATE DESIGN				
FOR THE TEST YEAR ENDED: <u>2-29-16</u>				
Line No.	A	B	C	
		Reference		
DETERMINATION OF FIXED COSTS				
1.	Gross revenues to be recovered:	Sch I-1, Line 36	28,041	
Less variable costs:				
2.	Purchased water - Account 610	Sch I-1, Col. F, line 1	0	
3.	Purchased power - Account 615	Sch I-1, Col. F, line 2	31,590	
4.	Other volume related - Account 618	Sch I-1, Col. F, line 3	13,032	
5.	Other volume related or allocated (attach schedule)			
6.				
7.				
8.				
9.				
10.	FIXED COSTS (Line 1 minus Lines 2-9)		-16,581	
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	-16,581	
14.	RECOVERED THROUGH VOLUMETRIC RATE	Line 1 - Line 10	-44,595	
TOTAL		Equals Line 1	28,041	
TO BE RECOVERED THROUGH BASE SERVICE CHARGE:				
15.	TOTAL METER EQUIVALENTS	Sch I-3, Col H, line 9	464	
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	50,452	
18.	VOLUMETRIC RATE (CHARGE PER 1,000 GALS)	Line 14 / Line 17	.89	
PROPOSED RATES:				
19.	FOR ALL WATER DELIVERED PER 1,000 gallons	Line 18 or attach calc	attached	
BASE SERVICE CHARGE (PER 5/8" X 3/4")				
	Meter size	Line 16	Equivalency	Base Rate/size
20.	5/8 X 3/4"	460	X 1.0 =	460 39.86
21.	3/4"		X 1.5 =	
22.	1"	2	X 2.5 =	5 39.86
23.	1 1/2"		X 5.0 =	
24.	2"		X 8.0 =	
25.	3"		X 15.0 =	
26.	4"		X 25.0 =	

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.

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Attachment to Schedule VI-1 Rate Design

Line 19 for all water delivered per 1,000 gallons

1-2,000	\$3.00
2,001-4,000	\$4.00
4,001-6,000	\$5.50
6,001-8,000	\$6.00
8,001-10,000	\$6.50
10,001 and up	\$7.00

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