(Company Name) For the Year Ended

VERIFICATION

OATH

(To be made by the officer having control of the accounting of the respondent)

State of ______________________ as:

County of ______________________

______________________ makes oath and says that he/she is ______________________

(Name of affiant) (Official title of affiant)

of ______________________

(Exact legal title or name of the respondent)

The signed officer has reviewed the report.

Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report.

He/she swears that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of t above-named respondent during the period of time from and including ______________ to and including ______________

Subscribed and sworn to and before me, a ______________________

in and for the State and County above-named, this __________ day of __________

____

(Signature of affiant)

My commission expires______________________

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of TEXAS as:

County of BRAZOS

S. Zain Hyder mal MANAGER

(Name of affiant) (Official title of affiant)

of Riverside Waste Water Treatment

(Exact legal title or name of the respondent)

that he/she has carefully examined the foregoing report; that he/she swears that all statements of fact contained in the said report are true, and that the said report is a statement of the business and affairs of the above named respondent during the period of time from and including Jan-1-15 - Dec 31-15 to and including N/A

Subscribed and sworn to before me, a S. ZAIN HYDER

in and for the State and County above-named, this 19 day of JAN 2017

(Signature of affiant)

My commission expires Traci Truett 1/12/19

(Signature of officer authorized to administer oaths)

TRACI TRUETT
NOTARY PUBLIC STATE OF TEXAS
MY COMM. EXP. 1/12/2019
NOTARY ID 13007183-9

Brazos 2015

SCHEDULE C (Form 1040)
Department of the Treasury Internal Revenue Service (99)

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: SYED N. HYDER
Social security number (SSN): [redacted]

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) [X] 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 — [X] 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 [X] 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 ▶ [ ]	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	Depletion	12		b	Other business property	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions) 17	13	13,827.	21	Repairs and maintenance 4	21	16,922.
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III) 9	22	4,072.
15	Insurance (other than health) 10	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 26	16b	5,904.	b	Deductible meals and entertainment (see instructions)	24b	
17	Legal and professional services 14	17	2,566.	25	Utilities 12260 + 3916 647	25	16,176.
				26	Wages (less employment credits)	26	
				27 a	Other expenses (from line 48)	27a	53,509.
				b	**Reserved for future use**	27b	

28	**Total expenses** before expenses for business use of home. Add lines 8 through 27a ▶	28	112,976.
29	Tentative profit or (loss). Subtract line 28 from line 7	29	-92,564.
30	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	30	
31	**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.	31	-92,564.
32	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 6198.** Your loss may be limited.	32a [X] 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

ATTACHMENT E

2014 ANNUAL REPORT FOR CLASS C

WATER and/or SEWER UTILITIES

Annual Report for Class C Water and/or Sewer Utilities

2014

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 2014

3 Street Address: 475 HIGGS

4 City or Town: Bryan CCN No.: ______

5 Email Address zainhyder@gmail.com

6 County: Brazos Zip Code: 77807

7 TCEQ PWS Number(s) ______

8 Water Quality Dicharge 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 parterships, 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: ______

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:

1. Balance Sheet

Name of Utility: 12/31/14 12/31/13

Line #	**ASSETS**	End of Year mm/dd/yyyy	End of Prior Year mm/dd/yyyy	
	UTILITY PLANT			
1	101 Utility Plant in Service	311162	311162	
2	TOTAL UTILITY PLANT			
3	108 Less: Accumulated Amortization 15364	172890	157526	157526
4	110 Less: Accumulated Depreciation			
5	NET UTILITY PLANT			
6	CURRENT ASSETS	xxxx	xxxx	
7	131-135 Cash	700.00	400.00	
8	141-143 Accounts Receivable	1200.00	906.00	
9	151 Plant Materials and Supplies (not previously expensed)			
10	171-174 Other Current Assets			
11	TOTAL CURRENT ASSETS			
12	**TOTAL ASSETS***			

Line #	**LIABILITIES & EQUITY**	End of Year	End of Prior Year
	EQUITY		
13	201 Common Stock		
14	211 Other paid in capital		
15	215 Retained Earnings		
16	218 Proprietary Capital		
17	TOTAL STOCKHOLDERS' EQUITY		
	LONG-TERM DEBT	xxxx	xxxx
18	224 Long-term debt (more than 1 year)	95001	116960
		xxxx	xxxx
	CURRENT LIABILITIES (less than 1 year)	xxxx	xxxx
19	231 Accounts Payable		
20	232 Notes Payable		
21	241.0 Other Current Liabilities		
	TOTAL CURRENT LIABILITIES		
		xxxx	xxxx
	OTHER LIABILITIES and DEFERRED CREDITS		
22	253 Other Deferred Credits		
23	271-272 Net Contributions in Aid of Construction		
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS		
25	**TOTAL LIABILITIES & EQUITY***		

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

2. Statements of Income

Name of Utility:

Line #	Report Calendar Year 2014	Water Report Year	Sewer Report Year	Total Report Year
		A	B	C=A+B
1	**Total Revenue:**	28280		
	Operating Expenses:			
2	601 O & M Salaried Labor			
3	604 Employee Benefits			
4	631, 635, 636 O & M Contract labor	15110 + 27324+13600+1100 =		67,034
5	620 Operating/Maint Supplies			
6	610 Purchased Water		6097	
7	615 Purchased Power		12203	
8	635 Testing Expense		1650	
9	618 Chemicals		2442	
10	656-659 Insurance	~~881~~	881	
11	601 General Office Salaries			
12	675 General Office Expenses			
13	632 Contract Accounting		13539	
14	633 Legal		4700+6139	10839
15	634 Management			
16	666 Amortization- Rate Case Expense			
17	403 Depreciation Expense	~~15364~~	15364	
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		7105	
27	Net Income	$ -	$ -	$ 137154

