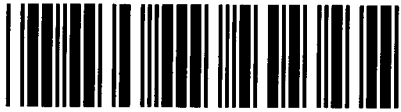


Control Number: 46556



Item Number: 1

Addendum StartPage: 0

October 21, 2016

SUBMITTED ELECTRONICALLY

Public Utility Commission of Texas

**Re: Rate/Tariff Change Application for:  
Texas Water Code § 13.1871: Sewer Services**

**Riverside Wastewater Treatment Plant  
Bryan, Brazos County, Texas  
CCN No: 20740**

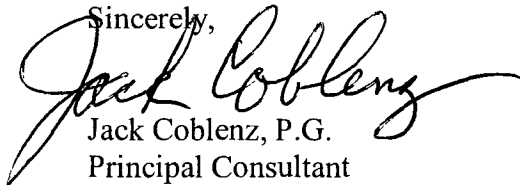
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FILING CLERK

On behalf of the River Side Wastewater Treatment Plant (hereafter referred to as "River Side"), Source Environmental Sciences submits this Rate Change application package for the sewer/wastewater treatment services and operations provided by the River Side facility.

**Rate/Tariff Change Application Organization and Format**

This application document follows the outline of the Public Utilities Commission Class B Rate/Tariff Change Application (Revised 09/17/2015). This application is being submitted for Riverside, which is considered a Class C Utility. However, Riverside is electing to use the Class B Utility application as allowed by Texas Water Code (TWC) §13.1871. If you have any technical comments or questions, please contact us at (713) 621-4474 or Zain Hyder of River Side at (979) 823-4952.

Sincerely,



Jack Coblenz, P.G.  
Principal Consultant  
Source Environmental Sciences, Inc.



AIR❖WATER❖WASTE CONSULTANTS

**46556**

**RATE/TARIFF CHANGE APPLICATION PACKAGE**

**FOR:**

**SEWER SERVICES**

**AT**

**RIVERSIDE WASTEWATER TREATMENT PLANT  
BRAZOS COUNTY, TEXAS**

**CCN NO: 20740**

**OCTOBER 2016**

**Prepared For:**

**Riverside Wastewater Treatment Plant  
475 Higgs St., Suite B  
Bryan, Texas 77807**

**Prepared By:**

**Source Environmental Sciences, Inc.  
2060 North Loop West, Suite 140  
Houston, Texas 77018  
P: (713) 621-4474  
F: (713) 621-4588**

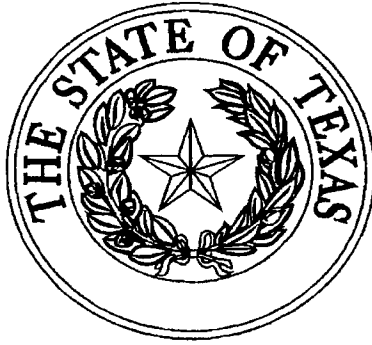
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**PUBLIC UTILITY COMMISSION OF TEXAS**

**CLASS B RATE/TARIFF CHANGE APPLICATION**

*Required Schedules for rate/tariff changes*

WATER UTILITY NAME: River Side Waste Water Treatment Plant  
CCN No 20740

ADDRESS OF UTILITY: 475 Higgs Drive  
Street, P O. Box and/or suite number

Bryan, TX - 77807  
City and Zip Code

PHONE NUMBER: ( 979 ) 823 - 4952  
area code

NAME OF PERSON TO CONTACT REGARDING THIS FILING:

NAME: Jack Coblentz

PHONE: ( 713 ) 621 - 4474

EMAIL ADDRESS jack@source-environmental.com

PUC CLASS SIZE: B ☒ C (circle one)

INCREASE (DECREASE) \$149,901 (From Sch I-1, Line 33)  
dollar amount

530.06% (From Sch I-1, Line 34)  
percent above (below) current revenue requirement

DESCRIBE OWNERSHIP OF COMPANY

Privately Owned By: Syed Hyder

Managed By: Zain Hyder

DATE OF LAST GENERAL RATE CASE FILING 12/31/99

DATE OF LAST NON-GENERAL RATE CHANGE\* N/A

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





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

### ***Required Schedules for rate/tariff changes***

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

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

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

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

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



UTILITY NAME: River Side WW  
 GENERAL WATER RATE/TARIFF CHANGE APPLICATION  
 SCHEDULES

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

TABLE OF CONTENTS (Page 1 of 2)

FOR TEST YEAR ENDED: 12/31/2014  
 DATE SUBMITTED TO PUC: \_\_\_\_\_

|   | <u>Attachment<br/>Schedule</u> | <u>Items<br/>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 checked="" type="checkbox"/> |
| SECTION II                                |                                |                                     |
| <u>OPERATIONS AND EXPENSES</u>            |                                |                                     |
| Water Production (no unmetered rates)     | II-1(a)                        | <input checked="" type="checkbox"/> |
| Water Production (with unmetered rates)   | II-1(b)                        | <input checked="" type="checkbox"/> |
| Other Revenues & Expenses passed through  | II-3                           | <input checked="" type="checkbox"/> |
| Purchased Power                           | II-4                           | <input checked="" type="checkbox"/> |
| Other Volume Related Expenses             | II-5                           | <input checked="" type="checkbox"/> |
| Payroll Cost Allocation                   | II-6                           | <input checked="" type="checkbox"/> |
| Materials                                 | II-7                           | <input checked="" type="checkbox"/> |
| Contract Work                             | II-8                           | <input checked="" type="checkbox"/> |
| Transportation Expenses                   | II-9                           | <input checked="" type="checkbox"/> |
| Other Plant Maintenance                   | II-10                          | <input checked="" type="checkbox"/> |
| Employee Pensions/Benefits                | II-11                          | <input checked="" type="checkbox"/> |
| Bad Debts/uncollectables                  | II-12                          | <input checked="" type="checkbox"/> |
| Office Services and Rentals               | II-13                          | <input checked="" type="checkbox"/> |
| Office Supplies and Expense               | II-14                          | <input checked="" type="checkbox"/> |
| Professional Services                     | II-15                          | <input checked="" type="checkbox"/> |
| Insurance                                 | II-16                          | <input checked="" type="checkbox"/> |
| Rate Case Expense                         | II-17                          | <input checked="" type="checkbox"/> |
| Regulatory Commission Expense             | II-18                          | <input checked="" type="checkbox"/> |
| Miscellaneous Expense                     | II-19                          | <input checked="" type="checkbox"/> |



|   |
|---|
| UTILITY NAME: <u>River Side WWTP</u><br>GENERAL WATER RATE/TARIFF CHANGE APPLICATION SCHEDULES<br>TABLE OF CONTENTS (Page 2 of 2) |
|---|

