

Cox, Bernice

From: Sears, Emily
Sent: Wednesday, January 18, 2017 12:55 PM
To: Guerrero, Leila; Garcia, Patricia
Cc: Graham, Heidi; Loockerman, Debi
Subject: RE: 46674 Suburban

I don't need anything for sufficiency. I would like to add an RFI, if anyone is sending any out (let me know).

Thanks!

*Emily Sears, CRRA
Public Utility Commission of Texas
Water Utility Regulation
Financial Analyst
512-936-7224
Emily.Sears@puc.texas.gov*

From: Guerrero, Leila
Sent: Tuesday, January 17, 2017 3:21 PM
To: Garcia, Patricia <Patricia.Garcia@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: RE: 46674 Suburban

Ok, thanks Patty!

From: Garcia, Patricia
Sent: Tuesday, January 17, 2017 2:59 PM
To: Guerrero, Leila <Leila.Guerrero@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: RE: 46674 Suburban

Leila,

I verified they did not submit the CCIs from TCEQ, but we also don't require them as part of the application.

I can hold on to my write up and submit as an RFI later.

Thanks,
Patty

From: Garcia, Patricia
Sent: Tuesday, January 17, 2017 11:27 AM
To: Guerrero, Leila <Leila.Guerrero@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: RE: 46674 Suburban

Leila,

I wrote up what I needed as an RFI but you can add it to the admin review memo.

Let me know if you have any questions.

Thanks,
Patty

From: Guerrero, Leila

Sent: Friday, January 13, 2017 12:11 PM

To: Garcia, Patricia <Patricia.Garcia@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>

Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>

Subject: 46674 Suburban

Hi Patty / Emily,

I will draft an admin review memo for Suburban. Please provide me your comments, if any, as soon as you have them so I can include in the memo, if needed.

Thanks,
Leila

Cox, Bernice

From: Guerrero, Leila
Sent: Tuesday, January 17, 2017 3:21 PM
To: Garcia, Patricia; Sears, Emily
Cc: Graham, Heidi; Loockerman, Debi
Subject: RE: 46674 Suburban

Ok, thanks Patty!

From: Garcia, Patricia
Sent: Tuesday, January 17, 2017 2:59 PM
To: Guerrero, Leila <Leila.Guerrero@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: RE: 46674 Suburban

Leila,

I verified they did not submit the CCI's from TCEQ, but we also don't require them as part of the application.

I can hold on to my write up and submit as an RFI later.

Thanks,
Patty

From: Garcia, Patricia
Sent: Tuesday, January 17, 2017 11:27 AM
To: Guerrero, Leila <Leila.Guerrero@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: RE: 46674 Suburban

Leila,

I wrote up what I needed as an RFI but you can add it to the admin review memo.

Let me know if you have any questions.

Thanks,
Patty

From: Guerrero, Leila
Sent: Friday, January 13, 2017 12:11 PM
To: Garcia, Patricia <Patricia.Garcia@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: 46674 Suburban

Hi Patty / Emily,

I will draft an admin review memo for Suburban. Please provide me your comments, if any, as soon as you have them so I can include in the memo, if needed.

Thanks,
Leila

Cox, Bernice

From: Guerrero, Leila
Sent: Wednesday, January 18, 2017 4:23 PM
To: Sears, Emily; Garcia, Patricia
Cc: Graham, Heidi; Loockerman, Debi
Subject: RE: 46674 Suburban

Thank you Emily, I think Patty has already some RFIs ready. I have not started my list of RFIs yet.

Thanks
Leila

From: Sears, Emily
Sent: Wednesday, January 18, 2017 12:55 PM
To: Guerrero, Leila <Leila.Guerrero@puc.texas.gov>; Garcia, Patricia <Patricia.Garcia@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: RE: 46674 Suburban

I don't need anything for sufficiency. I would like to add an RFI, if anyone is sending any out (let me know).

Thanks!

*Emily Sears, CRRA
Public Utility Commission of Texas
Water Utility Regulation
Financial Analyst
512-936-7224
Emily.Sears@puc.texas.gov*

From: Guerrero, Leila
Sent: Tuesday, January 17, 2017 3:21 PM
To: Garcia, Patricia <Patricia.Garcia@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: RE: 46674 Suburban

Ok, thanks Patty!

From: Garcia, Patricia
Sent: Tuesday, January 17, 2017 2:59 PM
To: Guerrero, Leila <Leila.Guerrero@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: RE: 46674 Suburban

Leila,

I verified they did not submit the CCIs from TCEQ, but we also don't require them as part of the application.

I can hold on to my write up and submit as an RFI later.

Thanks,
Patty

From: Garcia, Patricia
Sent: Tuesday, January 17, 2017 11:27 AM
To: Guerrero, Leila <Leila.Guerrero@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: RE: 46674 Suburban

Leila,

I wrote up what I needed as an RFI but you can add it to the admin review memo.

Let me know if you have any questions.

Thanks,
Patty

From: Guerrero, Leila
Sent: Friday, January 13, 2017 12:11 PM
To: Garcia, Patricia <Patricia.Garcia@puc.texas.gov>; Sears, Emily <Emily.Sears@puc.texas.gov>
Cc: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Subject: 46674 Suburban

Hi Patty / Emily,

I will draft an admin review memo for Suburban. Please provide me your comments, if any, as soon as you have them so I can include in the memo, if needed.

