

Control Number: 46556



Item Number: 6

Addendum StartPage: 0

AIR❖WATER❖WASTE CONSULTANTS

January 24, 2017

SUBMITTED ELECTRONICALLY

Public Utility Commission of Texas

Re: **Docket No. 46556**
Submittal As Per: ORDER NO. 2
Rate/Tariff Change Application for: Test Year 2015
Texas Water Code § 13.1871: Sewer Services

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


RECEIVED
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PUBLIC UTILITY COMMISSION
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. As per the requirements outlined by Order No. 2 of Docket No. 46556, this submittal includes revised application forms to include data for the test year of 2015 and Annual Wastewater Reports for the years of 2014 and 2015.

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.





SOURCE

ENVIRONMENTAL SCIENCES, INC.

2060 NORTH LOOP WEST, STE. 140
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AIR❖WATER❖WASTE CONSULTANTS

**DOCKET NO. 46556
ORDER NO. 2**

RESPONSE PACKAGE

&

RATE/TARIFF CHANGE APPLICATION

FOR:

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

CCN NO: 20740

JANUARY 2017

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
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**EST.
1984**

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PUBLIC UTILITY COMMISSION OF TEXAS

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

WATER UTILITY NAME: Riverside Wastewater 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 Coblenz

PHONE: (713) 621 - 4474

EMAIL ADDRESS jack@source-environmental.com

PUC CLASS SIZE: B ☒ C (circle one)

INCREASE (DECREASE): \$133,600.92 (From Sch. 1-1, Line 33;
dollar amount
654.52% (From Sch. 1-1, 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 WWTP
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: 12/31/2015
DATE SUBMITTED TO PUC: _____

	<u>Attachment Schedule</u>	<u>Items Checked</u>
SECTION I	<u>REVENUES AND REVENUE REQUIREMENT</u>	
	Revenue Requirement Summary	<input type="checkbox"/>
	Historical Revenue Summary	<input type="checkbox"/>
	<u>Include the appropriate schedules:</u>	
	Metered Active Connections by Meter Size	<input type="checkbox"/>
	Unmetered Active (Flat Rate) Customers	<input type="checkbox"/>
SECTION II	<u>OPERATIONS AND EXPENSES</u>	
	Water Production (no unmetered rates)	<input type="checkbox"/>
	Water Production (with unmetered rates)	<input type="checkbox"/>
	Other Revenues & Expenses passed through	<input type="checkbox"/>
	Purchased Power	<input type="checkbox"/>
	Other Volume Related Expenses	<input type="checkbox"/>
	Payroll Cost Allocation	<input type="checkbox"/>
	Materials	<input type="checkbox"/>
	Contract Work	<input type="checkbox"/>
	Transportation Expenses	<input type="checkbox"/>
	Other Plant Maintenance	<input type="checkbox"/>
	Employee Pensions/Benefits	<input type="checkbox"/>
	Bad Debts/uncollectables	<input type="checkbox"/>
	Office Services and Rentals	<input type="checkbox"/>
	Office Supplies and Expense	<input type="checkbox"/>
	Professional Services	<input type="checkbox"/>
	Insurance	<input type="checkbox"/>
	Rate Case Expense	<input type="checkbox"/>
	Regulatory Commission Expense	<input type="checkbox"/>
	Miscellaneous Expense	<input type="checkbox"/>

UTILITY NAME: River Side WWTP
GENERAL WATER RATE/TARIFF CHANGE APPLICATION SCHEDULES
TABLE OF CONTENTS (Page 2 of 2)

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

UTILITY NAME: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION I - REVENUE REQUIREMENTS AND REVENUES

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

Instructions for Section I - Revenue Requirement and Revenues

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

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

Schedule I-2 reports historical revenues collected and Schedules I-3 and 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> SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY PUC Docket No. _____ Test Year End: 2015						
A	B	C	D	E	F=D+E	G
			Historical Test Year	K & M Changes	Adjusted Test Year	
Line No.	Acct. No.	Account Name				Reference/ Instructions
		Volume related expenses:				
1	610	Purchased water	3,916			Schedule II-3
2	615	Power Expense-production only	12,260			Schedule II-4
3	618	Other volume related expenses	5,300			Schedule II-5
4		Total volume related exp.	21,476			Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor				Schedule II-6, Line 1
6	620	Materials	4,072			Schedule II-7
7	631-636	Contract work	41,385			Schedule II-8
8	650	Transportation expenses				Schedule II-9
9	664	Other plant maintenance	22,158			Schedule II-10
10		Total non-volume related exp.	67,615			Add Lines 5-9
		Admin. & general expenses:				
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				Schedule II-14
18	678	Professional services	2,566			Schedule II-15
19	684	Insurance	-			Schedule II-16
20	666	Regulatory (rate case) expense	-			Schedule II-17
21	667	Regulatory expense (other)	1,588			Schedule II-18
22	675	Miscellaneous expenses	5,904			Schedule II-19
23		Total admin. & general expense	10,058			Add Lines 11-22
24		Total operating Expenses	99,149			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	126,210			
29		TOTAL HISTORIC REVENUE	20,412			Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN	(- 105,798.00)			Line 30 less Line 29
31		REQUESTED RETURN			27,802	Schedule III-1, Line 3
32		TOTAL REVENUE REQUIREMENT			154,013	Line 30 plus Line 34
33		REQUESTED ANNUAL REVENUE INCREASE		(to notice)	133,601	Line 32 less Line 29
34		PERCENTAGE INCREASE			654.5200	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)	133,601	Line 33 minus Line 35

UTILITY NAME: <u>River Side WWTP</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE FOR TEST YEAR ENDED: <u>2015</u> I-2 HISTORICAL REVENUE SUMMARY			
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	20,412	From financial records
4.	Total Metered & Flat Rate Revenue	20,412	
5.	Plus: Total Other Revenues	0	From II-3, Column B, line 7
6.	Total Historic Test Year Revenues per income statement and Annual Report*	20,412	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: 2015

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: 2015

A	B	C	D	E	F
		Number of Active Connections			
Line No.	Flat Rate Unit	End of Prior Year	Test Year Additions	End of Year	Average
		PUC report Sch. 9		(C - D)	(C - E) 2
1.	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: 2015

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

Line No.	Water Production (1,000 Gallons)	A	B	C= A+B	D
		Test Year	K & M Changes	Adjusted Test Year	Reference
1	Total water pumped				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 Test Year	B K & M Change	C=A+B Adjusted Test Year	D Reference
1	Water Purchased (1,000 gallons)	177	0	177	PUC report Sch. D-1
2	Water Pumped (1,000 gallons)	0	0	0	PUC report Sch. D-1
3	Total production (1,000 gallons)	177	0	177	Lines 13 + 14

UTILITY NAME: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-3 OTHER REVENUES & EXPENSES PASSED THROUGH

FOR TEST YEAR ENDED: 2015

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

Line No.	A	B	C	D	D
	Purchased from:	Units purchased (in 1,000 gal) (e.g. 1,000 gal, AC - FT)	Price Per Unit	Total Calculated Cost (B x C)	Actual Cost paid per financial records
1.	Bryan Texas Utilities	177	22.12	3,915.24	3,916
2.					
3.					
4.	Total *	177	22.12	3,915.24	3,916

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

II-3(b) Other revenues collected from customers

Line No.	A	B	C	D
	Item passed thru or type of other revenue	Test year historical revenues collected		Test year revenues netted against COS
1.	Tap Fees*	0		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 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: River Side WWTP
 II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE
PURCHASED POWER
 FOR TEST YEAR ENDED: 2015

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>
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.

	<u>Year</u>	<u>Amount</u>	
	<u>2013</u>	\$ <u>6,857.00</u>	
	<u>2014</u>	\$ <u>12,203.00</u>	
Test Year	<u>2015</u>	\$ <u>12,260.00</u>	
K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 2)
Adjusted Test year		\$ <u>12,260.00</u>	(to I-1, Column F, Line 2)

Explanation and calculations of known and measurable change:

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

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
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:

	<u>Year</u>	<u>Amount</u>	
	<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: River Side WWTP
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-5 OTHER RELATED VOLUME EXPENSES
 FOR THE TEST YEAR ENDED: 2015

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

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

Other volume related expenses

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

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

	<u>Year</u>	<u>Amount</u>	
	<u>2013</u>	\$ <u>15,340.00</u>	
	<u>2014</u>	\$ <u>13,600.00</u>	
a. Test Year	<u>2015</u>	\$ <u>5,300.00</u>	
b. K & M Change		\$ <u> </u>	(to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ <u> </u>	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

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

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

Line No.	Employee Name	A Test Year Payroll	B Capitalized Payroll	C Expensed Payroll	D 1st 7000 or new limit (FUTA max)	E 7,001 to 9000 or new limit (SUTA max)	F 9,001 to 118500 or new limit (or FICA max)	G over 118500 or new limit	H Total 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	
2.	601-2	Office salaries	
3.	601-3	Management salaries	
4.		Total Payroll Expenses	

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

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

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

UTILITY NAME: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-7 MATERIALS

FOR THE TEST YEAR ENDED: 2015

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:

	<u>Year</u>	<u>Amount</u>
	<u>2013</u>	\$ <u>2,110.00</u>
	<u>2014</u>	\$ <u>2,475.00</u>
a. Test Year	<u>2015</u>	\$ <u>4,072.00</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 6)
c. Adjusted Test year (a. + b.)		\$ <u>4,072.00</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: 2015

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.

<u>Year</u>	<u>Amount</u>
<u> </u>	\$ <u> </u>
<u>2013</u>	\$ <u>27,677.00</u>
<u>2014</u>	\$ <u>16,864.00</u>
a. Test Year <u>2015</u>	\$ <u>26,465.00</u>
b. K & M Change	\$ <u>0.00</u> (to I-1, Column E, Line 7)
c. Adjusted Test year (a. + b.)	\$ <u>26,465.00</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: River Side WWTP

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-9 TRANSPORTATION

FOR THE TEST YEAR ENDED: 2015

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>
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.