|  | Attachment<br>Schedule | Items<br>Checked                    |
|--|------------------------|-------------------------------------|
| <b>SECTION III <u>RETURN AND RATE BASE</u></b>     |                        |                                     |
| 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<br>of Construction            | III-8(b)               | <input checked="" type="checkbox"/> |
| Deferred Income Taxes                              | III-9(a)               | <input checked="" type="checkbox"/> |
| Deferred Investment<br>Tax Credits                 | III-9(b)               | <input checked="" type="checkbox"/> |
| Deferred Assets                                    | III-10(a)              | <input checked="" type="checkbox"/> |
| <b>SECTION IV <u>TAXES OTHER THAN INCOME</u></b>   |                        |                                     |
| Property, Payroll and Other Taxes                  | IV(a)                  | <input checked="" type="checkbox"/> |
| Revenue Related Taxes                              | IV(b)                  | <input checked="" type="checkbox"/> |
| <b>SECTION V <u>FEDERAL INCOME TAXES (FIT)</u></b> |                        |                                     |
| Income Taxes at Present Rates-effective rate       | V                      | <input checked="" type="checkbox"/> |
| <b>SECTION VI <u>RATE DESIGN</u></b>               |                        |                                     |
| Rate Design Worksheet                              | VI                     | <input checked="" type="checkbox"/> |



|   |
|---|
| UTILITY NAME: <u>                    River Side WWTP                    </u><br>SCHEDULES - CLASS B RATE/TARIFF CHANGE<br>SECTION I - REVENUE REQUIREMENTS AND REVENUES |
|---|

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

Instructions for Section I - Revenue Requirement and Revenues

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

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

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

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

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

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





| UTILITY NAME: <u>River Side WWTP</u><br>SCHEDULES - CLASS B RATE/TARIFF CHANGE<br><b>I-1 REVENUE REQUIREMENT SUMMARY</b><br>PUC Docket No. _____ Test Year End: <u>2014</u> |              |                                       |                         |                  |                       |                              |
|---|--------------|---------------------------------------|-------------------------|------------------|-----------------------|------------------------------|
| A   | B            | C                                     | D                       | E                | F=D+E                 | G                            |
|   |              |                                       | Historical<br>Test Year | K & M<br>Changes | Adjusted<br>Test Year |                              |
| Line<br>No.   | Acct.<br>No. | Account Name                          |                         |                  |                       | Reference/<br>Instructions   |
|   |              | <b>Volume related expenses:</b>       |                         |                  |                       |                              |
| 1   | 610          | Purchased water                       | 6,097                   |                  |                       | Schedule II-3                |
| 2   | 615          | Power Expense-production only         | 12,203                  |                  |                       | Schedule II-4                |
| 3   | 618          | Other volume related expenses         | 13,600                  |                  |                       | Schedule II-5                |
| 4   |              | Total volume related exp.             | 31,900                  |                  |                       | Add Lines 1-3                |
|   |              | <b>Non-volume related expenses:</b>   |                         |                  |                       |                              |
| 5   | 601-1        | Employee labor                        |                         |                  |                       | Schedule II-6, Line 1        |
| 6   | 620          | Materials                             | 2,475                   |                  |                       | Schedule II-7                |
| 7   | 631-636      | Contract work                         | 16,864                  |                  |                       | Schedule II-8                |
| 8   | 650          | Transportation expenses               |                         |                  |                       | Schedule II-9                |
| 9   | 664          | Other plant maintenance               | 35,845                  |                  |                       | Schedule II-10               |
| 10  |              | Total non-volume related exp.         | 55,184                  |                  |                       | Add Lines 5-9                |
|   |              | <b>Admin. &amp; general expenses:</b> |                         |                  |                       |                              |
| 11  | 601-2        | Office salaries                       |                         |                  |                       | Schedule II-6, line 2        |
| 12  | 601-3        | Mgmt. salaries                        |                         |                  |                       | Schedule II-6, line 3        |
| 13  | 604          | Employee pensions & benefits          |                         |                  |                       | Schedule II-11               |
| 14  | 615          | Purchased power-Office only           |                         |                  |                       | Schedule II-4                |
| 15  | 670          | Bad debt expense                      |                         |                  |                       | Schedule II-12               |
| 16  | 676          | Office services & rentals             |                         |                  |                       | Schedule II-13               |
| 17  | 677          | Office supplies & expenses            | 2,442                   |                  |                       | Schedule II-14               |
| 18  | 678          | Professional services                 | 4,700                   |                  |                       | Schedule II-15               |
| 19  | 684          | Insurance                             | 881                     |                  |                       | Schedule II-16               |
| 20  | 666          | Regulatory (rate case) expense        | 2,500                   |                  |                       | Schedule II-17               |
| 21  | 667          | Regulatory expense (other)            | 17,078                  |                  |                       | Schedule II-18               |
| 22  | 675          | Miscellaneous expenses                | 7,105                   |                  |                       | Schedule II-19               |
| 23  |              | Total admin. & general expense        | 34,706                  |                  |                       | Add Lines 11-22              |
| 24  |              | Total operating Expenses              | 121,790                 |                  |                       | Lines 4 + 10 + 23            |
| 25  | 403          | Depreciation                          | 27,061                  |                  |                       | Sch III-3, Col E, Line 50    |
| 26  | 408          | Taxes Other than Income               |                         |                  |                       | Sch IV(b), Line 8            |
| 27  | 409/10       | Income Tax Expense                    |                         |                  |                       | Schedule V, Line 7           |
| 28  |              | TOTAL EXPENSES                        | 148,851                 |                  |                       |                              |
| 29  |              | TOTAL HISTORIC REVENUE                | 28,280                  |                  |                       | Sch I-2, Line 6              |
| 30  |              | HISTORICAL TEST YEAR RETURN           | ( - 120,570.78 )        |                  |                       | Line 30 less Line 29         |
| 31  |              | REQUESTED RETURN                      |                         |                  | 29,330                | Schedule III-1, Line 3       |
| 32  |              | TOTAL REVENUE REQUIREMENT             |                         |                  | 178,181               | Line 30 plus Line 34         |
| 33  |              | REQUESTED ANNUAL REVENUE INCREASE     |                         | (to notice)      | 149,901               | Line 32 less Line 29         |
| 34  |              | PERCENTAGE INCREASE                   |                         |                  | 530.0600              | Line 36 divided by Line 33   |
| 35  |              | LESS: OTHER REVENUES                  |                         |                  | -                     | Sch. II-3(b), Col. D, Line 8 |
| 36  |              | Revenue for Rate Design               |                         | (to VI, line 1)  | 149,901               | Line 33 minus Line 35        |



| UTILITY NAME: <u>River Side WWTP</u><br>SCHEDULES - CLASS B RATE/TARIFF CHANGE<br>FOR TEST YEAR ENDED: <u>2014</u><br><b>I-2 HISTORICAL REVENUE SUMMARY</b> |           |   |                      |                             |
|---|-----------|---|----------------------|-----------------------------|
| Line No.  | NARUC A/C | Description   | Historical Test Year |                             |
| 1.  | 461       | Metered connections base rate revenue   | 0                    | From financial records      |
| 2.  | 461       | Metered connection gallonage rate revenue   | 0                    | From financial records      |
| 3.  | 460       | Unmetered (Flat rate) revenue   | 28,280               | From financial records      |
| 4.  |           | Total Metered & Flat Rate Revenue   | 28,280               |                             |
| 5.  |           | Plus: Total Other Revenues  | 0                    | From II-3, Column B, line 7 |
| 6.  |           | <del>Total Historic Test Year Revenues per income statement and Annual Report</del> | 28,280               | 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: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