Thanks,
Leila

Cox, Bernice

From: Graham, Heidi
Sent: Wednesday, January 11, 2017 1:19 PM
To: Garcia, Patricia
Cc: Guerrero, Leila; Loockerman, Debi
Subject: RE: Docket # 46674 - Suburban Rate Case

Patty,
I just added you.

Heidi Graham
Manager of Technical Review
Water Utility Regulation Division
Public Utility Commission of Texas
(512) 936-7139

From: Garcia, Patricia
Sent: Wednesday, January 11, 2017 11:50 AM
To: Graham, Heidi <Heidi.Graham@puc.texas.gov>; Loockerman, Debi <Debi.Loockerman@puc.texas.gov>
Cc: Guerrero, Leila <Leila.Guerrero@puc.texas.gov>
Subject: Docket # 46674 - Suburban Rate Case

Heidi & Debi,

Leila came and told me that Suburban had filed the rate case. I didn't see it come in. I'm not listed on the docket.

Thanks,
Patty

Cox, Bernice

From: Guerrero, Leila
Sent: Monday, January 30, 2017 3:18 PM
To: Garcia, Patricia
Cc: Sears, Emily
Subject: RE: Docket # 46674 - Suburban Response to RFI

Thank you Patricia. I also noticed that but I will take care of that in my analysis of the expenses and my adjustments. We don't allow utilities to make double dipping on the pass through surcharges. Thank you for bringing to my attention though.

Thanks,
Leila

From: Garcia, Patricia
Sent: Monday, January 30, 2017 3:07 PM
To: Guerrero, Leila <Leila.Guerrero@puc.texas.gov>
Cc: Sears, Emily <Emily.Sears@puc.texas.gov>
Subject: Docket # 46674 - Suburban Response to RFI

Leila,

I noticed in Suburban's response to the RFI they submitted bills from North Harris County Regional Water Authority which they are counting as the purchase water cost. I checked the tariff and see that they have an approved pass through which already recovers this portion. Just thought I would let you know.

Thanks,
Patty

Cox, Bernice

From: Smullen, AJ
Sent: Wednesday, February 15, 2017 4:02 PM
To: Sears, Emily; Graham, Heidi; Guerrero, Leila; Garcia, Patricia
Cc: Chang, Sam
Subject: 46674 - change of counsel

All,

Just a heads up that I will be taking over the Suburban case from Sam. I will try to find some time next week to talk to folks about their issues in the case.

Please make sure you are making efforts to preserve any discoverable material concerning the docket, including any emails or other written communications that you may review or rely on in preparation of your opinions and testimony.

Best,

AJ Smullen
Attorney, Legal Division
Public Utility Commission of Texas
(512) 936-7289

Cox, Bernice

From: Bond, Ryan
Sent: Wednesday, January 25, 2017 9:03 AM
To: Garcia, Patricia
Subject: RE: Docket # 46674

Thank you

From: Garcia, Patricia
Sent: Wednesday, January 25, 2017 9:02 AM
To: Bond, Ryan <Ryan.Bond@puc.texas.gov>
Subject: RE: Docket # 46674

Ryan,

Yes the protests are admissible. The protest form is required to be included in the notice to their customers.

Thanks,
Patty

From: Bond, Ryan
Sent: Wednesday, January 25, 2017 8:56 AM
To: Garcia, Patricia <Patricia.Garcia@puc.texas.gov>
Subject: FW: Docket # 46674

Hi Patty,

How would you like me to respond to this customer?

Thank you,

Ryan

From: Gloria Gonzalez [<mailto:go4glogonz@yahoo.com>]
Sent: Tuesday, January 24, 2017 3:33 PM
To: Customer Service <customer@puc.texas.gov>
Cc: Pat Hill <cjunbeat@sbcglobal.net>; Connie Esparza <esparzac1947@yahoo.com>; Steven. Adame Sr <mmsadame65@aol.com>
Subject: Re: Docket # 46674

WARNING: EXTERNAL SENDER. Always be cautious when clicking links or opening attachments. NEVER provide your user ID or password.

Dear Customer Service,
I have made several calls regarding the appropriate information needed to insure a hearing for the ratepayers of my community and a neighboring community. Both have received a Notice of Proposed Water Rate Increase. The water company who services our neighborhoods provided a Protest form

with the notice. The form they provided lists the P.U.C. docket #46674 in the heading and addresses item #2 of the listed requirements seen below referenced in your email response to my phone call of 1/20/17. Our combined ratepayers are to submit a minimum of 101 signatures to be granted a hearing.

At last glance the P.U.C. has received and recorded at least 171 such forms. Since the Protest forms were provided by the water company are they admissible under your rules?

Thank you for your assistance in this matter,
Respectfully,
Gloria Joy

From: Customer Service <customer@puc.texas.gov>
To: "go4glogonz@yahoo.com" <go4glogonz@yahoo.com>
Sent: Tuesday, January 24, 2017 2:45 PM
Subject: FW: Docket # 46674

Ms. Joy:

Thank you for contacting the Public Utility Commission of Texas. Copied below you will find information on how to file a petition related to Docket #46674 consistent with Substantive Rule § 24.42.