3. Water Plant-in-Service - changes since the last Annual Report

Name of Utility: Riverside Waste Water Treatment Plant

Date Plant Installed/Retired mm/yyyy	Plant Additions: List Major Items by Class	Plant Additions: Amounts	Plant Retirements: List Major Items by Class	Plant Retirements: Amounts	Plant Adjustments	Total Change the Last Annual Report
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
	N/A					$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
	TOTALS	$0		$0	$0	$0

2014

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

Name of Utility: RIVERSIDE WASTE WATER TREATMENT PLANT

	Date Plant Installed/Retired mm/yyyy	Plant Additions: List Major Items by Class	Plant Additions: Amounts	Plant Retirements: List Major Items by Class	Plant Retirements: Amounts	Plant Adjustments	Changes Since the Last Annual Report
WATER	~~10/2013~~	~~NEW PLANT~~	~~311 162~~				$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
SEWER	10/2013	NEW PACKAGE PLANT	311,162				$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
							$0
		TOTALS	$0		$0	$0	$0

Name of Utility: ZAIN - 2014

4. Other Operating Information

Connection information WATER:	End of Year mm/dd/yyyy	End of Prior Year mm/dd/yyyy	Connection information SEWER:	End of Year mm/dd/yyyy	End of Prior Year
1 Number of active water connections			Number of active sewer connections		
5/8" or 3/4"			Residential		
3/4"			Non-residential		
1"					
1 1/2"					
2"					
List all additional meter sizes:			List all additional meter sizes:		
Unmetered water connections			Unmetered water connections		
2 Number of inactive water connections			Number of inactive water connections		
5/8" or 3/4"					
3/4"					
1"					
1 1/2"					
2"					
List all additional meter sizes:			List all additional meter sizes:		
Unmetered, inactive connections			Unmetered, inactive connections		
3 Number of active sewer connections			Number of active sewer connections		
4 Number of inactive sewer connections			Number of inactive sewer connections		
5 Total gallons purchased					
6 Total gallons pumped					
Total Water Produced	$ -				
7 Total gallons sold					
8 Gallons unaccounted for					
			Total amount of sewer treated (gallons)		

Management and Operations	Yes or No
1. Do you have an Application form or formal process for new customers?	
2. Do you have a copy of your approved tariff and TCEQ approved drought contingency plan for customer review?	
3. Do you have written operating procedures for routine operations?	
4. Do you have a written emergency action plans?	
5. Do you have written personnel policies and procedures?	
6. Do you have risk management and safety procedures?	
7. Do you have customer service policies (including billing and collection)?	
8. Do you prepare an annual written budget for financial planning purposes?	

9 Provide a list of all affiliates and entities under Common Control (if any).

10. If you purchase wholesale water or sewer services, please list the name(s) of the wholesaler and describe the service(s) purchased from each.

11. If you have a current capital improvement/replacement plan, please attach a copy.

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			

For the Year Ended ____________

____
(Company Name)

VERIFICATION

OATH
(To be made by the officer having control of the accounting of the respondent)

State of ____________
as:
County of ____________

____________ makes oath and says that he/she is ____________
(Name of affiant) (Official title of affiant)

of ____________
(Exact legal title or name of the respondent)

The signed officer has reviewed the report.

Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report.

He/she swears that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of t above-named respondent during the period of time from and including ____________ to and including ____________

Subscribed and sworn to and before me, a ____________
in and for the State and County above-named, this ________ day of ______

____
(Signature of affiant)

My commission expires ____________
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH
(By the president or other chief officer of the respondent)

State of TEXAS
as:
County of BRAZOS

S. Zain Hyder mal MANAGER
(Name of affiant) (Official title of affiant)

of Riverside Waste Water Treatment Plant
(Exact legal title or name of the respondent)

that he/she has carefully examined the foregoing report; that he/she swears that all statements of fact contained in the said report are true, and that the said report is a statement of the business and affairs of the above named respondent during the period of time from and including 1-1-14 12-31-14
to and including N/A

Subscribed and sworn to before me, a S. ZAIN HYDER
in and for the State and County above-named, this 19 day of JAN 2017

(Signature of affiant)

My commission expires TRACI TRUETT 1/12/19
(Signature of officer authorized to administer oaths)

NOTARY PUBLIC STATE OF TEXAS
TRACI TRUETT
NOTARY PUBLIC STATE OF TEXAS
MY COMM. EXP. 1/12/2019
NOTARY ID 13007183-9

	RSWWTP INCOME STATEMETN AND CASH FLOW					
		2013	2014	2014	2015	2015
1	**Total Revenue**	**21,194**		**28,280**		**20,412**
4	O&M Contract Labor		15,110	67,034	16,922	48,687
			27,324		26,465	
			13,600		5,300	
			11,000			
6	Purchased Water			6,097		3,916
7	Purchased Power			12,203		12,260
8	Testing Expense			1,650		5,236
9	Chemicals			2,442		4,072
10	Insurance			881		
13	Contract Accounting			13,539		14,920
14	Legal		4,700	10,839	2,566	4,154
			6,139		1,588	
17	Depreciation Expense			15,364		13,827
26	Interest			7,105		5,904
	Total	**318,327**		**137,154**		**112,976**
	LOSS	**(297,133)**		**(108,874)**		**(92,564)**
	Less Depreciation	(157,526)		(15,364)		(13,827)
	Cash Contribution	**(139,607)**		**(93,510)**		**(78,737)**
	Cumulative Cash Contribution	**(139,607)**		**(233,117)**		**(311,854)**
	PLANT CASH CONTRIBUTION					
	Plant Cost	311,162				
	Loan	123,946				
	Balance paid with Cash	**187,216**				
	Total Cash Contribution	**(326,823)**				
	Total Cumulative Cash Contribution	**(326,823)**		**(420,333)**		**(499,070)**