FOR TEST YEAR ENDED: 2014

| 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" | 0                     | 0                   | 0                | 0          |  | 1.0          | 0                             |
| 2.       | 3/4"        | 0                     | 0                   | 0                | 0          |  | 1.5          | 0                             |
| 3.       | 1"          | 0                     | 0                   | 0                | 0          |  | 2.5          | 0                             |
| 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       | 0                     |                     |                  |            |  |              |                               |
| 10       | Average     | 0                     |                     |                  |            |  |              |                               |



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**I-4 UNMETERED (FLAT RATE) ACTIVE CONNECTIONS**  
 FOR TEST YEAR ENDED:

| 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<br>Sch. 9         |                     | (C + D)     | (C + E) / 2 |
| 1.       | 5/8" x 3/4"    | 161                          | -35                 | 126         | 144         |
| 2.       |                |                              |                     |             |             |
| 3.       |                |                              |                     |             |             |
| 4.       |                |                              |                     |             |             |
| 5.       | Total          | 161                          | -35                 | 126         | 144         |





## INSTRUCTIONS - OPERATIONS AND MAINTENANCE

UTILITY NAME: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION II - OPERATIONS AND MAINTENANCE

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

### Instructions for Section II

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

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

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



UTILITY NAME: River Side WWTP

**SCHEDULES - CLASS B RATE/TARIFF CHANGE**  
**II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION**  
**FOR TEST YEAR ENDED: 2014**

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

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

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

Known and measurable calculations and explanations:

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

| Line No. | Description                      | A<br>Test Year | B<br>K & M Change | C=A+B<br>Adjusted Test Year | D<br>Reference         |
|----------|----------------------------------|----------------|-------------------|-----------------------------|------------------------|
| 1        | Water Purchased (1,000 gallons)  | 276            | 0                 | 276                         | PUC report<br>Sch. D-1 |
| 2        | Water Pumped (1,000 gallons)     | 0              | 0                 | 0                           | PUC report<br>Sch. D-1 |
| 3        | Total production (1,000 gallons) | 276            | 0                 | 276                         | Lines 13 +<br>14       |



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-3 OTHER REVENUES & EXPENSES PASSED THROUGH**  
 FOR TEST YEAR ENDED: 2014

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

| Line No. | A                     | B  | C              | D                                | D  |
|----------|-----------------------|--|----------------|----------------------------------|--|
|          | Purchased from:       | Units purchased<br>(in <u>1,000 gal</u> )<br>(e.g. 1,000 gal, AC - FT) | Price Per Unit | Total Calculated<br>Cost (B x C) | Actual Cost paid<br>per financial<br>records |
| 1.       | Bryan Texas Utilities | 276  | 22.09          | 6,096.84                         | 6,097  |
| 2.       |                       |  |                |                                  |  |
| 3.       |                       |  |                |                                  |  |
| 4.       | Total *               | 276  | 22.09          | 6,096.84                         | 6,097  |

\* 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<br>of other revenue | Test year historical<br>revenues collected |   | Test year<br>revenues netted<br>against COS |
| 1.       | Tap Fees*                                    | 0  |   | 0   |
| 2.       | Late Fees                                    | 0  |   | 0   |
| 3.       | Meter Test Fees                              | 0  |   | 0   |
| 4.       | Reconnect Fees                               | 0  |   | 0   |
| 5.       | Purchased Water Fees                         | 0  |   | 0   |
| 6.       | Groundwater Conservation<br>District Fees    | 0  |   | 0   |
| 7.       | Other (attach detail**)                      | 0  |   | 0   |
| 8.       | Total Other Revenues                         | 0  |   | 0   |

(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: <u>River Side WWTP</u><br>II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE<br><b>PURCHASED POWER</b><br>FOR TEST YEAR ENDED: <u>2014</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>6,857.00</u>  |                            |
|                    | <u>2015</u> | \$ <u>12,265.00</u> |                            |
| Test Year          | <u>2014</u> | \$ <u>12,203.00</u> |                            |
| K & M Change       |             | \$ <u>-</u>         | (to I-1, Column E, Line 2) |
| Adjusted Test year |             | \$ <u></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></u> | \$ <u></u> |                             |
|                                 | <u></u> | \$ <u></u> |                             |
| a. Test Year                    | <u></u> | \$ <u></u> |                             |
| b. K & M Change                 |         | \$ <u></u> | (to I-1, Column E, Line 14) |
| c. Adjusted Test year (a. + b.) |         | \$ <u></u> | (to I-1, Column F, Line 14) |

Explanation and calculations of known and measurable change:





|  |
|--|
| UTILITY NAME: <u>River Side WWTP</u><br>SCHEDULES - CLASS B RATE/TARIFF CHANGE<br><b>II-5 OTHER RELATED VOLUME EXPENSES</b><br>FOR THE TEST YEAR ENDED: 2014 |
|--|

This page is supplemental information. It is required to complete Sct

| <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 t periods and actual for the Test Year. Indicate the kinds of expenses in this account by identifying all large\* items. If the actual for the Te higher than previous years, indicate the reason for the increase:

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

|                           | <u>Year</u> | <u>Amount</u>    |                            |
|---------------------------|-------------|------------------|----------------------------|
|                           | <u>2013</u> | \$ <u>15,340</u> |                            |
|                           | <u>2015</u> | \$ <u></u>       |                            |
| a. Test Year              | <u>2014</u> | \$ <u>13,600</u> |                            |
| b. K & M Change           |             | \$ <u></u>       | (to I-1, Column E, Line 3) |
| c. Adjusted Test year (a. |             | \$ <u></u>       | (to I-1, Column F, Line 3) |