Be sure to include the contents of the following rule on every page of the petition and file the original document(s) and 10 copies to our Central Records department at:

Public Utility Commission of Texas
ATTN: Central Records
1701 N. Congress Ave
P.O. Box 13326
Austin, TX 78711

"§24.42. Contents of Petition Seeking Review of Rates Pursuant to the Texas Water Code, §13.043(b).

(a) Petitions for review of rate actions filed pursuant to the TWC, §13.043(b), shall contain the original petition for review with the required signatures. Each signature page of a petition should contain in legible form the following information for each signatory ratepayer:

- (1) a clear and concise statement that the petition is an appeal of a specific rate action of the water or sewer service supplier in question as well as a concise description and date of that rate action;
- (2) the name, telephone number, and street or rural route address (post office box numbers are not sufficient) of each signatory ratepayer. The petition shall list the address of the location where service is received if it differs from the residential address of the signatory ratepayer;
- (3) the effective date of the decision being appealed;
- (4) the basis of the request for review of rates; and
- (5) any other information the commission may require.

(b) A petition must be received from a total of 10,000 or 10% of the ratepayers whose rates have been changed and who are eligible to appeal, whichever is less.

(c) A filing fee is not required for appeals or complaints filed under the TWC, §13.043(b)."

Feel free to contact us if you have additional questions.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas
P.O. Box 13326
Austin, TX 78711

Cox, Bernice

From: Siano, Christiaan <Christiaan.Siano@opuc.texas.gov>
Sent: Monday, January 09, 2017 11:39 AM
To: Smullen, AJ
Subject: RE: Suburban 46674

WARNING: EXTERNAL SENDER. Always be cautious when clicking links or opening attachments. NEVER provide your user ID or password.

That works.

From: Smullen, AJ [mailto:AJ.Smullen@puc.texas.gov]
Sent: Monday, January 09, 2017 11:26 AM
To: Siano, Christiaan
Subject: Re: Suburban 46674

No problem. Is tomorrow a good time to call?

Best,

AJ

From: "christiaan.siano@opuc.texas.gov" <Christiaan.Siano@opuc.texas.gov>
Date: Friday, January 6, 2017 at 10:07 AM
To: "Smullen, AJ" <AJ.Smullen@puc.texas.gov>
Subject: RE: Suburban 46674

WARNING: EXTERNAL SENDER. Always be cautious when clicking links or opening attachments. NEVER provide your user ID or password.

Thanks. I'd like to chat with you about Consumer sometime, as well.

Christiaan Siano
Office of Public Utility Counsel
PO Box 12397
Austin, Texas 78711-2397
(512) 936-7506
Fax: (512) 936-7525

From: Smullen, AJ [mailto:AJ.Smullen@puc.texas.gov]
Sent: Thursday, January 05, 2017 7:31 PM
To: Siano, Christiaan
Cc: Cox, Bernice
Subject: Re: Suburban 46674

Christiaan,

I'm not sure who's on it. I'm CCing Bernice Cox, who should be able to help connect you to the right person.

AJ

From: Siano, Christiaan <Christiaan.Siano@opuc.texas.gov>

Sent: Thursday, January 5, 2017 5:51:33 PM

To: Smullen, AJ

Subject: Suburban 46674

**WARNING: EXTERNAL SENDER. Always be cautious when clicking links or opening attachments.
NEVER provide your user ID or password.**

Will you be handling the Suburban rate application?

Christiaan Siano
Office of Public Utility Counsel
PO Box 12397
Austin, Texas 78711-2397
(512) 936-7506
Fax: (512) 936-7525

Cox, Bernice

From: Siano, Christiaan <Christiaan.Siano@opuc.texas.gov>
Sent: Thursday, January 05, 2017 4:52 PM
To: Smullen, AJ
Subject: Suburban 46674

**WARNING: EXTERNAL SENDER. Always be cautious when clicking links or opening attachments.
NEVER provide your user ID or password.**

Will you be handling the Suburban rate application?

Christiaan Siano
Office of Public Utility Counsel
PO Box 12397
Austin, Texas 78711-2397
(512) 936-7506
Fax: (512) 936-7525

Cox, Bernice

From: Loockerman, Debi
Sent: Tuesday, February 14, 2017 8:04 AM
To: Guerrero, Leila
Cc: Graham, Heidi
Subject: Suburban information
Attachments: RFI LG COMMISSION STAFF RFIs.docx; 45185_104_896331.pdf; 45185_106_896329.pdf; 45185_99_896336.pdf

Suggested edits and comments. I pulled the 2015 annual reports which are attached.

Debi

COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION TO SUBURBAN UTILITY COMPANY, INC.
STAFF NO.2-1 THROUGH NO 2-___

STAFF RFI
NO. 2-1

Please provide copies (hard copy and electronic file, if available) of the general ledger for the test year (July 1, 2015 – June 30, 2016) and for the period including the known and measurable changes (July 1, 2016 – June 30, 2017, as the future months become available); and copies of the detailed chart of accounts with account codes and/or numbers, account names, and subaccounts for Suburban Utility Company, Inc. ("Suburban").

STAFF RFI

For the years 2015 and 2016, please provide copies of the complete audited financial statements including auditor's reports and all notes for Suburban Utility Company, Inc.; Consumers Water Inc.; Community Utility, and MBC Water, including but not limited to balance sheets, profit and loss statements, and statements of cash flow. If audited financial statements are not available, provide the unaudited financial statements.