ATTACHMENT F

2013 REVENUE

&

REGULATORY ASSESSMENT REPORT

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Revenue and Regulatory Assessment Report
For PUBLIC UTILITY

UTILITY: RIVER SIDE WASTE WATER TREATMENT PLANT ACCOUNT: 20740

Revenue and Regulatory Assessment Report for the Calendar Year 2013	
1. Enter total revenues from retail water and sewer service in year 2013	1. 21,194
2. Enter amount collected OR multiply item 1 by 0.01	2. 211.94
3. Late payment penalty: 5% - If paid after January 30th and before March 1st - multiply line 2 by 0.05 10% - If paid after March 1st - multiply line 2 by 0.10	3.
4. Late payment interest, 1% per month if paid after March 31st: a. Multiply line 2 by 0.01 = monthly interest due, then b. Multiply monthly interest due by the number of months payment is made after March 31, rounded to the nearest month.	4.
5. Amount due and payable (Add lines 2, 3, and 4).	5. 211.94

☐ Please note if the utility was inactive for more than a month during the year or experienced other circumstances which affected revenues (attach an additional page if necessary):

____

____

I declare that the above information is true and correct to the best of my knowledge and belief.

Signature ______________________ Date 1 / 24 / 14

Preparer's name Zain Hyder (Please Print) Phone number 979-492-6124

VIPP Form WC04C5 / TCEQ-20098

Calendar Year 2013

REVENUE & REGULATORY ASSESSMENT REPORT

For PUBLIC UTILITY

PLEASE RETURN ENTIRE ORIGINAL FORM
WITH CHECK OR MONEY ORDER PAYABLE TO:

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

AMOUNT ENCLOSED	ACCOUNT NO.
211.94	20740

☐ CHECK HERE IF YOUR ADDRESS OR YOUR PHONE NUM HAVE CHANGED. PLEASE INDICATE ADDRESS OR PH NUMBER CHANGE ON BACK.

PAYMENTS NOT RECEIVED BY JANUARY 3 WILL RECEIVE A NOTICE OF VIOLATION

RIVER SIDE WASTE WATER TREATMENT
PO BOX 10021
COLLEGE STATION, TX 77842-0021

0000020740 1533242 00000000001301

ATTACHMENT G

2014 PROFIT AND LOSS STATEMENT

SCHEDULE C (Form 1040)
Department of the Treasury Internal Revenue Service (99)

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
2014
Attachment Sequence No 09

Name of proprietor: SYED N. HYDER
Social security number (SSN): [redacted]

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) [X] Cash (2) [ ] Accrual (3) [ ] Other (specify) ▶
G Did you "materially participate" in the operation of this business during 2014? If "No," see instructions for limit on losses [X] Yes [ ] No
H If you started or acquired this business during 2014, check here ▶ [ ]
I Did you make any payments in 2014 that would require you to file Form(s) 1099? (see instructions) [ ] Yes [X] 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 ▶ [ ]	1	28,280.
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	28,280.
4	Cost of goods sold (from line 42)	4	
5	**Gross profit.** Subtract line 4 from line 3	5	28,280.
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	28,280.

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	Depletion	12		b	Other business property	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	15,364.	21	Repairs and maintenance	21	15,110.
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	2,442.
15	Insurance (other than health)	15	881.	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	7,105.	b	Deductible meals and entertainment (see instructions)	24b	
17	Legal and professional services	17	4,700.	25	Utilities	25	18,300.
				26	Wages (less employment credits)	26	
				27 a	Other expenses (from line 48)	27a	73,252.
				b	**Reserved for future use**	27b	

28	**Total expenses** before expenses for business use of home. Add lines 8 through 27a ▶	28	137,154.
29	Tentative profit or (loss). Subtract line 28 from line 7	29	-108,874.
30	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	30	
31	**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.	31	-108,874.
32	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 6198.** Your loss may be limited.	32a [X] All investment is at risk. 32b [ ] Some investment is not at risk.	

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 2014, 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		6,139.
OPERATIONS		27,324.
SLUDGE		13,600.
TESTING		1,650.
LANDSCAPING MAINTENANCE		11,000.
MANAGEMENT FEE		13,539.
48 **Total other expenses.** Enter here and on line 27a	48	73,252.

2014 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	101813	150DB	15.00	17	311,162.		155,581.	155,581.	1,945.		15,364.
	Total Sch C Depr. & Amortization					311,162.		155,581.	155,581.	1,945.		15,364.