	<u>Year</u>	<u>Amount</u>
	<u>2013</u>	\$ <u>N/A</u>
	<u>2014</u>	\$ <u>N/A</u>
a. Test Year	<u>2015</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: **2015**

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>2014</u>	\$ <u>35,915.00</u>
a. Test Year	<u>2015</u>	\$ <u>22,158.00</u>
b. K & M Change		\$ <u>-</u> (to I-1, Column E, Line 9)
c. Adjusted Test year (a. + b.)		\$ <u>22,158.00</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: **2015**

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

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

Employee pensions and benefits

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

List types of Pensions & Benefits:

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

Cost per Employee: _____

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

Number of Employees covered: N/A

Cost per Employee: N/A

List types of Pensions & Benefits:

<u>2015</u> Year	\$ <u>N/A</u> Total Amount	\$ <u>N/A</u> Pensions	\$ <u>N/A</u> Health	\$ <u>N/A</u> Other	\$ <u>N/A</u> 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: **2015**

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>2015</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: 2015

**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>2014</u>	\$ <u>N/A</u>
a. Test Year	<u>2015</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: **2015**

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>
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:

	<u>Year</u>	<u>Amount</u>	
	<u>2013</u>	\$ <u>39,012.00</u>	
	<u>2014</u>	\$ <u>2,442.00</u>	
a. Test Year	<u>2015</u>	\$ <u>-</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 17)
c. Adjusted Test year (a. + b.)		\$ <u>-</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: **2015**

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>
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:

	<u>Year</u>	<u>Amount</u>	
	<u>2013</u>	\$ <u>5,500.00</u>	
	<u>2014</u>	\$ <u>4,700.00</u>	
a. Test Year	<u>2015</u>	\$ <u>2,566.00</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 18)
c. Adjusted Test year (a. + b.)		\$ <u>2,566.00</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: **2015****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>2014</u>	\$ <u>881.00</u>	
a. Test Year	<u>2015</u>	\$ <u>-</u>	
b. K & M Change		\$ <u>-</u>	(to I-1, Column E, Line 19)
c. Adjusted Test year (a. + b.)		\$ <u>-</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: **2015**

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

**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:

	Year	Amount	
	<u>2013</u>	\$ <u>25,376.00</u>	
	<u>2014</u>	\$ <u>17,078.00</u>	
a. Test Year	<u>2015</u>	\$ <u>1,588.00</u>	
b. K & M Change	\$	<u>-</u>	(to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test year (a. + b.)	\$	<u>1,588.00</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: **2015**

**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>2014</u>	\$ <u>7,105.00</u>
a. Test Year	<u>2015</u>	\$ <u>5,904.00</u>
b. K & M Change	\$ <u>-</u>	(to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test year (a. + b.)	\$ <u>5,904.00</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

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: 2015

RETURN ON RATE BASE:

Line No.		
1	Test year end rate base (from III-2, Line 16)	263,800
2	Requested ROR (Col G, Line 7 below)	11.11%
3	Return on rate base (Line 1 x Line 2)	27,802

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)	184,946.10	0.74	13.0000%	Col E = Requested return on equity	9.6200%
5	Long Term Debt and Advances from associated companies from Schedule III-6	65,305.20	0.26	5.7300%	Col E = From Sch. III-6, Column H, Line 9	1.49%
6	Total capitalization (Rate Base Sch III-2, Line 16)	250,251.30				
7	Return on rate base Col G, Line 6 rounded to nearest 0.01%)				Line 4 + Line 5	11.11%

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	Additions:		(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.	TOTAL ADDITIONS (Add Lines 2 through 6)	311,162	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	60,910.70	Schedule III-3, Col F, Line 50
10.	Advances for construction	0	Schedule III-8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	0	Schedule III-8(b), Col G, Line 6
12.	Accumulated deferred income taxes	0	Schedule III-9(a), Line 3
13.	Accumulated deferred investment tax credits	0	Schedule III-9(b), Line 3
14.	Other Deductions	0	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	60,910.70	
16.	RATE BASE (Line 8, less Line 15)	250,251.30	

UTILITY NAME River Side WWTP
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION
 0

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

Line No	[A] Item	[B] Date of Installation	[C] Service Life (yrs) **	[D.1] Original Cost when installed \$	[D.2] Customer CIAC amount	[D] = [D.1] - [D.2] Adjusted Original Cost for Customer CIAC ¹	Time in Service			Depreciation		
							Years in Service	Months	Days	[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$ (Reserve))	[G] = [D]-[F] Net Book Value (\$)
1	303 Land and land rights											
2	307 Wells		50									
	Well Pumps:											
3	311 5 hp or less		5									
4	311 Greater than 5 hp		10									
	Booster Pumps:											
5	311 5 hp or less		5									
6	311 Greater than 5 hp		10									
7	320 Chlorinators	10/18/2013	10	262,497.00		262,497.00	2		14	26,249.70	57,828.09	204,668.19
	Structures:											
8	304 Wood		15									
9	304 Masonry		30									
10	305 Storage Tanks		50									
11	311 Pressure Tanks		50									
12	331 Distribution System (mains and lines)	10/18/2013	50	29,494.00		29,494.00	2		14	589.88	1,299.51	28,194.49
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	2		14	221.20	487.30	4,157.34
	Other: (Please list)											
19	Paving	10/18/2013		14,747.00		14,747.00	2		14	589	1,295.80	13,451.20
20												
50	Total			511,162						28,356.58	60,910.70	250,251.30

Add detailed worksheets if necessary to support this Schedule.

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

UTILITY NAME: River Side WWTP
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE
 FOR TEST YEAR ENDED: **2015**

ORIGINAL COST DATA

A	B	C	D
Line No.	Description	Amount	Amount
1.	Beginning Gross Plant balance - (from previous rate case)	Must match previous rate case	\$ 1,269,941.00
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 D, 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 FOR CLASS B RATE/TARIFF CHANGE
III-5 WORKING CASH ALLOWANCE CALCULATIONS
 FOR THE TEST YEAR ENDED: 2015

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

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

A Line No	B Description	Class B		Class C	
		Water	Sewer	Water	Sewer
1	Annual O & M Expenses				
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: 2015

List the following information concerning debt and equity of the utility and attach copies of notes payable used. Round all percentages to two (2) decimal places.

If debt from affiliated interests is allocated to the utility, provide workpapers demonstrating and justifying the allocation.

	(A) Long Term Debt Name of Bank/Lender	(B) Date of Issue	(C) Date of Maturity	(D) Original Amount of Loan	(E) Outstanding or Unpaid Balance- End of Test Year	(F) Interest Rate	(G)=Col. E, Line 20 x Col F, Line 20 Weighted Average
1	Part 1 - Debt						
2		10/18/2013		123,946	65,305.20	5.73	
3							
4							
5							
6							
7							
8							
9	Total			123,946	65,305.20	5.73	5.73

10 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: 2015

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. 2015

III-8(a) ADVANCES FOR CONSTRUCTION:

Line No.	A Item	B Date of Installation	C Total Cost	D Amount of Advance	E Repayments made to developer	F (F)=(D)-(E) Rate base Value (to Sch III-2)	G Amount to be refunded in the future*
1.	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*:

Line No.	A Item	B Date of Installation or Contribution	C Total Cost	D Amount of Developer Contribution	E Annual amortization	F Accumulated Amortization	G (G)=(D) - (F) Rate Base Value (to Sch III-2)
1.	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: 2015

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: 2015

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 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: 2015

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: River Side WWTP
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV(b) REVENUE RELATED TAXES AND EXPENSES
 FOR THE TEST YEAR ENDED: 2015

A	B	C	D	E	F=B+C+D+E
Line	Texas Margins Tax	City Franchise Taxes	Bad Debt Expense	Other Revenue Related	Totals
1	Test year expense	-	-	-	-
2	Test year effective rate (test year tax expense/historic test year revenues-Sch I-1)				
3	Gross up factor (1.0 divided by (1.0 minus Line (example below)				
4	Change in revenue requirement (Sch I-1, line 33)				
5	Adjusted revenue requirement (Line 3 x Line 4)				
6	Adjusted expense (Line 3 times Line 4)				

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: 2015

A	B	C	D
Line		Amount	Reference
1	Requested Return	27,803	Schedule III-1, Line 3 or II-1, line 34
2	Less: Synchronized Interest	3,748	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return	24,055	Line 1 minus Line 2
4	Income taxes at proposed rates	3,608	Line 17 below
5	Effective tax rate	0.15	Line 4 divided by Line 3
6	Total gross up factor	1.18	1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax	4,258	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%	3,608
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,	3,608

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: 2015				
Line No.	A	B	C	
		Reference		
DETERMINATION OF FIXED COSTS				
1.	Gross revenues to be recovered:	Sch I-1, Line 36	133,600.92	
	Less variable costs:			
2.	Purchased water - Account 610	Sch I-1, Col. F, line 1	3,916	
3.	Purchased power - Account 615	Sch I-1, Col. F, line 2	12,260	
4.	Other volume related - Account 618	Sch I-1, Col. F, line 3	5,300	
5.	Other volume related or allocated (attach schedule)			
6.				
7.				
8.				
9.				
10.	FIXED COSTS (Line 1 minus Lines 2-9)		112,124.92	
11.	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE		0%	
12.	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		112,124.92	
RECAP:				
13.	RECOVERED THROUGH BASE SERVICE CHARGE	Line 10	112,124.92	
14.	RECOVERED THROUGH VOLUMETRIC RATE	Line 1 - Line 10	0	
	TOTAL	Equals Line 1	112,124.92	
TO BE RECOVERED THROUGH BASE SERVICE CHARGE:				
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	74.16	
TO BE RECOVERED THROUGH VOLUMETRIC RATE:				
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	
PROPOSED RATES:				
19.	FOR ALL WATER DELIVERED PER 1,000 gallons	Line 18 or attach calc	0	
	BASE SERVICE CHARGE (PER 5/8" X 3/4")		74.16	
	Meter size	Line 16	Equivalency	Base Rate/size
20.	5/8 X 3/4"	74.16	X 1.0 =	74.16
21.	3/4"	N/A	X 1.5 =	N/A
22.	1"	N/A	X 2.5 =	N/A
23.	1 1/2"	N/A	X 5.0 =	N/A
24.	2"	N/A	X 8.0 =	N/A
25.	3"	N/A	X 15.0 =	N/A
26.	4"	N/A	X 25.0 =	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.