STAFF RFI

Please provide any additional internal or external audit reports produced since the beginning of 2015 regarding Suburban's water operations, if any. If audit reports are not available, please provide copies of any additional internal or external reports prepared by the management for Suburban's water operations.

STAFF RFI

Please provide the number of full time and part time employees that worked for the Suburban during the test year and for the period covering known and measurable changes (one year after the test year).

Please provide the number of personnel who provided services for compensation to Suburban on a contractual basis for the test year and one year after the test year.

STAFF RFI

Please provide a list of all employees of Suburban or any affiliate who received salaries, bonuses, allowances, benefits and other remuneration that were included in the cost of service either through direct billed or allocated contract expenses or salary expense. Please provide the following information:

- a) Name;
- b) Position and detailed job description;
- c) Date hired and date of termination, if applicable;
- d) Rate per month or per hour and/or annual salary; and

- e) Total number of hours and percentage of time worked per week for each affiliate ~~you including Suburban and total number of hours and percentage of time worked per week for any of your affiliated companies.~~

STAFF RFI Please provide the number of full time and/or part time employees of any affiliate, by company, who provided services for compensation paid by any affiliate that worked for Suburban Utility Company, Consumers Water Inc., Community Utility, and MBC Water for 2015 and 2016.

STAFF RFI Please provide names of employees of any affiliate that work for Suburban and one or more of the affiliated companies. Provide name, position, and detailed job description, and total compensation allocated or direct billed to each affiliated company.

STAFF RFI Please provide copy of study, work papers, or research that show the salaries, allowances, medical insurance benefits, pension/retirement benefits, and other remuneration paid to employees of any affiliate are reasonable.

STAFF RFI NO. 2-1 Please provide schedule of all items, expenses, or cost of service that were allocated and/or direct billed to or from Suburban by ~~from any~~ the affiliated companies.

STAFF RFI NO. 2-1 Please provide the percentage and amount allocated from the affiliated companies that were included in this rate change application.

STAFF RFI NO. 2-1 Please provide a copy of the cost allocation manual, study or basis of allocation of costs from the affiliated companies, if any.

STAFF RFI NO. 2-1 Please provide the allocation schedule of Consumers Water Inc., Community Utility, and MBC Water's cost of service/expenses allocated to affiliated companies for the test year, but not limited to Suburban. Provide breakdown of costs distributed to the affiliated companies.

STAFF RFI NO. 2-1 Please identify the accounting method (cash, accrual or other) used to record income and expenses in accordance with GAAP and the NARUC.

STAFF RFI NO. 2-1 Please provide list of Suburban's employees covered by pension benefits, medical health insurance, other health or company benefits, if any.

STAFF RFI NO. 2-+ Please provide copies of all contracts with its affiliates, if any, and any other contracts with other companies or service providers.

STAFF RFI NO. 2-+ Please identify and provide amounts or costs from periods prior to, and after the test year (2013, 2014, January to June 2015, and July to December 2016) allocated to this rate application.

Commented [LD1]: This one is vague. Not sure what you are looking for here. How can amounts incurred prior to the test year and after the test year be allocated to the test year?

STAFF RFI NO. 2-+ Please provide copies, including written descriptions of the transactions represented by all general journal entries made during the test year including any entries that created prior period adjustments as defined by GAAP.

STAFF RFI NO. Please provide copies of invoices and other documents to support the following expenses claimed in the application, but not limited to:

- a) Purchased water
- b) Power expense-production only
- c) Other volume related expenses
- d) Materials
- e) Contract work
- f) Management salaries
- g) Office supplies & expenses
- h) Professional services
- i) Regulatory expenses
- j) Miscellaneous expenses
- k) Taxes other than income tax

Commented [LD2]: Leila, I changed this one to include only the list. It may be unreasonable to ask for "ALL" documentation of every expense in the application.

STAFF RFI NO. 2-+ Please provide copies of detailed invoices or other documents to support rate case expenses claimed in this application. The invoices should include all detailed invoices for expenses claimed such as travel and food and lodging.

STAFF RFI NO. 2-+ Please provide a break-down or schedule of other revenues by subdivision including Castlewood Subdivision for the test year.

STAFF RFI NO. 2-+ Please provide the amount of regulatory assessment fees paid to the Texas Commission on Environmental Quality (TCEQ) for the calendar years 2014, 2015, and 2016. Please provide supporting documentation for amounts paid.

STAFF RFI NO. 2-+ If Suburban made payments to affiliated companies thru inter-office transfers, credit or debit memos, please provide copies of the supporting

documents, and/or journal entries to support the transfers or the due to / due from accounts, if any.

STAFF RFI NO. 2-4 Please provide copies of IRS Form W-2 from all affiliates and/or Suburban to support salaries and wages included in the test year and IRS Form 1099-Misc for all affiliates to support contract labor or contract services expenses included in the test year.

45185

RECEIVED

2015 MAY 31 AM 11:04

PUBLIC UTILITY COMMISSION



**CLASS "B" WATER COMPANY
PUC ANNUAL REPORT
OF**

CCN Number
10835

Official Company Name:

Suburban Utility Company, Inc.