428102
05-01-14

(D) - Asset disposed

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

ATTACHMENT H

STATEMENT CONFIRMING UNMETERED SEWER CUSTOMERS

Riverside Waste Water Treatment Plant

(RWWTP)

June 19, 2016

RE: Statement From Riverside Waste Water Treatment Plant (RWWTP)

To Whom It May Concern:

At this time RWWTP does not have any sewer metered customers it services. If you have any questions please feel free to contact the RWWTP Management at (979) 823-4952.

Thank you,

Zain Hyder

Manager

ATTACHMENT I

TEXAS WATER CODE §13.1871

Texas Water Code § 13.1871. Class B Utilities: Statement of Intent to Change Rates; Hearing; Determination of Rate Level

(a) Except as provided by Section 13.1872, this section applies only to a Class B utility.

(b) A utility may not make changes in its rates except by sending by mail or e-mail a statement of intent to each ratepayer and to regulatory authority having original jurisdiction at least 35 days before the effective date of the proposed change. The utility may the statement of intent to a ratepayer by e-mail only if the ratepayer has agreed to receive communications electronically. The effective date of the new rates must be the first day of a billing period, and the new rates may not apply to service received before tl effective date of the new rates. The statement of intent must include:

(1) the information required by the regulatory authority's rules;

(2) a billing comparison regarding the existing water rate and the new water rate computed for the use of:

(A) 10,000 gallons of water; and

(B) 30,000 gallons of water;

(3) a billing comparison regarding the existing sewer rate and the new sewer rate computed for the use of 10,000 gallons, unles utility proposes a flat rate for sewer services; and

(4) a description of the process by which a ratepayer may file a complaint under Subsection (i).

(c) The utility shall mail, send by e-mail, or deliver a copy of the statement of intent to the appropriate offices of each affected municipality and to any other affected persons as required by the regulatory authority's rules.

(d) When the statement of intent is delivered, the utility shall file with the regulatory authority an application to change rates. T application must include information the regulatory authority requires by rule and any appropriate cost and rate schedules suppo the requested rate increase. In adopting rules relating to the information required in the application, the utility commission shal ensure that a utility can file a less burdensome and complex application than is required of a Class A utility. If the utility fails to provide within a reasonable time after the application is filed the necessary documentation or other evidence that supports the co and expenses that are shown in the application, the regulatory authority may disallow the nonsupported costs or expenses.

(e) Except as provided by Subsection (f) or (g), if the application or the statement of intent is not substantially complete or does n comply with the regulatory authority's rules, it may be rejected and the effective date of the rate change may be suspended until a properly completed application is accepted by the regulatory authority and a proper statement of intent is provided. The utility commission may also suspend the effective date of any rate change if the utility does not have a certificate of public convenience a necessity or a completed application for a certificate or to transfer a certificate pending before the utility commission or if the utili delinquent in paying the assessment and any applicable penalties or interest required by Section 5.701(n).

(f) After written notice to the utility, a local regulatory authority may suspend the effective date of a rate change for not more than days from the proposed effective date. If the local regulatory authority does not make a final determination on the proposed rate before the expiration of the suspension period, the proposed rate shall be considered approved. This approval is subject to the authority of the local regulatory authority thereafter to continue a hearing in progress.

(g) After written notice to the utility, the utility commission may suspend the effective date of a rate change for not more than 265 days from the proposed effective date. If the utility commission does not make a final determination on the proposed rate before t expiration of the suspension period, the proposed rate shall be considered approved. This approval is subject to the authority of t utility commission thereafter to continue a hearing in progress.

(h) The 265-day205-day period described by Subsection (g) shall be extended by two days for each day a hearing exceeds 15 days

(i) If, before the 91st day after the effective date of the rate change, the regulatory authority receives a complaint from any affectec municipality, or from the lesser of 1,000 or 10 percent of the ratepayers of the utility over whose rates the regulatory authority has original jurisdiction, the regulatory authority shall set the matter for hearing.

(j) If the regulatory authority receives at least the number of complaints from ratepayers required for the regulatory authority to se hearing under Subsection (i), the regulatory authority may, pending the hearing and a decision, suspend the date the rate change would otherwise be effective. Except as provided by Subsection (h), the proposed rate may not be suspended for longer than:

(1) 90 days by a local regulatory authority; or

(2) 265205 days by the utility commission.

(k) The regulatory authority may set the matter for hearing on its own motion at any time within 120 days after the effective date the rate change.

(l) The hearing may be informal.

(m) The regulatory authority shall give reasonable notice of the hearing, including notice to the governing body of each affected municipality and county. The utility commission may delegate to an administrative law judge of the State Office of Administrati Hearings the responsibility and authority to give reasonable notice for the hearing, including notice to the governing body of eac affected municipality and county. The utility is not required to provide a formal answer or file any other formal pleading in respo

(n) The utility shall mail notice of the hearing to each ratepayer before the hearing. The notice must include a description of the process by which a ratepayer may intervene in the ratemaking proceeding.

(o) If, after hearing, the regulatory authority finds the rates currently being charged or those proposed to be charged are unreaso or in violation of law, the regulatory authority shall determine the rates to be charged by the utility and shall fix the rates by order served on the utility.

(p) A utility may put a changed rate into effect throughout the area in which the utility sought to change its rates, including an a over which the utility commission is exercising appellate or original jurisdiction, by filing a bond with the utility commission if t suspension period has been extended under Subsection (h) and the utility commission fails to make a final determination before the 266th206th day after the date the rate change would otherwise be effective.

(q) The bonded rate may not exceed the proposed rate. The bond must be payable to the utility commission in an amount, in a f and with a surety approved by the utility commission and conditioned on refund.