INTRODUCTION AND REGISTRANT INFORMATION

On behalf of RIVER SIDE WASTEWATER TREATMENT PLANT (hereafter “River Side”), Source Environmental Sciences, Inc. hereby presents this response package to Order No. 2 of Docket No. 46556. This Docket regards an application for a Rate/Tariff Change via Texas Water Code (TWC) §13.1871: *Class B Utilities* (effective 09/13/2015) requesting authorization and approval for increased rate charges for sewer services provided by River Side. The following response package includes Annual Wastewater Reports for the years of 2015 and 2014 (respectively attached as Appendices D and E) in order to address deficiencies within the application originally submitted to the PUC. The 2013 Revenue and Regulatory assessment, which has been submitted within the original Rate/Tariff application, is included as Attachment F.

The Riverside facility is located in Bryan, Brazos County, Texas. CCN No. 20740 is associated with the facility’s services and associated operations (SIC #6515 & NAICS #531190). Riverside is classified as a Class C utility, having 126 connections. However, Riverside is electing to submit the Class B Rate Change application in order to calculate new rates as authorized by TWC §13.1871.

The rate/tariff application package follows the outline of the Class B Rate/Tariff Change Application (Form Revised 09/17/15). In addition, Income Statements and Balance Sheets, Balance Sheets for any affiliated entities, Rate Change Schedules and Supporting Workpapers, Schedules detailing any affiliated transactions, a completed proposed notice for the utility (using the approved PUC Form), and a completed affidavit (using the approved PUC Form) are included as attachments to this document in order to establish sufficiency for the Rate Change Application (as per the PUC document for Class B Investor-Owned Utilities Water And/Or Sewer “Instructions For Rate/Tariff Change Application 2015”).

SECTION I: REVENUES AND REVENUE REQUIREMENT

Data used to complete Page 6 of the Class B Application Form was taken from records and balance sheets for the Test Year (Calendar Year: 2015) and the Annual Wastewater Report for the year of 2015.

The historical revenue summary outlined on Page 7 of the Class B Application Form reflects revenue generated by the unmetered flat rate revenue generated within the 2015 test year.

The metered active connections summary on Page 8 of the Class B Application Form is not applicable, as all connections at Riverside are unmetered.

The unmetered active connections summarized on Page 9 of the Class B Application Form reflects the change in number of connections from the beginning of the 2015 test year to the end of the year.

SECTION II: OPERATIONS AND MAINTENANCE

II-(b) Water Production

The water production summarized on Page 11 of the Class B Application Form reflects the gallons of water purchased for the unmetered rate customers. There are no metered customers, thus Schedule II-1(a) is not applicable.

II-3 Other Revenues & Expenses Passed Through

The passed through revenues and expenses summarized on Page 12 of the Class B Application Form reflects that no expenses are passed through to the customer, as Riverside only charges for a flat rate fee. Table II-3(a) does document the amount of water purchased from Bryan Texas Utilities and the Total Calculated Cost paid by River Side. The total amount of \$3,916 is included within the “Utilities” amount documented by River Side’s 2015 Profit & Loss Statement. As Riverside only charges for a flat rate fee, Table II-3(b) is not applicable.

II-4 Purchased Power

The purchased power expenses-summarized on Page 13 of the Class B Application Form reflects the expenses paid for by River Side resulting from operation of the treatment facility and the resulting power demand. Table II-4(a) documents the amount of \$12,260. This expense, along with the aforementioned amount of \$3,916 (Purchased Water) is included within the “Utilities” amount documented by River Side’s 2015 Profit & Loss Statement. The total amount attributed to “Utilities” in River Side’s 2015 Profit & Loss Statement is \$16,176 (the sum of Purchased Water & Purchased Power).

Table II-4(b) is not applicable, as River Side has chosen to not claim Purchased Power expenses for their Office usage.

II-5 Other Related Volume Expenses

The other related volume expenses supplemental information on Page 14 of the Class B Application Form summarizes the fees associated with Sludge Removal from the treatment plant. This fee of \$5,300 is documented on River Side’s 2015 Profit & Loss Statement as “Sludge”, which is appropriately located within the “Other Expenses” section of the document (Part V).

II-6 Allocation of Payroll Expenses

The allocation of payroll expenses on Page 15 of the Class B Application Form is not applicable, as Riverside does not have full-time employees on staff.

II-7 Materials

The materials summarized on Page 16 of the Class B Application Form reflect total expenses for chemical purchases for the treatment of wastewater due to River Side Sewer Services. This total cost of chemicals is \$4,072, which is appropriately documented as the amount associated with “Chemicals” within River Side’s 2015 Annual Wastewater Report.

II-8 Contract Work

The contract work summarized on Page 17 of the Class B Application Form reflects total expenses for each individual year of 2013, 2014, and 2015. For the year of 2015, this total expense for Contract Work is \$26,465. This amount is documented by River Side’s 2015 Annual Wastewater Report as “O & M Contract Labor”. The cost listed as \$5,300 in the 2015 Annual Wastewater Report’s “O & M Contract Labor” is associated with sludge removal and is appropriately addressed on Page 14 of the PUC’s Rate Change Form (Schedule II-5: Other Related Volume Expense). The cost listed for \$16,922 in the 2015 Annual Wastewater Report’s “O & M Contract Labor” is associated with Plant Repair and Maintenance as documented by the “Repair and Maintenance” value provided on River Side’s 2015 Profit & Loss Statement. This cost for repair and maintenance is appropriately addressed on Page 19 of the PUC’s Rate Change Form (Schedule II-10: Other Plant Maintenance). No known and measurable changes are being claimed.

II-9 Transportation Expense

The transportation supplemental information on Page 18 of the Class B Application Form is not applicable, as Riverside has chosen to not claim travel expenses for work relating to Sewer Services.

II-10 Other Plant Maintenance

The other plant maintenance supplemental information on Page 19 of the Class B Application Form reflects the total cost associated with the routine maintenance and operations River Side's wastewater treatment plant, which is the total amount of \$22,158. This amount includes \$16,922 (the cost associated with Repairs & Maintenance on River Side's 2015 Profit & Loss Statement) and \$5,236 (which is the amount associated with "Testing" on River Side's 2015 Profit & Loss Statement).

II-11 Employee Pensions & Benefits

The employee pensions and benefits summarized on Page 20 of the Class B Application Form is not applicable, as Riverside does not have full-time employees on staff.

II-12 Bad Debts

The bad debts documentation on Page 21 of the Class B Application Form is being listed as not applicable, as Riverside has chosen to not claim any uncollectible debts in order to streamline the review of this application.

II-13 Office Services & Rentals

The office services and rentals documentation on Page 22 of the Class B Application Form is being listed as not applicable, as Riverside has chosen to not claim any such expenses in order to streamline the review of this application.

II-14 Office Supplies & Expenses

The office supplies documentation on Page 23 of the Class B Application Form summarizes the fees associated with "Supplies" as reported by River Side within the facility's yearly Profit and Loss Statements. Source Environmental notes that River Side's 2015 Profit & Loss Statement references the total amount of \$4,072 as being associated with "Supplies". This amount is the cost of Chemicals purchase for the treatment plant and is appropriately referenced on Page 16 of the PUC's Rate Change Form (Schedule II-7: Materials).

II-15 Professional Services

The professional services documentation on Page 24 of the Class B Application Form summarizes the fees associated with “Legal & Professional Services” on River Side’s 2015 Profit & Loss Statement. This total amount of \$2,566 is associated with River Side’s accounting services.

II-16 Insurance

The insurance documentation on Page 25 of the Class B Application Form summarizes the fees associated with “Insurance” on River Side’s 2015 Profit & Loss Statement, which is shown as a total amount of \$0.

II-17 Regulatory (Rate Case) Expense

The regulatory expense documentation on Page 26 of the Class B Application Form relates to Source Environmental Sciences’ fees for the rate change application, which is the amount of \$2,500. This amount is listed as part of the \$6,139 total for “Fees” on River Side’s 2014 Profit & Loss Statement, but is appropriately listed here as being a Schedule II-17 expense. No other applicable Rate Case Expenses are noted.

II-18 Regulatory Commission Expense

The regulatory expense documentation on Page 27 of the Class B Application Form summarizes the fees associated with TCEQ Fees, which results in a total amount of \$1,588. It is noted that the amount for TCEQ Fees is included within the “Fees” section on River Side’s 2015 Profit & Loss Statement.

II-19 Miscellaneous Expense

The miscellaneous expense documentation on Page 28 of the Class B Application Form summarizes the amount of interest paid during 2015. This total amount of \$5,904 is included within the “Interest” listing on River Side’s 2015 Profit & Loss Statement.

SECTION III: RETURN, RATE BASE/PLANT AND EQUIPMENT SCHEDULES

III-1: Requested Return

The Requested Return on the Rate Base is \$27,803, which is listed on Page 30 of the Class B Rate Change Application. This amount was tabulated via use of the Test Year End Rate Base of \$250,251 and the Weighted Average Rate of 11.11%. A further discussion of the Test Year End Rate Base is included in the below discussion of Schedule III-2. The interest rate for River Side's loan financing the 2013 WWTP construction is 5.73%. River Side is requesting the maximum ROE that a Class C Utility may request without written testimony, which is 13% as per the Instructions for Rate/Tariff Changes included as Attachment A (Page 10). The weighting of these rates was performed as directed by Schedule III-1.