D/B/A Name(s)

None

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended **2015**

104

GENERAL INSTRUCTIONS-Class B Utilities Only

1. This annual report (earnings report) is required by 16 TAC §24.73 and is used to monitor utility earnings and compile annual financial information to monitor financial conditions of Texas investor owned utilities. Each utility shall submit its report to the Commission in the form and manner prescribed herein. The reported information should reflect the 12-month period ending December 31. The report shall be filed not later than June 1 of the following year. Only one report needs to be completed for each Certificate of Convenience and Necessity (CCN) Number regardless of the number of Public Water Systems and/or number of Sewer Systems affiliated with each CCN. However, if you have multiple water CCNs or multiple sewer CCNs, a separate report must be submitted for each CCN, along with a summary report for all Texas water and sewer operations for affiliated entities. The summary should be submitted along with all the affiliated reports. If the utility possesses a water and sewer CCN (not multiples), then the utility may combine the water and sewer operations into one report, although water and sewer operations must be separately reported within that report.
2. Four copies of this report shall be prepared by each utility. Three copies should be mailed or delivered to the Filing Clerk of Central Records at the Commission's offices in Austin, TX by June 1 of the year following the calendar year. The other copy should be retained by the utility for reference. Additionally, the utility shall file an unaltered electronic version (i.e. in native Microsoft Excel format) with all cell references, formulas, links and other electronic information intact) of the information contained in the required schedules and report along with the hard copies. All water and sewer utilities are required by statute to complete and file this annual report. Note, if a utility has a water and sewer CCN and provides both water and sewer service, the utility shall file one annual report which contains information for both the water and sewer utility service. Each sheet of the Excel file is pre-formatted to calculate certain items based on company specific inputs. Any supporting documents or workpapers filed in PDF format should be searchable. For specific instructions regarding the electronic filing of the report, please visit the Commission's website at: <http://www.puc.state.tx.us/industry/filings/FilingProceed.aspx>, and 16 TAC §22.72(g).
3. Pencil entries will not be permitted on hard copy.
4. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable NARUC Uniform System of Accounts prescribed by this Commission, as set forth in 16 TAC §24.72 with detailed sub accounts listed in the form. The Texas Water Code defines Class B utility as a public utility providing retail water or sewer utility service to at least 500 but less than 10,000 taps or connections. Class B utilities must use the NARUC system of accounts for NARUC Class B utilities.
5. Standard accounting procedures shall apply in determining the nature of any entry (e.g. entries of a reverse or contrary character shall be indicated by a parentheses around the number).
6. The report shall be filed consisting of data relative to a calendar year basis (December 31 year end. Revenues and expenses shall include a column for normalization adjustments to produce a normalized net income. All normalization adjustments must be explained with all assumptions defined and rational/best practices referenced.
7. If this report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). Provide a full explanation.
8. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.

GENERAL INSTRUCTIONS

(Continued)

9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. If an audit is performed on the books and records of the utility by a certified public accountant, please submit a copy with this form. If the utility is a member of a controlled group, both parent and subsidiary's annual report should be submitted.
11. Throughout this report money items will be rounded off to the nearest dollar.
12. In the space provided at the top of each page insert the name of the utility and the year to which this report relates.
13. On Schedule 3, column (c), the reporting entity is required to make adjustments to normalize income and expenses for the purpose of determining positive differences between the annual revenues and costs of each utility. Adjusting normalization entries should include adjustments to
 - (1) avoid double counting in affiliates or entities under common control,
 - (2) to record depreciation at the commission's approved rates, amortization at the amount approved in the utility's last rate proceeding in which deferred costs and the amortization of deferred costs are established,
 - (3) to remove any expenses not allowed by the Texas Water Code, or disallowed in previous dockets.
 - (4) other normalization adjustments must be accompanied by all best practice references and an explanation.
14. IF YOU ARE UNDER COMMON CONTROL with other water or sewer utilities operating in Texas, you must file a consolidated income statement and balance sheet including all entities under common control in Texas. These statements should be in addition to the attached schedules for the reporting utility.
15. Unless otherwise indicated, the information required in this report shall be taken from the reporting entity's financial statements, accounts and other records. Any deviation from records must be explained.

EXCERPT FROM TEXAS WATER CODE**CHAPTER 13.136(b)**

(b) The utility commission by rule shall require each utility to annually file a service, financial, and normalized earnings report in a form and at times specified by utility commission rule. The report must include information sufficient to enable the utility commission to properly monitor utilities in this state. The utility commission shall make available to the public information in the report the utility does not file as confidential.

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326

Annual Report for Class B Water and/or Sewer Systems
Pursuant to TWC § 13.136 and Title 16 Texas Administrative Code (TAC) Chapter 24

I. UTILITY INFORMATION

- A. Utility Name: Suburban Utility Company, Inc.
List all assumed name(s) or d/b/a names: None
- B. Street Address, City or Town & Zip code: P.O. Box 455, Spring, TX 77383-0455
County: Harris CCN No.: 10835
- C. List All PWS System names and numbers: See Attached List
- D. List All WQ Permitted system names and numbers: _____
- E. Type of Ownership:
Corporation: _____ ☒ Partnership: _____ Individual: _____ Other: _____
- F. If a corporation list names of the officers. If an individual or partnership list the name of the individual or each partner.
Mitchell Martin Jr. - Director
Michael Martin Sr. - Director
- G. 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.
N/A
- H. Date the utility was formed or incorporated: 18-Nov-10
- I. Is the utility commonly owned or controlled by another corporation? Y ☒ N
If yes, by whom? _____

PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

1. Name and Title: Bret W. Fenner, P.E.
2. Street Address, city, zip code: 913 Hyde Park Dr. Round Rock, TX 78665
3. Telephone Number with Area Code: 512-917-7541
Cell Phone Number with Area Code: N/A
Fax Number with Area Code: 512-692-1967
e-mail address: bretfenner@yahoo.com
4. If not an officer, owner or employee, give name of firm employed by:
B & D Environmental, Inc.
5. List all entities under common control or ownership with this utility by entity name, CCN No(s), Public Water System (PWS) No(s). and name(s) of water system(s) owned and Water Quality (WQ) Discharge Permit No(s). and name(s) of wastewater systems owned, and contact information. See Attached List
6. List all affiliates of the utility by entity name(s), CCN No(s). if any, PWS No. for each system owned and WQ Discharge Permit No. for each wastewater systems owned, including contact information.
See Attached List
7. If the utility owner owns multiple CCN's, please list all CCN numbers owned: _____

Name of Utility: Suburban Utility Company, Inc. Year End: 2015

2. BALANCE SHEETS

ASSETS

UTILITY PLANT

101 Utility Plant in Service	
103 Property held for Future Use	
105 Construction Work In Progress	
114, 115 Net Utility Plant Acquisition Adjustment	
TOTAL UTILITY PLANT	
108 Less: Accumulated Depreciation	
110 Less: Accumulated Amortization	
NET UTILITY PLANT	

End of Year
12/31/2015

End of Prior Year
12/31/2014

\$	414,151	\$	414,151
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	414,151	\$	414,151
\$	264,879	\$	251,437
\$	149,272	\$	162,714
\$	10,679	\$	1,246
\$	1,000	\$	0
\$	0	\$	0
\$	0	\$	0
\$	1,000	\$	0
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	12,679	\$	1,246
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	161,951	\$	163,960

CURRENT ASSETS

131-135 Cash	
141-143 Accounts Receivable	
144 Notes Receivable	
144-145 Accounts Receivable-Affiliates/Common Ownership	
151 Plant Materials and Supplies	
162 Prepayments	
171-174 Other Current Assets	
TOTAL CURRENT ASSETS	

OTHER ASSETS and DEFERRED CHARGES

181 Deferred Debt Expense	
182-186 Deferred Charges/Debits	
190 Accum Deferred Income Taxes	
TOTAL OTHER ASSETS and DEFERRED CHARGES	

TOTAL ASSETS

LIABILITIES & EQUITY

STOCKHOLDERS' EQUITY

201 Common Stock	
211 Other paid in capital	
215 Retained Earnings	
TOTAL STOCKHOLDERS' EQUITY	

End of Year
12/31/2015

End of Prior Year
12/31/2014

\$	1,000	\$	1,000
\$	71,982	\$	71,982
\$	(193,372)	\$	(110,370)
\$	(120,390)	\$	(37,388)
\$	0	\$	0
\$	13,293	\$	9,705
\$	0	\$	0
\$	25,415	\$	0
\$	178,508	\$	178,508
\$	0	\$	0
\$	36,825	\$	13,135
\$	254,041	\$	201,348
\$	28,300	\$	0
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	28,300	\$	0
\$	161,951	\$	163,960

LONG-TERM DEBT

224 Long-term debt, excluding current portion	
---	--

CURRENT LIABILITIES

Current Portion of Long-term Debt	
231 Accounts Payable	
232 Notes Payable	
233, 234 Payables to Affiliates/Common Ownership	
236 Accrued Taxes	
237 Accrued Interest	
241.0 Other Current Liabilities	
TOTAL CURRENT LIABILITIES	

OTHER LIABILITIES and DEFERRED CREDITS

252 Advances for Construction	
253 Other Deferred Credits	
255 Deferred Investment Tax Credits	
271-272 Net Contributions in Aid of Construction	
281-283 Accumulated Deferred Inc. Taxes	
TOTAL OTHER LIABILITIES and DEFERRED CREDITS	

TOTAL LIABILITIES & EQUITY

Add National Association of Regulatory Utility Commissioners (NARUC) accounts as needed, and if not shown above
PUC Water Annual Report

Name of Utility:

Suburban Utility Company, Inc.

Year End:

2015

3. STATEMENT OF REVENUES

(Actual Revenues for the report year)

Water CUSTOMER CLASS	Prior Year Reported 2014 (A)	Current Reporting Year 2015 (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
Metered Sales:				
5/8" or 3/4"	\$ 550,670	\$ 553,167	\$ 0	\$ 553,167
3/4"				
1"	\$ 2,302	\$ 2,312	\$ 0	\$ 2,312
1 1/2"	\$ 8,631	\$ 8,670	\$ 0	\$ 4,300
2"	\$ 13,810	\$ 13,873	\$ 0	\$ 5,017
List all additional meter sizes				
SUB-TOTAL	\$ 575,413	\$ 578,022	\$ 0	\$ 578,022

Unmetered Sales:

	\$ 0	\$ 0	\$ 0	\$ 0
				\$ -
				\$ -
				\$ -
				\$ -
List and explain if any rates are set on a basis other than meter size				\$ -
				\$ -
	\$ 0	\$ 0	\$ 0	\$ 0