Explanation and calculations of known and measurable change:



|  |
|--|
| UTILITY NAME   |
| SCHEDULES - CLASS B RATE/TARIFF CHANGE<br><b>II-6 ALLOCATION OF PAYROLL EXPENSES</b><br>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. | Employee Name          | A<br>Test Year<br>Payroll                      | B<br>Capitalized<br>Payroll | C<br>Expensed<br>Payroll | D<br>1st<br>7000 or<br>new limit<br><small>(PUTA =)</small> | E<br>7,001 to<br>3000 or<br>new limit<br><small>(SUTA =)</small> | F<br>3,001 to<br>118500<br>or new<br>limit<br><small>(FICA =)</small> | G<br>over<br>118500<br>or new | H<br>Total<br>Payroll |
|----------|------------------------|--|-----------------------------|--------------------------|---|--|---|-------------------------------|-----------------------|
| 1.       | Not Applicable         |  |                             |                          |   |  |   |                               |                       |
| 2.       |                        |  |                             |                          |   |  |   |                               |                       |
| 3.       |                        |  |                             |                          |   |  |   |                               |                       |
| 4.       |                        |  |                             |                          |   |  |   |                               |                       |
| 5.       |                        |  |                             |                          |   |  |   |                               |                       |
| 6.       |                        |  |                             |                          |   |  |   |                               |                       |
| 7.       |                        |  |                             |                          |   |  |   |                               |                       |
| 8.       |                        |  |                             |                          |   |  |   |                               |                       |
| 9.       | Total                  |  |                             |                          |   |  |   |                               |                       |
| 10.      | Percentage Capitalized | Line 9, column F divided by line 9, column E = |                             |                          |   |  |   |                               |                       |

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

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

| Line No. | Acct. No. | Account Name           | Test Yr Expense |   |
|----------|-----------|------------------------|-----------------|---|
| 1.       | 601-1     | Employee labor         | N/A             | to Schedule I-1, Line 5.                  |
| 2.       | 601-2     | Office salaries        | N/A             | to Schedule I-1, Line 11.                 |
| 3.       | 601-3     | Management salaries    | N/A             | to Schedule I-1, Line 12.                 |
| 4.       |           | Total Payroll Expenses | N/A             | (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.

3/17/15



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-7 MATERIALS**  
 FOR THE TEST YEAR ENDED: **2014**

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

| <u>Line No.</u> | <u>Account No.</u> | <u>Account Name</u> |
|-----------------|--------------------|---------------------|
| 6.              | 620                | Materials           |

**II-7(a) Materials**

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

|                                 | Year        | Amount             |                            |
|---------------------------------|-------------|--------------------|----------------------------|
|                                 | <u>2013</u> | \$ <u>2,110.00</u> |                            |
|                                 | <u>2015</u> | \$ <u>2,230.00</u> |                            |
| a. Test Year                    | <u>2014</u> | \$ <u>2,475.00</u> |                            |
| b. K & M Change                 |             | \$ <u>-</u>        | (to I-1, Column E, Line 6) |
| c. Adjusted Test year (a. + b.) |             | \$ <u>2,475.00</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 |
|-------------|--------|-----------------|
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-8 CONTRACT WORK**  
 FOR THE TEST YEAR ENDED: **2014**

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>   |
|-----------------|--------------------|---|
| 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>                    </u>     | \$ <u>                    </u>                 |
| <u>2013</u>                     | \$ <u>27,677.00</u>                            |
| <u>2015</u>                     | \$ <u>14,400.00</u>                            |
| a. Test Year <u>2014</u>        | \$ <u>16,864.00</u>                            |
| b. K & M Change                 | \$ <u>0.00</u> (to I-1, Column E, Line 7)      |
| c. Adjusted Test year (a. + b.) | \$ <u>16,864.00</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 |
|-------------|--------|-----------------|
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |





|   |
|---|
| UTILITY NAME: <u>River Side WWTP</u><br>SCHEDULES - CLASS B RATE/TARIFF CHANGE<br><b>II-9 TRANSPORTATION</b><br>FOR THE TEST YEAR ENDED: 2014 |
|---|

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>N/A</u>                            |
|                                 | <u>2015</u> | \$ <u>N/A</u>                            |
| a. Test Year                    | <u>2014</u> | \$ <u>N/A</u>                            |
| b. K & M Change                 |             | \$ <u>-</u> (to I-1, Column E, Line 8)   |
| c. Adjusted Test year (a. + b.) |             | \$ <u>N/A</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.



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-10 OTHER PLANT MAINTENANCE**  
 FOR THE TEST YEAR ENDED: **2014**

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

| <u>Line No.</u> | <u>Account No.</u> | <u>Account Name</u>     |
|-----------------|--------------------|-------------------------|
| 9.              | 664                | Other plant maintenance |

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

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

|                                 | <u>Year</u> | <u>Amount</u>       |                            |
|---------------------------------|-------------|---------------------|----------------------------|
|                                 | <u>2013</u> | \$ <u>18,919.00</u> |                            |
|                                 | <u>2015</u> | \$ <u>-</u>         |                            |
| a. Test Year                    | <u>2014</u> | \$ <u>35,915.00</u> |                            |
| b. K & M Change                 |             | \$ <u>-</u>         | (to I-1, Column E, Line 9) |
| c. Adjusted Test year (a. + b.) |             | \$ <u>35,845.00</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: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-11 EMPLOYEE PENSIONS AND BENEFITS**  
 FOR THE TEST YEAR ENDED: **2014**

**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:**

| 2013<br>Year | \$ N/A<br>Total Amount | \$ N/A<br>Pensions | \$ N/A<br>Health | \$ N/A<br>Other | \$ N/A<br>Amount Capitalized* |
|--------------|------------------------|--------------------|------------------|-----------------|-------------------------------|
|--------------|------------------------|--------------------|------------------|-----------------|-------------------------------|

Cost per Employee: \_\_\_\_\_

| 2014<br>Year | \$ N/A<br>Total Amount | \$ N/A<br>Pensions | \$ N/A<br>Health | \$ N/A<br>Other | \$ N/A<br>Amount Capitalized* |
|--------------|------------------------|--------------------|------------------|-----------------|-------------------------------|
|--------------|------------------------|--------------------|------------------|-----------------|-------------------------------|

Number of Employees covered: N/A

Cost per Employee: N/A

**List types of Pensions & Benefits:**

| 2015<br>Year | \$ N/A<br>Total Amount | \$ N/A<br>Pensions | \$ N/A<br>Health | \$ N/A<br>Other | \$ N/A<br>Amount Capitalized* |
|--------------|------------------------|--------------------|------------------|-----------------|-------------------------------|
|--------------|------------------------|--------------------|------------------|-----------------|-------------------------------|

Number of Employees covered: N/A

Cost per Employee: N/A

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



UTILITY NAME River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-12 BAD DEBTS**  
 FOR THE TEST YEAR ENDED: **2014**

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

| <u>Line No.</u> | <u>Account No.</u> | <u>Account Name</u> |
|-----------------|--------------------|---------------------|
| 15.             | 670                | Bad Debts           |