III-2: Rate Base Summary

The Test Year End Rate Base of \$250,251.30 is listed on Page 31 of the Application and was calculated by using the 2013 Utility Plant Original Cost (which represent all total additions) minus the Accumulated Depreciation calculated from Schedule III-3.

III-3: Original Cost & Depreciation Schedule

The Total Original Cost of the Plant at Installation was \$311,162, which is listed on Page 32 of the Class B Rate Change Application. There were no Customer Contributions to this construction and the installation date was October 18, 2013. The resulting Total Annual Depreciation is \$27,649.78 with an Accumulated Annual Reserve of \$60,910.70 and a Total Net Book Value of \$250,251.30.

Page 33 documents the additions resulting from the New Plant Construction completed in late 2013 and the resulting retirements that took place after completion of construction, which results in the Ending Balance of \$411,405.

III-4: Construction Work in Progress (CWIP)

There is no current CWIP for the River Side facility, which is appropriately reflected on Page 34 of the application.

III-5: Cash Working Capital

No working cash allowance is allowed as the utility bills its customers in advance and provides service to flat rate customers only. As such, Page 35 is not applicable.

III-6: Notes Payable (Long-Term Debt) & Equity Information

The Gaylord Loan issued on October 18, 2013 is the only long-term debt associated with the River Side facility. The Original Amount of the Loan was \$123,946 and is documented on Page 36.

III-7: Accumulated Depreciation

The original amount associated with the Ending-Prior Rate Case (dating to 1999) was \$1,269,941. The WWTP installed in 2013 resulted in an Ending Balance of \$476,121.46, which was initially discussed on Schedule III-3.

III-8: Contributions in Aid of Construction & Advances

There were no Customer Contributions associated with the 2013 WWTP Construction, which is appropriately indicated on Page 38.

III-9: Deferred Federal Income Taxes/Tax Credits

There are no deferred income taxes or deferred investment tax credits being claimed for this Rate Change Application. As such, Page 39 of the application form is not applicable.

III-10: Other Deferred Assets

There are no other deferred assets being claimed for this Rate Change Application. As such, Page 40 of the application form is not applicable.

SECTION IV: TAXES OTHER THAN INCOME FOR PROPOSED REVENUES

IV-a: Estimate of Taxes Other Than Income

River Side is choosing to not claim Known & Measurable Reductions associated with taxes in order to streamline the review of this Rate Change Application. Payroll Taxes are not applicable, as the facility has no full-time employees.

IV-b: Revenue Related Taxes And Expenses

River Side is choosing to not claim Expenses Resulting from Revenue Related Taxes in order to streamline the review of this Rate Change Application.

SECTION V: FEDERAL INCOME TAXES (FIT)

V: Schedule of Effective Federal Tax Rate

Based on a Requested Return of \$27,803 and Synchronized Interest of \$3,748, the resulting Grossed Up Federal Income Tax is \$4,257.72. However, River Side is choosing to not claim this scheduled future expense in order to streamline the review of this Rate Change Application. As such, Line 27 of Schedule I-1 is left blank.

SCHEDULE VI: RATE DESIGN

VI: Rate Design

Fixed Costs based on the test year of 2015 are \$133,600.92. No Fixed Costs may be recovered by Volumetric Charge due to River Side having only unmetered customers. As such, a base rate of \$74.16 is required to recover 100% of the Fixed Costs over the facility's 126 connections.

ATTACHMENT A

CLASS B INVESTOR-OWNED UTILITIES

WATER AND/OR SEWER

INSTRUCTIONS FOR RATE/TARIFF CHANGE APPLICATION



CLASS B INVESTOR-OWNED UTILITIES
WATER AND/OR SEWER
INSTRUCTIONS FOR
RATE/TARIFF CHANGE APPLICATION
2015

Class B Utilities

Pursuant to Texas Water Code § 13.1871 and 16 Texas Administrative Code Chapter 24

Instructions for Application for a Water or Sewer Rate/Tariff Change

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GENERAL INFORMATION

This application is allowed by Texas Water Code (TWC) § 13.1871 for Class B Utilities. Class A Utilities should use the appropriate instructions and forms for Class A Utilities. Class C Utilities are allowed to file a shortened indexed rate adjustment per TWC § 13.1872 without a hearing, not more than once during a calendar year, EXCEPT that a Class C Utility may not file a TWC § 13.1872 adjustment more than four (4) times between Class B Utility rate proceedings. After the fourth time, a Class C Utility must file a Class B Utility application. Class C Utility may elect to use the Class B Utility application when it is eligible to use the indexed rate adjustment as long as twelve (12) months have passed since the last rate adjustment (except pass-through provisions).

For the Class B Utility rate/tariff change application, completion of the required schedules (which are available on the Public Utility Commission's (PUC) website at www.puc.texas.gov) will assist the utility in the calculation of its new proposed rates. The process consists of a number of relatively complex steps, including performing several calculations to fill out most of the schedules, and the results of some calculations will be entered in multiple places. All required schedules should be completed and included in the utility's filing when the application is submitted.

Please note that all public utilities in Texas are required to use the National Association of Regulatory Utility Commissioners (NARUC) chart of accounts for their books and records pursuant to 16 Tex. Admin Code § 24.72 (TAC). The utility, as a business, should also have a balance sheet and income statement to support its rate filing and to properly manage its business.

DEFINITION OF TERMS AND ACRONYMS

Please refer to the following definitions of terms and acronyms when completing the rate filing package:

ADFIT Accumulated Deferred Federal Income Tax. The amount of income tax deferral, typically reflected on the balance sheet, produced by deferring the payment of federal income taxes by using tax advantageous methods such as accelerated depreciation.

Affiliated Interest or Affiliate

- (A) Any person or corporation owning or holding directly or indirectly 5.0% or more of the voting securities of a utility;
- (B) Any person or corporation in any chain of successive ownership of 5.0% or more of the voting securities of a utility;
- (C) Any corporation 5.0% or more of the voting securities of which is owned or controlled directly or indirectly by a utility;
- (D) Any corporation 5.0% or more of the voting securities of which is owned or controlled directly or indirectly by any person or corporation that owns or controls directly or indirectly 5.0% or more of the voting securities of any utility or by any person or corporation in any chain of successive ownership of 5.0% of those utility securities;

- (E) Any person who is an officer or director of a utility or of any corporation in any chain of successive ownership of 5.0% or more of voting securities of a public utility;
- (F) Any person or corporation that the commission, after notice and hearing, determines actually exercises any substantial influence or control over the policies and actions of a utility or over which a utility exercises such control or that is under common control with a utility, such control being the possession directly or indirectly of the power to direct or cause the direction of the management and policies of another, whether that power is established through ownership or voting of securities or by any other direct or indirect means; or
- (G) Any person or corporation that the commission, after notice and hearing, determines is exercising substantial influence over the policies and action of the utility in conjunction with one or more persons or corporations with which they are related by ownership or blood relationship, or by action in concert, that together they are affiliated within the meaning of this section, even though no one of them alone is so affiliated.

<u>Amortization</u>	The gradual extinguishment of an amount in an account by distributing the amount over a fixed period (such as over the life of the asset or liability to which it applies).
<u>Annualize</u>	An adjustment to bring a utility's accounts to a 12-month level of activity (e.g., year-end number of customers and revenues, operating expenses, level of investment, etc.).
<u>AWWA</u>	American Water Works Association.
<u>Base rate</u>	(16 TAC § 24.3(7)) The portion of a consumer's utility bill that is paid for the opportunity of receiving utility service, which does not vary due to changes in utility service consumption patterns.
<u>Block Rates</u>	A rate structure set by usage blocks, typically inclining cost for increased usage, which changes the cost per 1,000 gallons as usage increases to the next block.
<u>Class B Utility</u>	(16 TAC § 24.3(13)) A public utility that provides retail water or sewer utility service to 500 or more taps or active connections but fewer than 10,000 taps or active connections. If a public utility provides both water and sewer utility service, the number of active water connections determines how the utility is classified.
<u>Class C Utility</u>	(16 TAC § 24.3(14)) A public utility that provides retail water or sewer utility service to fewer than 500 taps or active connections. A Class C utility filing an application pursuant to TWC § 13.1871 shall be subject to all requirements applicable to Class B Utilities filing an application pursuant to TWC § 13.1871. If a public utility provides both water and sewer utility service, the number of active water connections determines how the utility is classified.
<u>Connection</u>	<p><i>Active Connection:</i> Water or Sewer connections currently being used to provide retail water or sewer service, or wholesale service.</p> <p><i>Inactive Connection:</i> Water or Sewer connections tapped to the applicant's utility and that are not currently receiving service from the utility.</p> <p><i>Potential Connection:</i> Total number of active plus inactive connections</p>



<u>CCN</u>	(16 TAC § 24.3(10)) Certificate of Convenience and Necessity. A permit issued by the commission that authorizes and obligates a retail public utility to furnish, make available, render, or extend continuous and adequate retail water or sewer utility service to a specified geographic area.
<u>COS</u>	(16 TAC § 24.31(a)) Cost of Service. Rates are based upon a utility's cost of rendering service. The two basic components of cost of service are allowable expenses and return on invested capital.
<u>CWIP</u>	Construction Work In Progress.
<u>FIT</u>	Federal Income Tax.
<u>FTE</u>	Full-Time Equivalent (employee position). The standard metric for FTE is a position that is equivalent to 40 hours a week.
<u>Gallonage rate/charge</u>	The portion of the general rate that is recovered based on gallons of water sold, or gallons of sewage treated for sewer, to the customer, typically measured by 1,000 gallons. Generally associated with variable expenses.
<u>GPM</u>	Gallons per minute.
<u>General Rate Revenues</u>	Generally, a rate or the associated revenues designed to recover the cost of service other than certain costs separately identified and recovered through a pass-through charge or any specific rate such as a surcharge. For water and sewer utilities, general rates typically include the base rate and gallonage rate.
<u>Invested Capital (Rate Base)</u>	The total of: <ul style="list-style-type: none"> • The original cost, less accumulated depreciation, of utility plant, property, and equipment • A working capital allowance, which includes: <ul style="list-style-type: none"> ▪ reasonable inventories of materials and supplies (not previously expensed); ▪ reasonable prepayments of operating expenses; and • Reasonable allowance up to 1/12th of total annual Operations & Maintenance (O&M) expenses (for Class C Utilities filing the Class B Utility application, the allowance is 1/8th of total annual O&M). • Deductions of non-investor-supplied capital items including but not limited to advances for ADFIT, construction, contributions in aid of construction, deferred income tax credits, and customer deposits.
<u>IOU</u>	Investor Owned Utility.
<u>K&M</u>	Known and Measurable. Expenses or changes in assets that are verifiable on the record as to amount and certainty of effectuation. Reasonably certain to occur within 12 months of the end of the test year in a rate case.
<u>M&S</u>	Materials & Supplies.