470.0 Late fees - Water

\$ 22,438

\$ 24,720

\$ 24,720

471-474 Other Revenue

\$ 11,052

\$ 12,175

\$ 12,175

TOTAL WATER REVENUE

\$ 608,903

\$ 614,917

\$ 0

\$ 614,917

To Statement of Income

Sewer CUSTOMER CLASS	Prior Year Reported 2014 (A)	Current Reporting Year 2015 (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
Metered (measured) Sales (if any):				
				\$ 0
				\$ -
				\$ -
				\$ -
SUB-TOTAL	\$ 0	\$ 0	\$ -	\$ 0
Unmetered (flat rate) Sales				
				\$ -
				\$ -
				\$ -
				\$ -
SUB-TOTAL	\$ 0	\$ 0	\$ -	\$ 0
470.0 Late fees - Sewer				\$ -
536 Other Revenue				\$ -
TOTAL SEWER REVENUE	\$ 0	\$ 0	\$ -	\$ 0
TOTAL REVENUE	\$ 608,903	\$ 614,917	\$ 0	\$ 614,917

To Statement of Income

Name of Utility: Suburban Utility Company, Inc.

Year End: 2015

4. Statements of Income

Water Test Year 2015	Sewer Test Year N/A	Total - Water and Sewer	Earnings Report adjustments	Adjusted for Earnings Report
(a)	(b)	(c)	(d)	(e)=(c)+(d)
\$ 614,917	\$ 0	\$ 614,917	\$ 0	\$ 614,917
XXXX	XXXX	XXXX	XXXX	XXXX
XXXX	XXXX	XXXX	XXXX	XXXX
\$ 0		\$ 0		\$ 0
\$ 0		\$ 0		\$ 0
\$ 382,974		\$ 382,974		\$ 382,974
\$ 106,688		\$ 106,688		\$ 106,688
\$ 0		\$ 0		\$ 0
\$ 45,796		\$ 45,796		\$ 45,796
\$ 16,807		\$ 16,807		\$ 16,807
\$ 7,921		\$ 7,921		\$ 7,921
\$ 0		\$ 0		\$ 0
\$ 0		\$ 0		\$ 0
\$ 0		\$ 0		\$ 0
\$ 66,709		\$ 66,709		\$ 66,709
\$ 110,439		\$ 110,439		\$ 110,439
\$ 0		\$ 0		\$ 0
\$ 13,442		\$ 13,442		\$ 13,442
\$ 43,124		\$ 43,124		\$ 43,124
\$ 0		XXXX	XXXX	XXXX
\$ 6,447		\$ 6,447		\$ 6,447
\$ 20,444		\$ 20,444		\$ 20,444
\$ 820,791	\$ -	\$ 820,791	\$ -	\$ 820,791
		XXXX	XXXX	XXXX
\$ (205,874)	\$ 0	\$ (205,874)		\$ (205,874)
		XXXX	XXXX	XXXX
\$ 36,895				
		XXXX	XXXX	XXXX
\$ 61,140		\$ 24,618		\$ 24,618
\$ 0				
\$ (230,119)	\$ 0	\$ (230,492)	\$ -	\$ (230,492)

1. Carried over from Statements of Revenues

2015

5(a). Water-Plant In Service - Changes Since the Previous Annual Report

PUC Water Annual Report
Page 5(a)

Suburban Utility Company, Inc.

2015

5(b). Sewer Plant In Service - Changes Since the Previous Annual Report

PUC Water Annual Report
Page 5(b)

Name of Utility: Suburban Utility Company, Inc

Year End: 2015

6(a). Capital Structure

Year Ended 12/31/2015

	Per Books	Adjustments for Earnings Report	Per Books Post Adjustment	Ratio
232 00 Short-Term Debt	\$ -	\$ -	\$ -	0.00%
224 0 Long-Term Debt	\$ 0	\$ -	\$ 0	0.00%
Common Equity:				
201 0 Common Stock	\$ 1,000	\$ -	\$ 1,000	
218 0 Proprietary Capital				
211 0 Misc Paid-in-Capital	\$ 71,982	\$ -	\$ 71,982	
215 0 Retained Earnings	\$ (193,372)	\$ -	\$ (193,372)	
216 0 Recaptured Stock	\$ -	\$ -	\$ -	
Total Equity	\$ (120,390)	\$ -	\$ (120,390)	100.00%
Total Capital	\$ (120,390)	\$ -	\$ (120,390)	100.00%

Debt Detail

Type	Principal Amount	Cost Rates	Interest Expense
232 0 Short Term Debt:			
(Lender name A)	\$ -	0.00%	\$ -
(Lender name B)	\$ -	0.00%	\$ -
(Lender name C)	\$ -	0.00%	\$ -
Total Short-Term Debt	\$ 0	100.00%	\$ 0
224 0 Long-Term Debt			
(Lender name D)		0.00%	\$ -
(Lender name E)		0.00%	\$ -
(Lender name F)		0.00%	\$ -
Total Long-Term Debt	\$ 0	100.00%	\$ 0