**II-12 Bad debts/Uncollectibles**

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

|                                 | <u>Year</u> | <u>Amount</u>                           |
|---------------------------------|-------------|---|
|                                 | <u>2013</u> | \$ <u>-</u>                             |
|                                 | <u>2015</u> | \$ <u>-</u>                             |
| a. Test Year                    | <u>2014</u> | \$ <u>-</u>                             |
| b. K & M Change                 |             | \$ <u>-</u> (to I-1, Column E, Line 15) |
| c. Adjusted Test year (a. + b.) |             | \$ <u>-</u> (to I-1, Column F, Line 15) |

Explanation and calculations of known and measurable change:

**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.





UTILITY NAME: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

**II-13 OFFICE SERVICES AND RENTALS**FOR THE TEST YEAR ENDED: 2014

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

| <u>Line No.</u> | <u>Account No.</u> | <u>Account Name</u>       |
|-----------------|--------------------|---------------------------|
| 16.             | 678                | Office services & rentals |

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

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

|                                 | <u>Year</u> | <u>Amount</u> |                             |
|---------------------------------|-------------|---------------|-----------------------------|
|                                 | <u>2013</u> | <u>\$ N/A</u> |                             |
|                                 | <u>2015</u> | <u>\$ N/A</u> |                             |
| a. Test Year                    | <u>2014</u> | <u>\$ N/A</u> |                             |
| b. K & M Change                 |             | <u>\$ -</u>   | (to I-1, Column E, Line 16) |
| c. Adjusted Test year (a. + b.) |             | <u>\$ N/A</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 River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-14 OFFICE SUPPLIES**  
 FOR THE TEST YEAR ENDED: **2014**

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>39,012.00</u> |                             |
|                                 | <u>2015</u> | \$ _____            |                             |
| a. Test Year                    | <u>2014</u> | \$ <u>2,442.00</u>  |                             |
| b. K & M Change                 |             | \$ <u>-</u>         | (to I-1, Column E, Line 17) |
| c. Adjusted Test year (a. + b.) |             | \$ <u>2,442.00</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 |
|-------------|--------|-----------------|
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-15 PROFESSIONAL SERVICES**  
 FOR THE 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          |
|----------|-------------|-----------------------|
| 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>5,500.00</u> |                             |
|                                 | <u>2015</u> | \$ _____           |                             |
| a. Test Year                    | <u>2014</u> | \$ <u>4,700.00</u> |                             |
| b. K & M Change                 |             | \$ <u>-</u>        | (to I-1, Column E, Line 18) |
| c. Adjusted Test year (a. + b.) |             | \$ <u>4,700.00</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 |
|-------------|--------|-----------------|
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |



UTILITY NAME: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-16 INSURANCE

FOR THE TEST YEAR ENDED: **2014****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>2013</u> | \$ <u>870.00</u> |                             |
|                                 | <u>2015</u> | \$ _____         |                             |
| a. Test Year                    | <u>2014</u> | \$ <u>881.00</u> |                             |
| b. K & M Change                 |             | \$ <u>-</u>      | (to I-1, Column E, Line 19) |
| c. Adjusted Test year (a. + b.) |             | \$ <u>881.00</u> | (to I-1, Column F, Line 19) |

**Types of insurance:**

|           |             |                     |                       |             |                |
|-----------|-------------|---------------------|-----------------------|-------------|----------------|
| <u>\$</u> | <u>Year</u> | <u>Total amount</u> | <u>Period Covered</u> | <u>Type</u> | <u>Company</u> |
| <u>\$</u> | <u>Year</u> | <u>Total amount</u> | <u>Period Covered</u> | <u>Type</u> | <u>Company</u> |
| <u>\$</u> | <u>Year</u> | <u>Total amount</u> | <u>Period Covered</u> | <u>Type</u> | <u>Company</u> |

**Explanation and calculations of known and measurable change:**





UTILITY NAME River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-17 REGULATORY EXPENSE**  
 FOR THE TEST YEAR ENDED: **2014**

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>2013</u> | \$ <u>-</u>        |  |
|                                 | <u>2015</u> | \$ <u>-</u>        |  |
| a. Test Year                    | <u>2014</u> | \$ <u>2,500.00</u> |  |
| b. K & M Change                 |             | \$ <u>-</u>        | (to I-1, Column E, Line 20 - see instructions above) |
| c. Adjusted Test year (a. + b.) |             | \$ <u>2,500.00</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 |
|-------------|--------|-----------------|
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-18 REGULATORY EXPENSE**  
 FOR THE TEST YEAR ENDED: 2014

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

| <u>Line No.</u> | <u>Account No.</u> | <u>Account Name</u>           |
|-----------------|--------------------|-------------------------------|
| 21.             | 667                | Regulatory commission expense |

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

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

|                                 | <u>Year</u> | <u>Amount</u>       |  |
|---------------------------------|-------------|---------------------|--|
|                                 | <u>2013</u> | <u>\$ 25,376.00</u> |  |
|                                 | <u>2015</u> | <u>\$</u>           |  |
| a. Test Year                    | <u>2014</u> | <u>\$ 17,078.00</u> |  |
| b. K & M Change                 | \$          | <u>-</u>            | (to I-1, Column E, Line 21 - see instructions above) |
| c. Adjusted Test year (a. + b.) | \$          | <u>17,078.00</u>    | (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: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**II-19 MISCELLANEOUS EXPENSE**  
 FOR THE TEST YEAR ENDED: 2014

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

| <u>Line No.</u> | <u>Account No.</u> | <u>Account Name</u> |
|-----------------|--------------------|---------------------|
| 22.             | 675                | Miscellaneous       |

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

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

|                                 | <u>Year</u> | <u>Amount</u>      |  |
|---------------------------------|-------------|--------------------|--|
|                                 | <u>2013</u> | \$ <u>2,831.00</u> |  |
|                                 | <u>2015</u> | \$ _____           |  |
| a. Test Year                    | <u>2014</u> | \$ <u>7,105.00</u> |  |
| b. K & M Change                 |             | \$ <u>-</u>        | (to I-1, Column E, Line 22 - see instructions above) |
| c. Adjusted Test year (a. + b.) |             | \$ <u>7,105.00</u> | (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 |
|-------------|--------|-----------------|
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |
|             |        |                 |



SECTION III RATE BASE INSTRU

UTILITY NAME: River Side WWTP

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: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

**III-1 REQUESTED RETURN**

FOR THE TEST YEAR ENDED: 2014

**RETURN ON RATE BASE:**

| Line No. |   |         |
|----------|---|---------|
| 1        | Test year end rate base (from III-2, Line 16) | 278,540 |
| 2        | Requested ROR ( Col G, Line 7 below)          | 10.53%  |
| 3        | Return on rate base (Line 1 x Line 2)         | 29,330  |