(r) Unless otherwise agreed to by the parties to the rate proceeding, the utility shall refund or credit against future bills:

(1) all sums collected under the bonded rates in excess of the rate finally ordered; and

(2) interest on those sums at the current interest rate as determined by the regulatory authority.

(s) At any time during the pendency of the rate proceeding the regulatory authority may fix interim rates to remain in effect durin applicable suspension period under Subsection (f) or Subsections (g) and (h) or until a final determination is made on the propos rate. If the regulatory authority does not establish interim rates, the rates in effect when the application described by Subsection was filed continue in effect during the suspension period.

(t) If the regulatory authority sets a final rate that is higher than the interim rate, the utility shall be allowed to collect the differe between the interim rate and final rate unless otherwise agreed to by the parties to the rate proceeding.

(u) For good cause shown, the regulatory authority may at any time during the proceeding require the utility to refund money coll under a proposed rate before the rate was suspended or an interim rate was established to the extent the proposed rate exceeds th existing rate or the interim rate.

(v) If a regulatory authority other than the utility commission establishes interim rates or bonded rates, the regulatory authority make a final determination on the rates not later than the first anniversary of the effective date of the interim rates or bonded rate the rates are automatically approved as requested by the utility.

(w) Except to implement a rate adjustment provision approved by the regulatory authority by rule or ordinance, as applicable, or adjust the rates of a newly acquired utility system, a utility or two or more utilities under common control and ownership may not statement of intent to increase its rates more than once in a 12-month period, unless the regulatory authority determines that a financial hardship exists. If the regulatory authority requires the utility to deliver a corrected statement of intent, the utility is no considered to be in violation of the 12-month filing requirement.

ATTACHMENT J

NOTICE OF PROPOSED RATE CHANGE

AND AFFIDAVIT

To Be Completed Upon Approval of Rate/Tariff Application

NOTICE OF PROPOSED RATE CHANGE

TO BE PROVIDED TO CUSTOMERS

PURSUANT TO TEX. WATER CODE § 13.1871

AFFIDAVIT

STATE OF TEXAS

COUNTY OF

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

I further represent that a copy of the attached NOTICE was provided by (method of delivery) to each customer or other affected party on or about , 20

AFFIANT
(Utility's Authorized Representative)

NAME OF UTILITY

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

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

SEAL

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

P.U.C. DOCKET NO. 46556 *

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

River Side WWTP	20740
Company Name	CCN Number(s)

has filed a rate change application with the Public Utility Commission of Texas (Commission or PUC). The application may be reviewed online at interchange.puc.texas.gov. You may also inspect a copy of the rate change application at your utility's office at the address below or at the Commission's office (1701 N. Congress Ave, Austin, TX 78701). The proposed rates will apply to service received after the effective date provided below, unless modified or suspended by the Commission. If the Commission receives a sufficient number of protests, separately or in a combined protest letter, from at least 12 [number of] ratepayers (10 percent of the utility's customers over whose rates the Commission has original jurisdiction) or from any affected municipality before the 91st day after the proposed effective date, the matter will be set for hearing. **See Protest Form on the next page for instructions on how to protest.**

EFFECTIVE DATE OF PROPOSED INCREASE:

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

Reason(s) for proposed Rate Change:

To allow for coverage of expenses incurred during the treatment of wastewater by River Side WWTP.

BILLING COMPARISON

Water

Existing	5,000 gallons:	$ /mo	Proposed	5,000 gallons:	$ /mo
Existing	10,000 gallons:	$ /mo	Proposed	10,000 gallons:	$ /mo
Existing	30,000 gallons:	$ /mo	Proposed	30,000 gallons:	$ /mo

Sewer

Existing	5,000 gallons:	$ 20.20 /mo	Proposed	5,000 gallons:	74.16 /mo
Existing	10,000 gallons:	$ /mo	Proposed	10,000 gallons:	$ /mo

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

475 Higgs St., Ste B	Bryan	Texas	77807
Company Address	City	State	Zip

(979) 823-4952
Company Phone Number

133,600.92	
Annual Revenue Increase	Date Notice Delivered

Date of Last Rate Change	Date Meters Typically Read

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

P.U.C. DOCKET NO. 46556

RATEPAYER PROTEST

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

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

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

CUSTOMER INFORMATION (to be completed by customers submitting protests)

First Name: ____________________ Last Name: ______________________

Phone Number: ____________________ Fax Number: __________________

Address, City, State:____

Location where service is received:_________________________________

(if different from the mailing address)

Please fill out the following:

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

☐ Water Rate Change ☐ Sewer Rate Change ☐ Both Water and Sewer Rate Change

☐ Other (please specify below)

____

Signature of Protestant:

______________________________________ Date:____________

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

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

NOTICE OF PROPOSED RATE CHANGE –WATER

CURRENT RATES		PROPOSED RATES	
Monthly base rate including [ ] gallons Meter Size: **RESIDENTIAL**		Monthly base rate including [ ] gallons Meter Size: **RESIDENTIAL**	
5/8" or 3/4"	$	5/8" or 3/4"	$
1"	$	1"	$
1 1/2"	$	1 1/2"	$
2"	$	2"	$
3"	$	3"	$
Other:	$	Other:	$

GALLONAGE CHARGE: (Current)

TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	to gals.	$ /1000 gals.
Tier 2	to gals.	$ /1000 gals.
Tier 3	to gals.	$ /1000 gals.
Tier 4	to gals.	$ /1000 gals.
Tier 5	to gals.	$ /1000 gals.