Multi-Jurisdictional A utility that provides water and/or sewer service in more than one state, country, or separate rate jurisdiction by its own operations, or through an affiliate.

NARUC National Association of Regulatory Utility Commissioners.

Net Book Value The amount of the asset that has not yet been recovered through depreciation. It is the original cost of the asset minus accumulated depreciation. Each year that an asset is used by the utility, the utility recovers a portion of the cost of that asset in the rates through depreciation expense until the full amount of the original cost is recovered.

Normalization The inter-period allocation, such as the spreading of income tax effects of accelerated depreciation deductions, for regulatory ratemaking purposes. Normalization can also include in-period known changes such as elimination of revenue, expense, and rate base effect of nonrecurring events, and normalization of the effect of irregular and infrequent events.

O&M Operations & Maintenance.

OPUC Office of Public Utility Counsel.

PHFU Plant Held for Future Use.

PUC/PUCT Public Utility Commission of Texas.

PURA Public Utility Regulatory Act.

RFP Rate Filing Package

ROE Return on Equity. A utility's earnings in excess of its operations, maintenance, and interest expenses. Or, equivalently, it is what is left over to invest in the utility or to pay out to its owners. It is most often expressed as a percentage of the equity portion of the utility's capital structure.

Return Return on invested capital. The return on the utility's total capital investment (equity and long-term debt). It is calculated by multiplying the amount of invested capital by the Rate of Return.

ROR Rate of Return. The weighted average of a utility's expected return on equity investment and the cost of debt (interest rates paid on loans for utility plant and equipment) expressed as a percentage.

Test Year (16 TAC § 24.3(55)) The most recent 12-month period, beginning on the first day of a calendar or fiscal year quarter, for which [representative] operating data for a retail public utility are available. [A utility rate filing must be based on a test year that ended less than 12 months before the date on which the utility made the rate filing]

TWC Texas Water Code.

ATTACHMENTS REQUIRED FOR SUFFICIENCY

- Income statement and balance sheet (per books) for the test year for Texas utility operations. If the utility provides both water and sewer service, then the information provided should include information for both water and sewer service, separately stated and totaled, regardless if the application is for only a water rate change or only a sewer rate change or for both.
- If the applicant is affiliated with another entity, provide the most recent annual income statement, statement of cash flow, and balance sheet for the affiliated entity(ies).
- All required schedules and supporting workpapers for a rate change. The schedules are available on the PUC website at www.puc.texas.gov. There are specific instructions included in the schedules that the utility will need to follow.
- If the utility's tariff includes a pass-through clause or a surcharge, please provide a reconciliation of revenues collected for the pass-through clause or surcharge, and expenses paid related to the pass-through clause or surcharge for the test year.
- If the utility's cost of service includes any affiliated transactions (affiliates as defined in TWC § 13.002 (2)), the utility must list them separately and provide evidence that meets the affiliate transaction requirements in TWC § 13.185(e) and (f). Provide a schedule that includes direct assignment costs, allocated costs and any other changes between affiliates with a summary by account.
- Complete the utility's proposed notice using the PUC-approved form available on the PUC website at www.puc.texas.gov.
- Complete the affidavit attesting to the correctness of the application using the PUC-approved form available on the PUC's website at www.puc.texas.gov.

ALL BLANK SPACES FOR INFORMATION MUST BE ADDRESSED: If a particular item does not apply to you, then you need to be sure to enter "N/A" in that space.

Utility Name:	This is the name by which the customers know the utility.
CCN Number(s):	List all CCN numbers subject to this application (include both water and sewer CCNs).
Address of Utility:	The mailing address of the utility
Phone Number:	The telephone number of the utility
Contact Person:	The name of the person that the PUC can contact with questions about the application.
Phone:	The telephone number of the Contact Person.
Email address:	The email address of the Contact Person.
PUC Class Size:	Choose either Class B, or Class C. Refer to definitions above
Increase (Decrease)	Amount, in dollars, of requested rate change and percentage of current rate. From Schedule I-1, lines 34 and 35.
Describe Ownership:	Investor owned, individual, partnership, corporation* etc.

***If the utility is a corporation, be sure to attach a copy of evidence that the corporation has**

paid its Texas gross margins tax. In addition, if the utility is a corporation, please provide a list of the officers' names and titles of the corporation.

CLASS B RATE/TARIFF CHANGE APPLICATION SCHEDULES

The application contains schedules for the calculation of rates for one type of utility service (water or sewer).

- While the instructions that follow relate to only one set of schedules, you can follow them for each type of utility service that you are providing.
- Remember that, if applicable, costs should be directly assigned to water and sewer functions. In the event that direct assignment is not possible, allocate expenses between water and sewer as accurately as possible, using cost-causation principles.
- Complete a set of operational information for each type of utility service provided. For instance, if the utility provides water and sewer service, but is only requesting a change for water service, the utility will also need to complete a set of operational information for sewer service.

SCHEDULE I: REVENUES AND REVENUE REQUIREMENT

- Complete this section using the instructions on each schedule.

I-1: Revenue Requirement and Revenues

This schedule will complete the utility's summarization of revenue requirement after all schedules except the rate design are completed.

1. Follow the instructions within the spreadsheet and complete the historical test year column (D) first. Historical data should be consistent with the applicant's annual reports and financial statements. Provide explanations and calculations for any inconsistencies.
2. Complete Schedules I-3 through I-4, and the schedules in Sections II through VI using the following instructions and those in the spreadsheets.
3. Complete Schedule I-1.
4. Complete Section VI Rate Design.

SCHEDULE II: OPERATIONS AND EXPENSES

Complete this section using the instructions on each schedule.

Known and Measurable changes. A utility is allowed to recover reasonable and necessary expenses incurred during the test year. Certain expenses may have increased or decreased during the year, so the 12 months of test year expenses would be different from the amount you would

have paid for the new level of expenses for the whole 12-month period. Additionally, the utility may know that a certain expense will be changing in the near future. If you know the amount the expense will be changing, then you can adjust your test year expenses to include the change. You cannot include a change if you simply *think* that something will change. Known and measurable changes in expenses should be recorded if they occur, but it is possible that none have occurred. If the applicant has no known and measurable changes, simply put N/A on the appropriate schedule.

Some examples of allowable changes are:

- Electric rates went up or down during the test year.
- You hired a new employee during the test year or gave your employees a raise.
- You received notice that your chemical expenses will be going up by a specified amount.
- You received a written notice from your landlord that your office rent will increase by a specified amount.
- Your property tax is decreasing because the legislature passed a law that limits property taxes.

Some examples of increases that would not be allowed are:

- You are thinking about hiring an extra employee.
- You have heard that your rent might be increased in a couple of months.
- Projected inflation.

SCHEDULE III: RETURN, RATE BASE/PLANT & EQUIPMENT INFORMATION

Round all cents to the nearest whole dollar. Round all percentages to two decimal places.

III-1: REQUESTED RETURN

Fill in the schedule using your financial information.

Determining an appropriate ROE percentage

As part of the cost that the utility passes on to its customers, a utility's ROE must be authorized by the PUC. Other factors may be considered in establishing a lower ROE including, but not limited to, the utility company's access to capital markets, whether the utility company is an affiliate or division of a larger corporate entity, and other company-specific business and financial risk factors. Return percentages should be calculated at a combined level and then applied to the rate-base amounts for water and sewer to produce the return dollars that the utility is requesting to include in the water and sewer costs of service.

A utility may use either of two methods for determining the ROE percentage that it will request in its rate application:

- The first method is to start with the interest rate corresponding to the most recent Moody's Baa bond rating for public utilities (this information is posted on the PUC website). Add a 6% risk premium if the utility is a Class B Utility and a 7% risk premium if the utility is a Class C utility. If the Moody's rate is greater than 6%, the maximum ROE that a Class B Utility may request without written testimony is 12%, and the maximum ROE that a Class C Utility may request without written testimony is 13%. This method will be presumed reasonable if no other party provides opposing testimony. However, if parties to the case do not reach a settlement agreement, there is no presumed reasonable ROR. Additionally, in specific cases, unusual or extraordinary circumstances may cause the PUC staff to recommend a lower or higher ROE.
- The second method that a utility may use as the basis for its ROE request is the submission of written testimony and other credible evidence that develops and supports the reasonableness and necessity of the requested ROE. In some cases, the utility's requested ROE (as well as its requested overall rate of return on invested capital) may be considered as part of a hearing in which an administrative law judge will evaluate the testimony and other evidence presented by the utility as well as that of other interested parties and write a recommendation to the PUC.

Requested Return on Rate Base

- Equity in the utility - This is the amount that is determined to be equity portion of the investment in plant in service. The number is calculated using the net plant in service and subtracting the outstanding debt used to pay for the plant. Enter that amount in line 4, Column C.
- This is the equity rate of return that was determined above. Enter that amount in line 4, Column E.

Note: If the utility is requesting a *hypothetical* capital structure for the determination of overall rate of return, enter the requested capital-structure percentages for equity and debt in lines 4 and 5 of Column C.