**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)                                  | 183,914.63 | 0.66  | 13.0000% | Col E = Requested return on equity       | 8.5800%               |
| 5.       | Long Term Debt and Advances from associated companies from Schedule III-6 | 94,625.60  | 0.34  | 5.7300%  | Col E = From Sch III-6, Column H, Line 9 | 1.95%                 |
| 6.       | Total capitalization (Rate Base Sch III-2, Line 16)                       | 278,540.23 |   |          |  |                       |
| 7.       | Return on rate base Col G, Line 6 rounded to nearest 0.01%)               |            |   |          | Line 4 + Line 5                          | 10.53%                |

To Line 2 above

\* ROE = Return on Equity



UTILITY NAME: \_\_\_\_\_  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**III-2 RATE BASE SUMMARY**  
 FOR THE TEST YEAR ENDED: \_\_\_\_\_

| Line No. | Description                                      | Amount     | Reference                        |
|----------|--|------------|----------------------------------|
| 1        | <b>Additions:</b>                                |            | (From)                           |
| 2.       | Utility plant (Original Cost)                    | 311,162    | 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)                           | 0          | Schedule III-5, Line 2           |
| 6.       | Prepayments                                      | 0          | Schedule III-4, line 8           |
| 7.       | Other Additions                                  | 0          | Add schedule                     |
| 8.       | <b>TOTAL ADDITIONS (Add Lines 2 through 6)</b>   | 311,162    |                                  |
|          | <b>Deductions:</b>                               |            |                                  |
| 9.       | Reserve for depreciation (Accumulated)           | 32,621.77  | 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.      | <b>TOTAL DEDUCTIONS (Add lines 9 through 14)</b> | 32,621.77  |                                  |
| 16.      | <b>RATE BASE (Line 8, less Line 15)</b>          | 278,540.23 |                                  |



| <div>UTILITY NAME <b>River Side WWTP</b></div> <div>SCHEDULES - CLASS B RATE/TARIFF CHANGE</div> <div>III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION</div> |   |                             |                              |  |                               |   |                  |        |      | Schedule III-3                                  |           |                                  |                                      |
|---|---|-----------------------------|------------------------------|--|-------------------------------|---|------------------|--------|------|---|-----------|----------------------------------|--------------------------------------|
|   |   |                             |                              |  |                               |   |                  |        |      | (Provide a schedule for each PWS system)        |           |                                  |                                      |
|   |   |                             |                              |  |                               |   |                  |        |      | Add schedules as needed, provide a summary also |           |                                  |                                      |
| Line No   | [A]<br>Item                                       | [B]<br>Date of Installation | [C]<br>Service Life (yrs) ** | [D.1]<br>Original Cost when installed \$ | [D.2]<br>Customer CIAC amount | [D]= [D.1] - [D.2]<br>Adjusted Original Cost for Customer CIAC <sup>1</sup> | Time in Service  |        |      | Depreciation                                    |           | [F]<br>Accumulated (\$)(Reserve) | [G] = [D]-[F]<br>Net Book Value (\$) |
|   |   |                             |                              |  |                               |   | Years in Service | Months | Days | [E] = [D]/[C]<br>Annual (\$)                    |           |                                  |                                      |
| 1   | 303 Land and land rights                          |                             |                              |  |                               |   |                  |        |      |   |           |                                  |                                      |
| 2   | 307 Wells   |                             | 50                           |  |                               |   |                  |        |      |   |           |                                  |                                      |
|   | <b>Well Pumps:</b>                                |                             |                              |  |                               |   |                  |        |      |   |           |                                  |                                      |
| 3   | 311 5 hp or less                                  |                             | 5                            |  |                               |   |                  |        |      |   |           |                                  |                                      |
| 4   | 311 Greater than 5 hp                             |                             | 10                           |  |                               |   |                  |        |      |   |           |                                  |                                      |
|   | <b>Booster Pumps:</b>                             |                             |                              |  |                               |   |                  |        |      |   |           |                                  |                                      |
| 5   | 311 5 hp or less                                  |                             | 5                            |  |                               |   |                  |        |      |   |           |                                  |                                      |
| 6   | 311 Greater than 5 hp                             |                             | 10                           |  |                               |   |                  |        |      |   |           |                                  |                                      |
| 7   | 320 Chlorinators                                  | 10/18/2013                  | 10                           | 262,497.00                               |                               | 262,497.00  | 1                | 2      | 14   | 26,249.70                                       | 31,644.01 | 230,852.99                       |                                      |
|   | <b>Structures:</b>                                |                             |                              |  |                               |   |                  |        |      |   |           |                                  |                                      |
| 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)         | 10/18/2013                  | 50                           | 29,494.00                                |                               | 29,494.00   | 1                | 2      | 14   | 589.88  | 711.10    | 28,782.90                        |                                      |
| 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                                       | 10/18/2013                  | 20                           | 4,424.00                                 |                               | 4,424.00  | 1                | 2      | 14   | 221.20  | 266.66    | 4,157.34                         |                                      |
|   | <b>Other: (Please list)</b>                       |                             |                              |  |                               |   |                  |        |      |   |           |                                  |                                      |
| 19  | <b>Paving</b>                                     | 10/18/2013                  |                              | 14,747.00                                |                               | 14,747.00   | 1                | 2      | 14   |   |           |                                  |                                      |
| 20  |   |                             |                              |  |                               |   |                  |        |      |   |           |                                  |                                      |
| 50  | <b>Total</b>                                      |                             |                              |  |                               |   |                  |        |      |   |           |                                  |                                      |

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

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



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE**  
 FOR TEST YEAR ENDED: **2014**

## ORIGINAL COST DATA

| A<br>Line<br>No. | B<br>Description  | C<br>Amount                        | D<br>Amount     |
|------------------|---|------------------------------------|-----------------|
| 1.               | Beginning Gross Plant balance - (from previous rate case) | Must match previous rate case      | \$ 1,269,941.00 |
| 2.               | Plant additions after previous rate case                  |                                    |                 |
| 3.               | Treatment & Disposal Equipment                            | \$ 262,497.00                      |                 |
| 4.               | Paving  | \$ 14,747.00                       |                 |
| 5.               | Outfall Sewer Lines                                       | \$ 14,747.00                       |                 |
| 6.               | Force Collection Sewers                                   | \$ 14,747.00                       |                 |
| 7.               | Fencing   | \$ 4,424.00                        |                 |
| 8.               |   |                                    |                 |
| 9.               |   |                                    |                 |
| 10.              |   |                                    |                 |
| 11.              | Total additions (add lines 3 through 10, Col C)           |                                    | \$ 311,162.00   |
| 12.              | Test year plant retirements after previous rate case:     |                                    |                 |
| 13.              | Wells   | \$ 303,281.00                      |                 |
| 14.              | Well Pumps  | \$ 20,065.00                       |                 |
| 15.              | Booster Pumps   | \$ 14,715.00                       |                 |
| 16.              | Wood  | \$ 53,188.00                       |                 |
| 17.              | Storage Tanks   | \$ 197,272.00                      |                 |
| 18.              | Pressure Tanks  | \$ 55,289.00                       |                 |
| 19.              | Distribution System                                       | \$ 359,149.00                      |                 |
| 20.              | Fencing   | \$ 33,189.00                       |                 |
| 21.              | Total retirements (add line 13 through 20, Col C)         |                                    | \$ 1,036,148.00 |
| 22.              | Ending balance (line 1 + line 11 - line 21)               | Equals as III-3, Column C, line 50 | \$ 411,405.00   |

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





UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS,  
 MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS**  
 FOR THE TEST YEAR ENDED: 2014

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

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

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

Typically zero, to Schedule III-2, Line 3

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

To III-2, Line 4.