GALLONAGE CHARGE: (Proposed)

TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	to gals.	$ /1000 gals.
Tier 2	to gals.	$ /1000 gals.
Tier 3	to gals.	$ /1000 gals.
Tier 4	to gals.	$ /1000 gals.
Tier 5	to gals.	$ /1000 gals.

MISCELLANEOUS FEES		MISCELLANEOUS FEES	
Tap Fee	$	Tap Fee	$
Reconnect fee: Non-payment	$	Reconnect fee: Non-payment (Maximum - $25.00)	$
Customer's Request	$	Customer's Request	$
Transfer Fee	$	Transfer Fee	$
Late Charge	$	Late charge: **(Indicate either $5.00 or 10%)**	$
Returned Check Charge	$	Returned Check Charge	$
Deposit	$	Deposit (Maximum $50.00)	$
Meter test fee	$	Meter test fee (Maximum - $25.00)	$

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

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

NOTICE OF PROPOSED RATE CHANGE –SEWER

CURRENT RATES		PROPOSED RATES	
Monthly base rate including ______ gallons Meter Size: **RESIDENTIAL**		Monthly base rate including ______ gallons Meter Size: **RESIDENTIAL**	
5/8" or 3/4"	$	5/8" or 3/4"	$
1"	$	1"	$
1 1/2"	$	1 1/2"	$
2"	$	2"	$
3"	$	3"	$
Other:	$	Other:	$

GALLONAGE OR FIXED CHARGE:	GALLONAGE OR FIXED CHARGE:
$ 20 20 ☒ per month; OR ☐ for each additional 1,000 gallons over the minimum. Gallonage charges are determined based on average consumption for winter period which includes the following months:	$ 74.16 ☒ per month; OR ☐ for each additional 1,000 gallons over the minimum. Gallonage charges are determined based on average consumption for winter period which includes the following months:

MISCELLANEOUS FEES		MISCELLANEOUS FEES	
Tap Fee	$ 30.00	Tap Fee	$ 25.00
Reconnect fee: Non-payment	$	Reconnect fee: Non-payment (Maximum - $25.00)	$
Customer's Request	$	Customer's Request	$
Transfer Fee	$	Transfer Fee	$
Late Charge	$	Late charge: **(Indicate either $5.00 or 10%)**	$
Returned Check Charge	$	Returned Check Charge	$
Deposit	$	Deposit (Maximum $50.00)	$
Meter test fee	$	Meter test fee (Maximum - $25.00)	$

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

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

ATTACHMENT K

COMPARITIVE ANALYSIS OF PUC RATEMAKING

AS REQUIRED BY HOUSE BILL 1600

Comparative Analysis of PUC Ratemaking Authority As Required By House Bill 1600

Background and Purpose

House Bill (HB) 1600[1] and Senate Bill (SB) 567[2] transferred the economic regulation of water and sewer utilities from the Texas Commission on Environmental Quality (TCEQ) to the Public Utility Commission (PUC). The authority transferred includes water and wastewater utility ratemaking; wastewater utility submetering; certificates of convenience and necessity; certain financial, managerial, and technical practices; reporting requirements; and consumer assistance and complaints and sales, transfers and mergers. TCEQ maintains responsibility for ensuring that utilities meet drinking water standards, sewage treatment requirements, and review of investor-owned utility drought contingency plans. Furthermore, the bill ends the one-size-fits-all treatment for these utilities by establishing three utility classifications based on connection count. As prescribed in HB 1600, Class A utilities have 10,000 connections or more and follow a rate-setting process similar to the process used for electric rate increases. Class B utilities have 500 to 9,999 connections and will file an condensed rate filing package, similar in scope to the rate filing package utilities filed at TCEQ. Class C utilities have fewer than 500 connections and will be allowed the option to request an annual rate adjustment based on a predetermined index, which may not exceed a 5 percent increase. The bill requires the PUC and TCEQ to complete the transfer by September 1, 2014. The PUC is required to adopt rules to implement the regulatory changes by September 1, 2015.

This report is provided pursuant to section 2.97 of HB 1600 which requires the PUC to:

> conduct a comparative analysis of the ratemaking authority of the commission before the effective date of this Act and the ratemaking authority of the commission after the transition described in Section 2.96 of this article, to identify potential for procedural standardization. The [PUC] shall issue a report of the

[1] Acts 2013, 83rd Leg., R.S., ch. 170 (HB 1600), 2013 Tex. Gen. Laws 771.
[2] Acts 2013, 83rd Leg, R S., ch. 171 (SB 567), 2013 Tex. Gen. Laws 772.

analysis, with recommendations regarding rate standardization, for consideration by the 84th Legislature.[3]

This report provides a comparative analysis of statutory ratemaking provisions under the PUC's authority and discusses opportunities for standardization. The first two sections of the report provide an overview of the PUC's ratemaking process and the actions taken thus far to incorporate water ratemaking into that process. The final section of the report provides recommended statutory changes necessary for achieving an appropriate level of standardization between the electric and water ratemaking processes.

Current PUC Ratemaking Procedures

The State Office of Administrative Hearings (SOAH) continues to hear cases related to water and sewer regulation as it did when this program was at TCEQ. SOAH also presides over electric rate cases for the PUC. Following is an explanation of the current electric ratemaking process at the PUC.