III-2: RATE BASE SUMMARY

Fill in this table using the information from III-3 through III-9.

III-3: UTILITY PLANT - ORIGINAL COST AND DEPRECIATION SCHEDULE

Provide a Schedule III-3 for each public water system and a summary Schedule III-3 for the applicant including all utility plant in service. If more room is needed, you may add lines or make a separate table. The PUC will accept your own schedules as long as it has the same information as Schedule III-3. Schedule III-3(a) (required) reconciles the utility's current plant balances to the previous case filed. The instructions are for listing only one item, and you should repeat the instructions for each item added to the table. The instructions can be used to set up your own table as long as it contains the same columns. See the "Attachments Required for Sufficiency" section above.

All the information needed to complete the table should be readily available to the utility. The information developed in this table will be used in other tables throughout the application. The instructions that follow this table will tell you where to transfer the information. The utility can include plant and equipment paid for by DEVELOPER contributions in the depreciation schedule, but the utility cannot include plant and equipment paid for by CUSTOMER contributions. Furthermore, when calculating the return on net invested capital, developer and customer contributions must be removed.

Column [A]	Item
This is a brief description of the utility item. The general classes of plant and equipment that are used in operating a utility are listed in the table.	
Column [B]	Date of installation
This is the date that the item was installed <u>and actually operational</u> in providing utility service. You cannot begin to depreciate the item until it is being used by, and is useful, to the utility in providing utility service.	
Column [C]	Service Life
This column is further divided into two, separate columns. The first column marked with an asterisk (*) shows the number of years that the PUC expects a properly maintained item will last. The utility's experience may show that the item does not last as long as estimated by the PUC. If that is the case, then enter the life that you expect the item to last, based on your actual experience in the column marked with the asterisk. NOTE: You will be required to provide documentation and an explanation when using different service lives.	
Column [D]	Original cost when installed
This is the amount that was paid for the item when it was installed. The utility should also add the cost of installing the item. As was noted above, the invoices and receipts that the utility has for each item should be kept for an indefinite period of time as they are used in future rate cases.	
Column [E]	Annual
This number is determined by dividing the Original cost when installed (Column [D]) by the Service Life in Column [C]* or Column [C]**. Remember that the service life can be either the one listed or the one that you have entered based on the utility's actual experience. NOTE: Land is not depreciated.	

Depreciation

In order to determine how much annual depreciation to include in your cost of service, please perform the following calculations and answer the following questions:

- Determine the length of time in service by subtracting the date of installation in Column [B] from the date at the end of your test year. Enter the number of years in the column with the heading "Yrs", the number of months in the column with the heading "Mos", and the number of days in the column with the heading "Days".

Example:

	End of test year	12/31/2001
<i>minus</i>	Date of installation	<u>06/15/1995</u>
<i>equals</i>	Length of time in service	6 years 6 months 15 days

Compare the length of time each item is in service (as determined in the example above) with the service life for the asset in Column [C]. Then calculate the amount of annual depreciation based on the answer to the following three questions:

- (a) Is the service life equal to or less than the length of time in service determined above? If yes, then record \$0 (zero) in the column for annual depreciation.

Example (continued):

	End of test year	12/31/2001
<i>minus</i>	Date of installation	<u>06/15/1995</u>
<i>equals</i>	Length of time in service	6 years 6 months 15 days

Original cost \$10,000

Service life 5 years

➔ Enter "0" for annual depreciation.

- (b) Is the service life more than a year longer than the length of time in service determined above? If yes, then divide the original cost by the service life and enter that amount in the column for annual depreciation.

	End of test year	12/31/2001
<i>minus</i>	Date of installation	<u>06/15/1995</u>
<i>equals</i>	Length of time in service	6 years 6 months 15 days

Original cost	\$10,000
Service life	10 years

Example

(continued):

→ Enter \$1,000 for annual depreciation. (\$10,000 / 10 yrs)

- (c) Is the service life greater than the length of time in service determined above but less than a year greater? If yes, then enter the result of the following calculation in the column for annual depreciation:

$$\frac{365 - [(\# \text{ of months} \times 30) + \text{number of days}]}{\text{Service life}} \times \text{Original cost}$$

	End of test year	12/31/2001
<i>minus</i>	Date of installation	<u>06/15/1992</u>
<i>equals</i>	Length of time in service	9 years 6 months 15 days

Original cost	\$10,000
Service life	10 years

$$\frac{365 - [(6 \times 30) + 15]}{10} \times \frac{\$10,000}{10}$$

$$= \frac{365 - [195]}{10} \times \$1,000$$

$$= \frac{170 \times \$1,000}{365} = \$466 \text{ (rounded)}$$

→ Enter \$466 for annual depreciation.

Column [F]	Accumulated
This is also a number that you will calculate based on other information in the Table.	

- Refer to the length of time in service for each item to determine how much accumulated depreciation to list in this column.
 - a. If the calculated length of time in service is greater than or equal to the service life of the asset, then you should have entered \$0 in the annual depreciation column and entered the total cost of the asset in the accumulated depreciation column.
 - b. However, if the calculated length of time in service is less than the service life, then you must determine the amount of accumulated depreciation to put in this column. To do so, multiply the number of years (including any fractional-year time periods relating to months and days, as calculated above) by the annual depreciation calculated in Column [E]. Note: It is easier to convert the calculated amount into the number of days and then use the following formula to determine the amount of accumulated depreciation.

Example
(continued):

$$\text{Number of days} \times \text{Original Cost} = \text{Accumulated depreciation}$$

	End of test year	12/31/2001
<i>minus</i>	Date of installation	<u>06/15/1995</u>
<i>equals</i>	Length of time in service	6 years 6 months 15 days
	Original cost	\$10,000
	Service life	10 years

$$6 \text{ years} \times 365 \text{ days/year} = 2,190 \text{ days}$$

$$6 \text{ months} \times 30 \text{ days/mo} = 180 \text{ days}$$

15 days
 2,385 days

2,385 days x \$10,000

365 days 10

= 6.53 x \$1,000 = \$6,534

→ Enter \$6,534 in Column [F] as the amount of accumulated depreciation

NOTE: Never enter an amount in this column greater than the amount in Column [D] - Original Cost when Installed. If you calculate an amount that is greater than the original cost, enter the original cost.

Column [G]	Net Plant
This is the amount of the item remaining that has not been depreciated and is calculated by subtracting the accumulated depreciation (Column [F]) from the original cost when installed (Column [D]).	

- After completing all of the lines for each item of plant and equipment using the instructions above, add the sum of columns together and place that total in the box at the bottom of each column.
 - Enter the amount in this box (Column [E], Total Annual Depreciation) in **Table VI. A., Line [O], Column 1**
 - Enter the amount in this box (Column F, Total Accumulated Depreciation) in **Table IV. E., Line [A]**

III-4: CONSTRUCTION WORK IN PROGRESS (CWIP): Complete if the utility maintains these accounts. Do not include this amount in your rate base unless the utility provides testimony meeting the requirements of P.U.C. SUBST. R. 24.31(c)(3)(B).

Materials and supplies: Include the un-expensed or capitalized portion of materials and supplies on your balance sheet.

Prepayments: Include amounts, such as annual insurance, that the utility has prepaid for good reason, such as a discount. Prepayments must be reasonable.

III-5: CASH WORKING CAPITAL: For Class B Utilities, one-twelfth of O&M expense (excluding amounts charged to O&M expense for materials, supplies, expenses recovered through a pass through provision or charges other than base rate and gallonage charges, and prepayments) will be considered a reasonable allowance for cash working capital. For purposes of working capital calculations, O&M expense does not include depreciation, other taxes, or federal income taxes. A lead-lag study is not required of Class B Utilities to claim allowed cash working capital. If a utility can show it is reasonable to pay for a lead-lag study that determines a different amount for Cash Working Capital, and the utility uses the study and the amount determined, testimony supporting the study, the study and all supporting workpapers must be presented with the application.

For Class C Utilities, one-eighth of O&M expense (excluding amounts charged to O&M expense for materials, supplies, expenses recovered through a pass-through provision or through charges other than base rate and gallonage charges, and prepayments) will be considered a reasonable allowance for cash working capital. For purposes of working capital calculations, O&M expense does not include depreciation, other taxes, or federal income taxes.

III-6: NOTES PAYABLE (LONG TERM DEBT) & EQUITY INFORMATION

Enter the water and sewer combined debt and equity information in both water and sewer tables. The calculated rate of return should be the same for water and sewer, and should be based on combined water and sewer information. The utility's debt and equity for return purposes relate to water and sewer system assets only and should not include short term debt unless it is used to finance system assets. Do not include personal debt.

Where a utility is part of an affiliated interest or organization, the commission may consider and apply a hypothetical capital structure for the utility.

III-6: Debt: For each loan enter the following information:

- Column [A] - Name of lender/bank.
- Column [B] - Date of issue - enter the date that you actually took out the loan.
- Column [C] - Date of maturity - enter the date that the loan will be paid off.
- Column [D] - Original amount of loan - enter how much you originally borrowed.
- Column [E] - Balance due at the end of the test year, even though the application may be filed at a date later than the end of the test year.
- Column [F] - Interest Rate - enter the interest rate that your bank/lender is charging you for each of the loans listed.
- Column [G] - Weighted Average -Return to complete this column after completing the next section of the table.

If a utility company's debt has been allocated from an affiliated entity, the allocation factors and the methodology used to allocate the debt must be provided.

III-7: ACCUMULATED DEPRECIATION

This schedule reconciles current accounts to previous accounts, and should tie to the utility's balance sheet.

III-8: CONTRIBUTIONS IN AID OF CONSTRUCTION AND ADVANCES

If any of the items included in utility plant and equipment were 100% financed with customer contributions, assessments, surcharges, extension fees, etc., the utility may not include depreciation or return on those items in the revenue requirement, and the utility should not include them in **Table III**. However, if those customer contributions did **not** cover the entire cost of the asset, the utility may include the excess amount that the utility paid for. Please list below all items that were funded either all or in part by customer contributions and indicate the amount that the customers contributed for each item.