To III-2, Line 6.

**\*\*\*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: River Side WWTP  
 SCHEDULES FOR CLASS B RATE/TARIFF CHANGE  
**III-5 WORKING CASH ALLOWANCE CALCULATIONS**  
 FOR THE TEST YEAR ENDED: 2014

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<br>Line No | B<br>Description               | Class B |       | Class C |       |
|--------------|--------------------------------|---------|-------|---------|-------|
|              |                                | Water   | Sewer | Water   | Sewer |
| 1            | Annual O & M Expenses          |         |       |         |       |
| 2            | Working Cash (Line 3 / Line 5) |         |       |         |       |
| 3            | Divisor                        | 12      | 12    | 8       | 8     |

From Sch I-1, line 25

To Sch III-2, line 5



UTILITY NAME: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

FOR THE YEAR ENDED: 2014

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<br>Name of Bank/Lender | (B )<br>Date of Issue | (C )<br>Date of Maturity | (D)<br>Original Amount<br>of Loan | (E )<br>Outstanding or<br>Unpaid Balance-<br>End of Test Year | (F)<br>Interest<br>Rate | (G)=Col E, Line 20 x<br>Col F, Line 20<br>Weighted Average |
|---|---|-----------------------|--------------------------|-----------------------------------|---|-------------------------|--|
| 1 | Part 1 - Debt                             |                       |                          |                                   |   |                         |  |
| 2 |   | 10/18/2013            |                          | 123,946                           | 94,625.60   | 5.73                    |  |
| 3 |   |                       |                          |                                   |   |                         |  |
| 4 |   |                       |                          |                                   |   |                         |  |
| 5 |   |                       |                          |                                   |   |                         |  |
| 6 |   |                       |                          |                                   |   |                         |  |
| 7 |   |                       |                          |                                   |   |                         |  |
| 8 |   |                       |                          |                                   |   |                         |  |
| 9 | Total                                     |                       |                          | 123,946                           | 94,625.60   | 5.73                    | 5.73   |

to Sch III-1,  
Column G,  
Line 5

List short term debt, if any:



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**III-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE**  
 FOR THE TEST YEAR ENDED: 2014

## ACCUMULATED DEPRECIATION:

| Line No. | Description   | Dollar Amount |
|----------|---|---------------|
| 1.       | Ending-Prior Rate Case (Docket No. _____)   | 1,269,941     |
| 2        | Ending balance per Sch III-3, Column F, Line 50   | 476,121.46    |
|          | Describe accounting adjustments made between the prior rate case and the current rate case: |               |
|          | Newly installed Wastewater Treatment Plant, with some previous facilities retired.          |               |
|          |   |               |
|          |   |               |
|          |   |               |
|          |   |               |

Must match previous rate case.





UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**III-8 ADVANCES FOR CONSTRUCTION AND**  
**CONTRIBUTIONS IN AID OF CONSTRUCTION**  
 FOR THE TEST YEAR ENDED: 2014

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

|          | A              | B                    | C          | D                 | E                            | F  | G                                    |
|----------|----------------|----------------------|------------|-------------------|------------------------------|--|--------------------------------------|
| Line No. | Item           | Date of Installation | Total Cost | Amount of Advance | Repayments made to developer | (F)=(D)-(E)<br>Rate base Value<br>(to Sch III-2) | Amount to be refunded in the future* |
| 1.       | Not Applicable | 0                    | 0          | 0                 | 0                            | 0  | 0                                    |
| 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\*:

|          | A              | B                                    | C          | D                                | E                   | F                        | G  |
|----------|----------------|--------------------------------------|------------|----------------------------------|---------------------|--------------------------|--|
| Line No. | Item           | Date of Installation or Contribution | Total Cost | Amount of Developer Contribution | Annual amortization | Accumulated Amortization | (G)=(D) - (F)<br>Rate Base Value<br>(to Sch III-2) |
| 1.       | Not Applicable | 0                                    | 0          | 0                                | 0                   | 0                        | 0  |
| 2.       |                |                                      |            |                                  |                     |                          |  |
| 3.       |                |                                      |            |                                  |                     |                          |  |
| 4.       |                |                                      |            |                                  |                     |                          |  |
| 5.       |                |                                      |            |                                  |                     |                          |  |
| 6.       | Total          |                                      |            |                                  |                     |                          |  |

\*Customer CIAC is entered directly on III-3



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**III-9 DEFERRED INCOME TAXES AND**  
**DEFERRED INVESTMENT TAX CREDITS**  
 FOR THE TEST YEAR ENDED: 2014

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 | Not Applicable   |
| 2.       | Test year amount  | Not Applicable   |
| 3.       | Ending balance    | Not Applicable   |

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

| Line No. | Description            | Test Year Amount |
|----------|------------------------|------------------|
| 1.       | Beginning balance      | Not Applicable   |
| 2.       | Test year amortization | Not Applicable   |
| 3.       | Ending balance         | Not Applicable   |



UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**III-10 OTHER DEFERRED ASSETS**  
 FOR THE TEST YEAR ENDED: 2014

III-10(a) : Other Deferred Assets

| Line No. | Description    | Test Year Amount |
|----------|----------------|------------------|
| 1.       | Not Applicable | 0                |
| 2.       |                |                  |
| 3.       |                |                  |

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

| Line No. | Description    | Test Year Amount | Total Accum Amort<br>End of test year |
|----------|----------------|------------------|---------------------------------------|
| 1.       | Not Applicable | 0                | 0                                     |
| 2.       |                |                  |                                       |
| 3.       |                |                  |                                       |



SECTION IV OTHER TAX INSTRUCTIONS

UTILITY NAME: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

**Instructions for Section IV**

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





UTILITY NAME: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**IV(a) ESTIMATE OF TAXES OTHER THAN INCOME**  
 FOR THE TEST YEAR ENDED: 2014