Rates for investor-owned, vertically-integrated utilities (IOUs), investor-owned transmission and distribution utilities (TDUs)[4] and transmission-only utilities (TSPs) (collectively referred to as electric utilities) at the PUC are set based on cost-of-service ratemaking principles. Under these longstanding principles, IOUs and TDUs are allowed a reasonable opportunity to earn a reasonable rate of return on property that is used and useful in providing service to their customers in excess of the utility's reasonable and necessary operating expenses. IOU and TDU rates are established using an historical test year. Historical test year expenses may be adjusted by known and measurable changes. The test year is the historic 12-month period deemed reasonable by the PUC, ending either December 31, at the end of a calendar quarter, or at the end of the utility's fiscal year.

[3] Acts 2013, 83rd Leg., R.S. Ch. 170 (HB 1600), sec. 2.97, 2013 Tex. Gen. Laws 771. As noted above, SB 567 also transferred economic regulation of water and sewer utilities to the PUC. However, unlike HB 1600, SB 567 did not include a requirement for the PUC to prepare a comparative analysis of PUC ratemaking for the Legislature.

[4] In Texas, vertically integrated IOUs are electric utilities that operate in the areas outside of ERCOT that are not subject to retail competition. As part of retail competition in ERCOT that began in January 2002, the former investor-owned utilities operating in ERCOT were required to unbundle into transmission and distribution utilities (TDUs), generation companies, and retail companies. The TDUs remain subject to full cost-of-service rate regulation by the PUC

As part of an application to change rates, an IOU or TDU is required to submit detailed cost information and pre-filed direct testimony to support its request. The PUC has a detailed rate filing package which outlines the type of cost information required to be submitted as part of a rate change application. The rate filing package specifies all cost information that must be provided, including information on cost of service, rate base (invested capital), rate of return, operation and maintenance expenses, income taxes, cost allocation, and rate design. Unless otherwise indicated, the information required in a rate application is taken from the utility's accounts and records as prescribed in the Federal Energy Regulatory Commission (FERC) chart of accounts. All schedules are required to be filed electronically in Excel format with all formulas, cell references, etc. intact.

Under Public Utility Regulatory Act (PURA) §36.102,[5] an electric utility seeking to change its rates must file a statement of intent with the regulatory authority having original jurisdiction (either cities or the PUC) over those rates at least 35 days before the effective date of the proposed rate change. PURA § 36.108 allows the PUC to further suspend the effective date of the proposed rates for not longer than 150 days. Under PURA § 36.108, a rate application must be processed before the expiration of the suspension period. This means that the PUC must enter an order approving or denying the rate application within 185 days (35 day effective date + 150 day suspension period= 185 days). Under PURA § 36.108, if an order approving or denying the rate application is not entered within 185 days,[6] the rate request is deemed approved by operation of law. Under PUC practice, an electric utility may voluntarily agree to extend the effective date to give the PUC more time to consider and rule on a rate application.

Generally, once a rate case is filed, interested parties, including the PUC Staff, affected ratepayer groups (such as cities, industrial and commercial customers), and the Office of Public Utility Counsel (which is charged with representing residential and small commercial customers) will intervene and begin sending discovery requests to the applicant. The discovery requests are designed to help affected parties better understand the rate application and develop their positions and recommendations.

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[5] TEX. UTIL. CODE §36.102 (West 2007 & Supp. 2014).

[6] Under PURA § 36.108(b), the 150 day suspension period shall be extended two days for each day of the actual hearing on the merits in the case exceeds 15 days. This extension of the suspension period rarely occurs in PUC rate cases.

IOU and TDU rate cases are almost always referred to SOAH for processing and hearing. The SOAH Administrative Law Judge (ALJ), with input from the parties, will establish a procedural schedule that will enable the PUC to decide the case within 185 days. All intervenors have an opportunity to file written testimony on the rate application. The IOU or TDU, as the party with the burden of proof, has an opportunity to file testimony rebutting any intervenor testimony. Hearings in IOU and TDU rate cases typically begin on or around the 100^{th} day after filing. Over the past decade, approximately 70% of IOU and TDU rate cases have settled without a hearing. If there is no settlement or if the settlement is non-unanimous, a hearing will be held.

The SOAH ALJ will issue a proposal for decision (PFD) (if the case is contested and has gone to hearing) or a proposed order (if the case has settled) and will then refer the case back to the PUC for a final decision. After reviewing the PFD or proposed order, briefs of the parties, and any evidence the PUC commissioners may need to reach a decision, the PUC will issue a final order on the application.

Parties that believe they are aggrieved by the PUC's ultimate decision in a rate case may file a motion for rehearing. If the PUC denies a motion for rehearing or declines to act on such a motion, the PUC's order becomes final and is subject to appeal to state district court. Rate cases appealed to the courts can take several years or more to move through the appellate process. If a court overturns a decision of the PUC it typically remands the case back to the Commission to conduct proceedings and enter an order consistent with the court's ruling.

Water-Related Activities Update

During Phase I of implementing water ratemaking, the PUC adopted language from TCEQ rules in Title 30, Texas Administrative Code (TAC), Chapter 291. These rules cover the processing of applications related to water and sewer utility rates, service area matters including Certificates of Convenience and Necessity (CCNs), Sale/Transfer or Mergers (STMs), and submetering and allocated billing program for dwelling units and multiple use facilities. The PUC made minor changes to the language in TCEQ's rules to better correspond and fit into PUC's existing processes for electric and telecommunication matters. These rules can be found in new Title 16, TAC, Chapter 24. The new rules were adopted by the PUC on July 29, 2014, and are currently being used to process water and sewer rate and CCN related matters. On December 18, 2014, the PUC adopted a new administrative review process timeline to match the PUC's processes for electric and telecommunication matters.