- Column [A] - List all of the items of plant and equipment that were funded all or in part by Customer Contributions (e.g., meters paid for by tap fee, line extension paid for by customer).
- Column [B] - List the date each specific item was placed in service.
- Column [C] - Enter the total cost of each item (regardless of how much was paid for by customers contributions and/or the utility).
- Column [D] - Enter the amount of each item that was paid for with customer contributions. In most cases, this will be the same as the number in Column [C]. However, it is possible that the item may cost more or less than the customer contribution amount.
- Column [E] - Subtract the amount in Column [D] from the amount in Column [C] and enter the result here. If the amount in this column is greater than zero for any specific item, enter those items in the appropriate category in Table III. B.

List any items of plant or equipment that you listed in **Schedule III-3** that were paid for all or in part by developer contributions. If only paid for in part by developer contributions, enter only the part that was funded by developer contributions. Enter the total Net Book Value from this table in **Schedule III-2**. If you have none, be sure to enter "N/A" on any line in the table.

III-9: DEFERRED FEDERAL INCOME TAXES/TAX CREDITS

Complete this schedule using balance sheet information recorded in accordance with GAAP. If the utility includes normalized federal income tax in its rate calculations which is different from the actual tax paid, the utility must track deferred federal income tax. Class C Utilities are exempt and may ignore deferred taxes and tax credits, unless the Class C utility is an affiliate of a Class B or A utility.

SCHEDULE IV: TAXES OTHER THAN INCOME

IV(a): Complete Schedule IV(a) for property and payroll taxes. The schedule allows for calculations if the utility proposes known and measurable changes to payroll taxes and property taxes. Use your test year property tax bills for the known and measurable calculation. Use wages expense for the ADJUSTED total payroll in the test year to complete this schedule. If wages were capitalized, payroll taxes should be allocated between expense and capital costs in the same ratio as payroll was allocated. Attach a schedule showing the allocation calculations.

IV(b): Revenue related taxes and expenses are those that change as the gross revenue of the utility changes. Examples are Texas franchise tax and bad debt expense. This schedule allows the “gross up” of these expenses. Obtain copies of the utility’s franchise tax report to complete this schedule.

SCHEDULE V: CALCULATION OF FEDERAL INCOME TAXES

V: PUCT allows utilities to include normalized federal income tax in the cost of service. The federal income tax calculation is based on the utility’s return dollars. The schedule includes a “gross up of taxes to allow for the cost of service to include changes in taxes due to the changes in proposed revenues.

SCHEDULE VI: RATE DESIGN

Complete this schedule using the internal instructions.

A. BASE RATE (FIXED) CALCULATIONS

The Base Rate is designed to recover your fixed costs—those costs that you will have each month regardless of how many gallons you produce or bill to your much your customers. The schedule allows for a flexible allocation between the fixed (base rate) and the variable (gallonge rate). Typically, all variable costs are included in the gallonge rate and fixed costs in the base (fixed) rate and the PUC expects this treatment unless other valid concerns, such as conservation, influence how the utility divides cost recovery between base rate and gallonge charges. If the applicant uses another allocation method, all work papers and calculations supporting the alternative rate design must be included in the rate application.

B. VARIABLE RATE CALCULATIONS

Variable expenses are those that are tied to production. For instance, the more water pumped, the higher the utility’s electric bills will be. Therefore, these expenses are tied to a rate that depends on the number of gallons that customers consume. Rate structures usually have a charge for the number of 1,000 gallons. If the utility has a tiered gallonge rate, such as an inclining block rate, the applicant must provide workpapers and calculations showing usage and revenue recovery in each tier for the test year and adjusted test year, if a known and measurable change to gallonge is made.

ATTACHMENT B

DOCKET NO. 46556

ORDER NO. 2

&

COMMISSION'S FILING OF RECOMMENDATIONS

DOCKET NO. 46556

APPLICATION OF RIVERSIDE
WASTE WATER TREATMENT
PLANT FOR AUTHORITY TO
CHANGE RATES

§
§
§
§

RECEIVED
2016 DEC 12 1:41:28
PUBLIC UTILITY COMMISSION
OF TEXAS


**ORDER NO. 2
FINDING APPLICATION REMAINS DEFICIENT AND INCOMPLETE,
SUSPENDING EFFECTIVE DATE AND ESTABLISHING DEADLINES**

This Order addresses Commission Staff's December 7, 2016, filing. Commission Staff identified numerous deficiencies in the application, which are specified in the filing and the attached memorandum of Patricia Garcia and Andrew Novak. Staff recommended that the application be dismissed or, alternatively, be deemed to not be administratively complete. Commission Staff recommended that if the application is not dismissed Riverside be given until January 31, 2017, to address the deficiencies and complete the application. Staff also recommended that the effective date of the proposed rates be suspended.

Consistent with Commission Staff's recommendation, the application is deemed deficient and incomplete. The effective date of the requested rate change is suspended. On or before **January 31, 2017**, Riverside shall amend the application to cure the deficiencies noted by Commission Staff. On or before **February 28, 2017**, Commission Staff shall file a supplemental recommendation regarding administrative completeness of the amended application, along with a proposed procedural schedule, if appropriate.

Signed at Austin, Texas the 12th day of December 2016.

PUBLIC UTILITY COMMISSION OF TEXAS



JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE

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DOCKET NO. 46556

APPLICATION OF RIVERSIDE WASTE	§	PUBLIC UTILITY COMMISSION
WATER TREATMENT PLANT OFR	§	
AUTHORITY TO CHANGE RATES	§	OF TEXAS
	§	

COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

COMES NOW the Staff ("Staff") of the Public Utility Commission of Texas ("Commission"), representing the public interest, and files this Recommendation on Administrative Completeness.

I. BACKGROUND

On November 9, 2016, River Side Waste Water Treatment Plant ("River Side") filed an application to change rates.¹ On November 14, 2016, Order No. 1 was entered, requiring Staff to file comments on the administrative completeness of the application by December 7, 2016. This pleading is timely filed.

II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

Consistent with the attached memorandum of Patricia Garcia and Andrew Novak, Water Utilities Division, Staff recommends that the application is not administrative complete. Staff notes that the test year used in the application ends December 31, 2014,² which does not comport with the requirement that a test year be based on the most recent 12-month period for which operating data for a retail public utility are available.³ Staff expects that information from 2015 or 2016 should be available to the utility at this time. In addition, River Side does not appear to have filed annual reports that were due to be filed in 2014, 2015, or 2016, which are required by 16 Tex.

¹ Application (Nov. 9, 2016).

² *Id.* at 3.

³ Tex. Water Code §§ 13.002(22) and 13.185(d)(1) (W).

Admin. Code § 24.73 ("TAC"). As a result, Staff recommends that the application be dismissed pursuant to 16 TAC § 22.181 without prejudice to refiling so that River Side may refile the application once the above issues are addressed.

Because Staff recommends that the application is not administratively complete at this time, Staff is unable to propose a procedural schedule for further processing. If the application is not dismissed, Staff recommends that River Side be provided until January 31, 2017 to file a revised application and that Staff be provided until February 28, 2017 to file further comments regarding the application.

If the application is not dismissed but is deemed to not be administratively complete, Staff also recommends that the effective date of the proposed rates be suspended due to the deficiency of the application.⁴

III. CONCLUSION

Staff respectfully requests that the application be dismissed without prejudice pursuant to 16 TAC § 22.181. If the application is not dismissed, Staff respectfully requests that River Side be required to file a revised application.

⁴ 16 TAC § 24.26(b)(1)

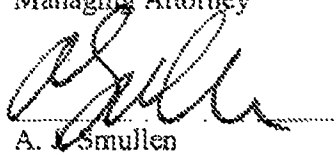
Date: December 7, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

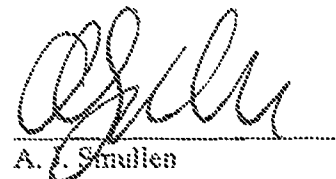
Stephen Mack
Managing Attorney



A. J. Smullen
State Bar No. 24083881
(512) 936-7289
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7268 (facsimile)

**DOCKET NO. 46556
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on December 7, 2016 in accordance with 16 TAC § 22.74.



A. J. Smullen

Public Utility Commission of Texas

Memorandum

TO: AJ Smullen, Attorney
Legal Division

THRU: Tammy Bentler, Director
Debi Loockerman, Financial Manager
Heidi Graham, Engineer Director
Water Utility Regulation

FROM: Patricia Garcia, Staff Engineer
Andrew Novak, Financial Examiner
Water Utility Regulation

DATE: December 7, 2016

SUBJECT: *Docket No. 46556. Application of Riverside Waste Water Treatment Plant for Authority to Change Rates*

On November 9, 2016, River Side Waste Water Treatment Plant (River Side WWTP), Certificate of Convenience and Necessity (CCN) No. 20740, filed an application with the Public Utility Commission of Texas (Commission) for a sewer rate/tariff change in Smith County, Texas. An administrative review of this application is now being made pursuant to Texas Water Code § 13.1871 (FWC) and 16 Tex. Admin. Code §§ 24.8 and 24.22 (TAC). River Side WWTP currently provides sewer service under discharge permit number WQ0011778001 to 144 connections.

Staff reviewed the information and finds the application administratively incomplete and recommends dismissal of the application. Staff recommends dismissal of the application due to the stale test year data submitted and the fact that the utility has not provided financial information in the form of annual reports in the past three years. The test year used in the application ended December 31, 2014 and does not meet the definition of a test year in 16 TAC 24.3(71) which states, "the most recent 12-month period, beginning on the first day of a calendar or fiscal year quarter, for which operating data for a retail public utility are available." Because River Side has apparently been operating for at least the past three years (2016, 2015 and 2014) and is required to file annual reports with the Commission every year, the information and operating data is required to be available, at the very least for the year ended December 31, 2015.