**PROPERTY TAXES:**

| A        | B                                       | C              | D              | E  |
|----------|---|----------------|----------------|--|
| Line No. | Description                             | Amount         | Amount         | Reference  |
| 1        | Property taxes paid in in test year     |                | Not Applicable | 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             | Not Applicable |                | 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 _____                | %        | 0                       | Column D+E+F Line 9 | -       |
| 10       | Medicare                             | wages to _____                | %        | 0                       | Column H Line 9     | -       |
| 11       | Added Medicare (Affordable Care Act) | wages to _____                | %        | 0                       |                     | -       |
| 12       | Federal unemployment                 | wages to _____                | %        | 0                       | Column D Line 9     | -       |
| 13       | State unemployment                   | wages to _____                | %        | 0                       | Column D+E Line 9   | -       |
| 14       | Total (add Lines 11 through 14)      |                               |          |                         |                     |         |
| 15       | Less: Capitalized                    | Use % on Sch II-6(a), line 10 | %        | 0                       |                     |         |
| 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>River Side WWTP</u><br>SCHEDULES - CLASS B RATE/TARIFF CHANGE<br><b>IV(b) REVENUE RELATED TAXES AND EXPENSES</b><br>FOR THE TEST YEAR ENDED: <u>2014</u> |   |                         |                     |                          |           |   |
|---|---|-------------------------|---------------------|--------------------------|-----------|---|
| A   | B   | C                       | D                   | E                        | F=B+C+D+E |   |
| Line  | Texas Margins<br>Tax  | City Franchise<br>Taxes | Bad Debt<br>Expense | Other Revenue<br>Related | Totals    |   |
| 1   | Test year expense   | -                       | -                   | -                        | -         | - |
| 2   | Test year effective rate (test year tax<br>expense/historic test year revenues-Sch I-1) |                         |                     |                          |           |   |
| 3   | Gross up factor (1.0 divided by (1.0 minus<br>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)  |                         |                     |                          |           | - |



**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: River Side WWTP  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE  
**V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE**  
 FOR THE TEST YEAR ENDED: 2014

| A    | B                              | C      | D   |
|------|--------------------------------|--------|---|
| Line |                                | Amount | Reference   |
| 1    | Requested Return               | 29,330 | Schedule III-1, Line 3 or II-1, line 34           |
| 2    | Less: Synchronized Interest    | 5,432  | Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16) |
| 3    | Requested taxable return       | 23,898 | Line 1 minus Line 2                               |
| 4    | Income taxes at proposed rates | 3,585  | Line 17 below                                     |
| 5    | Effective tax rate             | 0.15   | Line 4 divided by Line 3                          |
| 6    | Total gross up factor          | 1.185  | 1.0 divided by (1.0 minus line 5)                 |
| 7    | Grossed up federal income tax  | 4,230  | 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%       | 3,585   |
| 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 | 3,585   |





UTILITY NAME: River Side WWTP**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: <u>River Side WWTP</u>   |   |                            |             |                |       |
|--|---|----------------------------|-------------|----------------|-------|
| SCHEDULES - CLASS B RATE/TARIFF CHANGE |   |                            |             |                |       |
| Schedule VI-1 RATE DESIGN              |   |                            |             |                |       |
| FOR THE TEST YEAR ENDED: 2014          |   |                            |             |                |       |
| Line No.                               | A   | B                          | C           |                |       |
|  |   | Reference                  |             |                |       |
| <b>DETERMINATION OF FIXED COSTS</b>    |   |                            |             |                |       |
| 1.                                     | Gross revenues to be recovered:                         | Sch I-1, Line 36           | 149,901.07  |                |       |
|  | <del>Less variable costs:</del>                         |                            |             |                |       |
| 2.                                     | Purchased water - Account 610                           | Sch I-1, Col. F, line 1    | 6,097       |                |       |
| 3.                                     | Purchased power - Account 615                           | Sch I-1, Col. F, line 2    | 12,203      |                |       |
| 4.                                     | Other volume related - Account 618                      | Sch I-1, Col. F, line 3    | 13,600      |                |       |
| 5.                                     | Other volume related or allocated (attach schedule)     |                            |             |                |       |
| 6.                                     |   |                            |             |                |       |
| 7.                                     |   |                            |             |                |       |
| 8.                                     |   |                            |             |                |       |
| 9.                                     |   |                            |             |                |       |
| 10.                                    | FIXED COSTS (Line 1 minus Lines 2-9)                    |                            | 118,001.07  |                |       |
| 11.                                    | % OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE         |                            | 0%          |                |       |
| 12.                                    | TO BE RECOVERED THROUGH BASE SERVICE CHARGE             |                            | 118,001.07  |                |       |
|  | <b>RECAP:</b>   |                            |             |                |       |
| 13.                                    | RECOVERED THROUGH BASE SERVICE CHARGE                   | Line 10                    | 118,001.07  |                |       |
| 14.                                    | RECOVERED THROUGH VOLUMETRIC RATE                       | Line 1 - Line 10           | 0           |                |       |
|  | TOTAL   | Equals Line 1              | 118,001.07  |                |       |
|  | <del>TO BE RECOVERED THROUGH BASE SERVICE CHARGE:</del> |                            |             |                |       |
| 15.                                    | TOTAL METER EQUIVALENTS                                 | Sch I-3, Col H, line 9     | 126         |                |       |
| 16.                                    | CHARGE PER 5/8" X 3/4" METER                            | Line 13 / Line 15          | 78.04       |                |       |
|  | <b>TO BE RECOVERED THROUGH VOLUMETRIC RATE</b>          |                            |             |                |       |
| 17.                                    | TOTAL WATER SALES IN 1,000 GALS                         | Sch II-1(a), Col C, line 4 | 0           |                |       |
| 18.                                    | VOLUMETRIC RATE (CHARGE PER 1,000 GALS)                 | Line 14 / Line 17          | 0           |                |       |
|  | <b>PROPOSED RATES:</b>                                  |                            |             |                |       |
| 19.                                    | FOR ALL WATER DELIVERED PER 1,000 gallons               | Line 18 or attach calc     | 0           |                |       |
|  | BASE SERVICE CHARGE (PER 5/8" X 3/4")                   |                            | 78.04       |                |       |
|  | Meter size  | Line 16                    | Equivalency | Base Rate/size |       |
| 20.                                    | 5/8 X 3/4"  | 78.04                      | X 1.0 =     | 78.04          | 78.04 |
| 21.                                    | 3/4"  | N/A                        | X 1.5 =     | N/A            | N/A   |
| 22.                                    | 1"  | N/A                        | X 2.5 =     | N/A            | N/A   |
| 23.                                    | 1 1/2"  | N/A                        | X 5.0 =     | N/A            | N/A   |
| 24.                                    | 2"  | N/A                        | X 8.0 =     | N/A            | N/A   |
| 25.                                    | 3"  | N/A                        | X 15.0 =    | N/A            | N/A   |
| 26.                                    | 4"  | N/A                        | X 25.0 =    | N/A            | N/A   |
|  |   |                            |             |                |       |
|  |   |                            |             |                |       |
|  |   |                            |             |                |       |
|  |   |                            |             |                |       |
|  |   |                            |             |                |       |

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.