As part of the transfer, TCEQ's application forms and regulatory guidance documents specific to water and sewer utility rates, submetering and allocated billing, and service area matters were amended to reflect PUC processes; however, no substantive changes were made to either the forms or rules as part of Phase I of the transfer. In addition, the PUC assumed the responsibility of maintaining the Water and Sewer Retail Public Utility CCN Map Viewer for use by the public.

Phase I of the transition included 278 cases transferred over from the TCEQ to the PUC. The cases were scanned into the PUC Interchange (the PUC's internet-based filing system) and made available to the public. The PUC also conducted a filings workshop on October 10, 2014, to provide guidance and information to the public on how to submit and file documents and information properly with the PUC. In addition to the workshop, the PUC participated in various outreach activities including speaking about the transfer at the Independent Water and Sewer Companies of Texas (IWSCOT) meeting and speaking at the Texas Rural Water Association's Fall Management Workshops in San Antonio and Dallas. The PUC also became a member of the Texas Water Infrastructure Coordination Committee (TWICC) with other governmental and non-profit organizations such as the Texas Water Development Board (TWDB), the Texas Commission on Environmental Quality (TCEQ), the Texas Department of Agriculture (TDA), United States Rural Development (USRD), North American Development Bank (NAD Bank), Texas Rural Water Association and others.

During the first quarter of fiscal year 2015, the PUC processed 26 rate-related matters and 18 CCN-related matters, for a total of 54 applications. The PUC also established internal processes designed to complete work on water-related matters efficiently.

Through an interagency contract with the TCEQ, the PUC made 26 referrals for financial and/or managerial related assistance to water or sewer utilities, and met with the TCEQ on numerous occasions to coordinate on various issues including receiverships, temporary managers, business plan reviews, and other matters.

During the second quarter of fiscal year 2015, the PUC began implementation of Phase II of the transfer by opening new projects to amend the PUC's rules, forms, and processes. The goal of Phase II of the transfer is to implement the Class A, B and C utility classifications as prescribed in Texas Water Code, Chapter 13, as amended by HB 1600 and Senate Bill 567. The projects are currently underway and a workshop is planned on January 27, 2015, to get input from the public.

PUC Recommended Statutory Changes

The PUC recommends the following legislative changes to address water ratemaking issues:

1. Subchapter L of Chapter 5 of the Texas Water Code addresses emergency orders and emergency rates. Sections 5.507 & 5.508 were amended in 2013 to give the PUC authority to issue emergency orders and emergency rates. Procedural details are contained in §§ 5.501-.505 and for the most part do not apply to the PUC. Section 13.4132 also authorizes emergency rates and § 13.041 also addresses emergency orders. The PUC recommends that all PUC authority related to emergency orders and emergency rates be consolidated in Subchapter K of Chapter 13 and include the procedural requirements now found in Subchapter L of Chapter 5 of the Water Code.
2. Water Code § 13.042(c-1) addresses authority of the PUC to delegate authority to the State Office of Administrative Hearings (SOAH) to issue interim rate orders. Section 13.187(g-1) currently requires the PUC to provide notice of hearing. The PUC recommends that § 13.187(g-1) of the Water Code be amended to add language specifically allowing the PUC to delegate authority for SOAH to provide notice of hearings.
3. Section 13.1871(l) of the Texas Water Code requires a utility to mail notice of a rate hearing to each ratepayer before the hearing. Under PUC practice for electric cases, a ratepayer must request to intervene in the matter to participate as a party at the hearing. Only intervenors granted party status may participate in a hearing and only those parties

need notice of the hearing. It is too costly and time consuming to require notice to all ratepayers when they cannot participate at the hearing unless they have been granted party status. The PUC recommends that utilities be required to provide notice of a hearing as directed by the PUC through rule or order. Water utilities are already required under Water Code § 13.1871(b) to give notice of an application to change rates to each ratepayer.

4. Under Texas Water Code §§ 13.042-13.043, the PUC is given appellate jurisdiction over the rate actions of municipalities, non-profits, districts, and affected counties. Those entities must give notice of the rate action to ratepayers within 60 days. Ratepayers must file an appeal with the PUC within 90 days of the effective date of the rate or the date the entity acted, depending on the type of entity. If notice is not given, or if notice is untimely, ratepayers may not find out about the rate change until after it is too late to file an appeal. Appeals of electric rate actions are timed off the municipality giving notice (by issuing a report). The PUC recommends that Water Code § 13.043(c) be amended to allow the filing of a petition for review within 30 days of the entity issuing notice.
5. Under Texas Water Code § 13.043(c), a petition to appeal a rate must be signed by 10 percent or 10,000 of the ratepayers whose rates have been changed and are eligible to appeal. The entity that is changing rates has the best knowledge of how many individuals are eligible or have had their rates changed. Therefore, the PUC recommends that a provision similar to PURA § 33.102 that requires the entity to identify the number of eligible ratepayers that have had their rates changed be added to the Water Code.
6. Under Texas Water Code § 13.1871(g), Class B water utility rate cases must be processed within 240 days. This statutory deadline needs to be extended in order for the PUC to process these cases in a way that appropriately balances the interests of utilities and ratepayers.