Staff notes that if applicant submit a new application, staff recommends River Side WWTP submit the following along with the application:

1. Provide data and documentation for the most recent test year.
2. Provide proof of payment of regulatory assessment for 2015, 2014, and 2013.
3. File the annual reports for River Side WWTP for the years 2015, 2014 and 2013 as required by Texas Water Code §13.136(b) and 16 TAC 24.71.

FAX

To: Jack Coblenz

Company: Source.Environmental.Sciences,.Inc..

Fax: 17136214588

Phone:

From: Linda Stapleton

Fax:

Phone: (512) 936-7299

E-mail: Linda.Stapleton@puc.texas.gov

NOTES:

PUC DOCKET NO. 46556, COMMISSION STAFF'S RECOMMENDATION

Date and time of transmission: Wednesday, December 07, 2016 9:22:22 AM
Number of pages including this cover sheet: 05

ATTACHMENT C

2015 PROFIT AND LOSS STATEMENT

**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (IRS)

Profit or Loss From Business

(Sole Proprietorship)

► Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2015

Attachment
Sequence No 09

Name of proprietor

Social security number (SSN)

SYED N. HYDER

A Principal business or profession, including product or service (see instructions)
RIVERSIDE WASTEWATER TREATMENT PLANT

B Enter code from instructions

562000

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN), (see instr.)

E Business address (including suite or room no.) ►

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

G Did you "materially participate" in the operation of this business during 2015? If "No," see instructions for limit on losses

☒ Yes ☐ No

H If you started or acquired this business during 2015, check here

I Did you make any payments in 2015 that would require you to file Form(s) 1099? (see instructions)

☐ Yes ☒ No

J If "Yes," did you or will you file required Forms 1099?

☐ Yes ☐ No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	<input type="checkbox"/>	1	20,412.
2 Returns and allowances		2	
3 Subtract line 2 from line 1		3	20,412.
4 Cost of goods sold (from line 42)		4	
5 Gross profit. Subtract line 4 from line 3		5	20,412.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6	
7 Gross income. Add lines 5 and 6		7	20,412.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising	8		18 Office expense	18	
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depreciation	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	13,827.	21 Repairs and maintenance	21	16,922.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	4,072.
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b	5,904.	b Deductible meals and entertainment (see instructions)	24b	
17 Legal and professional services	17	2,566.	25 Utilities	25	16,176.
18 Total expenses before expenses for business use of home. Add lines 8 through 27a			26 Wages (less employment credits)	26	
19 Tentative profit or (loss). Subtract line 18 from line 7			27 a Other expenses (from line 48)	27a	53,509.
20 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____ Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30			b Reserved for future use	27b	
21 Net profit or (loss). Subtract line 30 from line 29.					
• If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3.					
• If a loss, you must go to line 32.					
22 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 8198. Your loss may be limited.					
				31	-92,564.

32a ☒ All investment is at risk
32b ☐ Some investment is not at risk

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Schedule C (Form 1040) 2015

520001 11-23-15

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: ☐ **a** Cost ☐ **b** Lower of cost or market ☐ **c** Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?
If "Yes," attach explanation ☐ Yes ☐ No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	
36 Purchases less cost of items withdrawn for personal use	36	
37 Cost of labor. Do not include any amounts paid to yourself	37	
38 Materials and supplies	38	
39 Other costs	39	
40 Add lines 35 through 39	40	
41 Inventory at end of year	41	
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42	

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) / /

44 Of the total number of miles you drove your vehicle during 2015, enter the number of miles you used your vehicle for:
 a Business _____ **b** Commuting _____ **c** Other _____

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47 a Do you have evidence to support your deduction? ☐ Yes ☐ No
 b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

FEES	1,588.
OPERATIONS	26,465.
SLUDGE	5,300.
TESTING	5,236.
MANAGEMENT FEE	14,920.
48 Total other expenses. Enter here and on line 27a	48 53,509.

2015 DEPRECIATION AND AMORTIZATION REPORT
SYED N. HYDER

SCHEDULE C- 2

Asset No	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1453	WASTEWATER TREATMENT PLANT	10/18/13	150DE	15.00	17	311,162.		155,581.	155,581.	17,309.		13,827.
	Total Sch C Depr. & Amortization					311,162.		155,581.	155,581.	17,309.		13,827.

528102
04-01-15

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

ATTACHMENT D

2015 ANNUAL REPORT FOR CLASS C

WATER and/or SEWER UTILITIES

Annual Report for Class C Water and/or Sewer Utilities

2015

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326
pursuant to TWC § 13.136

I. NAME OF UTILITY, OFFICE MAILING ADDRESS AND AREA SERVED

- 1 Utility Name: Riverside Waste Water Treatment Plant
- List all assumed name(s) or d/b/a names: _____
- 2 Certificate of Convenience and Necessity No. _____ Calendar Year Ending 2015
- 3 Street Address: 475 Hibbs
- 4 City or Town: Bryan CCN No.: _____
- 5 Email Address: zach.hyder@gmail.com
- 6 County: Brazos Zip Code: 77807
- 7 TCEQ PWS Number(s) _____
- 8 Water Quality Discharge Permit Number(s) _____

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

- 9 Type of Ownership:
Corporation: _____ Partnership: ✓ Individual: _____ Other: _____
- 10 If a corporation, list names and titles of the officers. If an individual or partnership, list the name of the individual or each partner and provide the title for each. For partnerships, please provide the percentage of ownership for each partner.

- 11 If the controlling ownership of this utility changed during the last twelve (12) months, state the date of ownership change and the name and address of the prior owner.

- 12 Date the utility was formed or incorporated: 1999 - purchased
- 13 Is the utility under common ownership or control by another corporation? Y (N) If yes, by whom? _____

III. PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

- 14 Name and Title: _____
- 15 Address: _____
- 16 City: _____
- 17 Telephone Number with Area Code: _____
- 18 Cell Phone Number with Area Code: _____
- 19 Fax Number with Area Code: _____
- 20 e-mail address: _____
- 21 If not an officer, owner or employee, give name of firm employed by: _____

15

92015

2014

Line #	ASSETS	End of Year mm/dd/yyyy	End of Prior Year mm/dd/yyyy
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service	3/1/62	3/1/62
2	TOTAL UTILITY PLANT		
3	108 Less: Accumulated Amortization	186717	172890
4	110 Less: Accumulated Depreciation		
5	NET UTILITY PLANT		
6	<u>CURRENT ASSETS</u>		
7	131-135 Cash	XXXX	XXXX
8	141-143 Accounts Receivable	1,100	300
9	151 Plant Materials and Supplies (not previously expensed)	1,400	1,900
10	171-174 Other Current Assets		
11	TOTAL CURRENT ASSETS		
12	<u>TOTAL ASSETS*</u>		

LIABILITIES & EQUITY

EQUITY

13	201 Common Stock		
14	211 Other paid in capital		
15	215 Retained Earnings		
16	218 Proprietary Capital		
17	TOTAL STOCKHOLDERS' EQUITY		
	<u>LONG-TERM DEBT</u>	XXXX	XXXX
18	224 Long-term debt (more than 1 year)	71453	95001
		XXXX	XXXX
	<u>CURRENT LIABILITIES (less than 1 year)</u>	XXXX	XXXX
19	231 Accounts Payable		
20	232 Notes Payable		
21	241.0 Other Current Liabilities		
	TOTAL CURRENT LIABILITIES		
		XXXX	XXXX
	<u>OTHER LIABILITIES and DEFERRED CREDITS</u>		
22	253 Other Deferred Credits		
23	271-272 Net Contributions in Aid of Construction		
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS		
25	<u>TOTAL LIABILITIES & EQUITY*</u>		

Add NARUC accounts as needed, and if not shown above.

2. Statements of Income

Name of Utility: _____

Line #

Report Calendar Year

2015

Water Report Year	Sewer Report Year	Total Report Year
A	B	C=A+B
20412		

1	Total Revenue:			
	Operating Expenses:			
2	601 O & M Salaried Labor			
3	604 Employee Benefits			
4	631, 635, 636 O & M Contract labor	16922 + 26465 + 5300 =		48687
5	620 Operating/Maint Supplies			
6	610 Purchased Water		3916	3916
7	615 Purchased Power		12260	12260
8	635 Testing Expense		5236	5236
9	618 Chemicals	4072		
10	656-659 Insurance	0		
11	601 General Office Salaries			
12	675 General Office Expenses			
13	632 Contract Accounting	14920		14920
14	633 Legal	2566 + 1588 =		4154
15	634 Management			
16	666 Amortization- Rate Case Expense			
17	403 Depreciation Expense	13827		13827
18	667-675 Other Misc. Expenses			
	Taxes:	xxxx	xxxx	xxxx
19	409 Federal Income Taxes			
20	409.0 State Franchise Taxes/Reg Assess.			
21	408 All Other Taxes			
22	Total Expenses	\$ -	\$ -	\$ -
23	Net Operating Income	\$ -	\$ -	\$ -
24	421, 433 Non-Operating Income			
	Non-Operating Deductions:			
25	426 Other			
26	427 Interest	5904		5904
27	Net Income	\$ -	\$ -	\$ -

112 976

112976

3-S. Sewer Plant-in-Service - Changes since the last Annual Report

20/5

Name of Utility:

Date Plant
Installed/Retired
mm/yyyy

Changes Since the Last Annual Report

Plant Retirements

Plant Additions

List Major Items by Class

Amounts

List Major Items by Class

Amounts

Plant

Adjustments

Annual Report

WATER

50/25/3

10/10/10

SEWER

10/20/2013

NEW DELHI-68
DLHAT

311,162

TOTALS

\$0

\$0

\$0

050

2015

Name of Utility: _____

5. Affiliated Transactions

Charges by an Affiliate to the Reporting Utility

Name of Affiliated company: _____

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)
	N/A			

Charges by an Reporting Utility to Affiliates

Name of Affiliated company: _____

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)
	N/A			