6(b). RATE BASE AND EARNINGS CALCULATION**RATE BASE SUMMARY**

Description	Water (a)	Sewer (b)	Total (c) = (a) + (b)	Reference (schedule)
1 Additions	xxxx	0	xxxx	
2 Utility plant	414,151		414,151	5(a) & 5(b)
3 Materials and supplies	0		0	2
4 Working cash (capital) (attach schedule)	62,565		62,565	4
5 Prepayments	0		0	2
6 Other (attach schedule or itemize)	0		0	5(a) & 5(b)
7 TOTAL ADDITIONS (Add Lines 2 through 6)	476,716		476,716	
8 Deductions	xxxx		xxxx	
9 Reserve for depreciation (Accumulated)	264,879		264,879	2
10 Advances for construction	0		0	2
11 Contributions in aid of construction	0		0	2
12 Accumulated deferred income taxes	0		0	2
13 Accumulated deferred investment tax credits	0		0	2
14 Other (attach schedule or itemize)	0		0	2
15 TOTAL DEDUCTIONS (Add lines 9 through 14)	264,879		264,879	
16 RATE BASE (Line 7, less Line 15)	211,837		211,837	

EARNINGS CALCULATION

17 Return (Note 1)	(230,492)
18 Rate of Return (Line 17/Line 16)	-108.81%
19 <u>Earned</u> Return on Ending Equity (Notes 2, 3)	-108.81%

Note 1 Schedule 4 Statements of Income, line 26 plus line 27

Note 2 Based on reported capital structure in Schedule 6 Capital Structure Earnings

Note 3 Line 19 (above) will automatically calculate correctly only after Schedule 4 Statements of Income, Schedule 7 Rate of Return, and the above portions of this schedule (tab) have been completed

Name of Utility: **Suburban Utility Company, Inc.** Year End: **2015**

7. Rate of Return

Year Ended 12/31/2015

	Balance	Capital Structure %	Cost Rates	Weighted Cost of Capital
	(a)	(b)	(c)	(c)=(a) x (b)
224.0 Long-Term Debt	0	0.00%	1000.00%	0.00%
Common Equity*	211,837	100.00%	11.55%	11.55%
Total		100.00%		11.55%

*If the company currently has an authorized return on equity (ROE), enter that ROE in column (c) and provide the docket number in which that ROE was granted here ==>>

N/A

If the company does not currently have an authorized ROE, enter in column (c) the ROE Moody's BAA Bond rating plus 6 percentage points. Utilities may obtain the current Moody's BAA Bond rating by emailing the PUC at water@puc.state.tx.us (this will in virtually every circumstance be different from the ROE that is actually earned) and place an "X" here ==>>

11.55

Name of Utility: Suburban Utility Company, Inc. Year End: 2015

8. Connection Count

METERED CUSTOMERS BY METER SIZE

Number of Customers						
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Meter Size description	End of	Additions	End of	Meter	Meter
No.		Prior Year	or change	Report Year	Ratios	Equivalencies
Water				(C + D)		(E x F)
1	5/8" x 3/4"	1369	-25	1344	1	1354
2	3/4"				1.5	
3	1"	2	0	2	2.5	2.5
4	1 1/2"	4	0	4	5	10
5	2"	4	0	4	8	8
6	List all Additional meter sizes					
7	Unmetered					
8		1379	-25	1354		1374.5
Total Water						
Sewer						
9						
10						
11						
12						
13		0	0	0		0
Total Sewer						

Name of Utility: Suburban Utility Company, Inc. **Year End: 2015**

9. VOLUMETRIC INFORMATION

	(Report in 1,000 gallons)	Report Year
	Description	
1.	Water Pumped	158,390
2.	Purchased Water	0
3.	Total Water Produced (1. + 2.)	158,390
4.	Total Water Sold	91,904
5.	Water Lost (3 - 4)	66,486

2015

Suburban Utility Company, Inc.
(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 the 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 MONTGOMERY

MITCHELL M MARTIN, JR. mak PRESIDENT

(Name of affiant)

(Official title of affiant)

of SUBURBAN UTILITY COMPANY, INC.
(Exact legal title or name of the respondent)

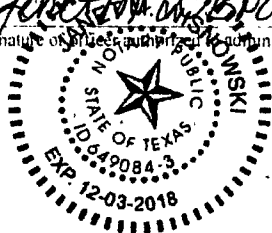
that he/she has carefully examined the foregoing report, that he/she swears that all statements of fact contained in the said report are true and that the said report is a statement of the business and affairs of the above named respondent during the period of time from and including JANUARY 1, 2015 to and including DECEMBER 31, 2015

Subscribed and sworn to before me, a Mitchell M. Martin Jr.
in and for the State and County above-named, this 26th day of May 2016

(Signature of affiant)

My commission expires

(Signature of officer authorized to administer oaths)



Name of Utility:

Consolidated

Year End:

2015

2. BALANCE SHEETS**ASSETS****UTILITY PLANT**

101 Utility Plant in Service
103 Property held for Future Use
105 Construction Work In Progress
114, 115 Net Utility Plant Acquisition Adjustment
TOTAL UTILITY PLANT
108 Less: Accumulated Depreciation
110 Less: Accumulated Amortization
NET UTILITY PLANT

End of Year
12/31/2015

End of Prior Year
12/31/2014

\$	1,626,611	\$	1,626,611
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	1,626,611	\$	1,626,611
\$	1,088,983	\$	1,088,983
\$	537,628	\$	537,628
\$	104,316	\$	42,396
\$	4,000	\$	0
\$	0	\$	0
\$	0	\$	0
\$	1,000	\$	0
\$	0	\$	0
\$	106,942	\$	35,476
\$	216,258	\$	77,872
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	753,886	\$	615,500

CURRENT ASSETS

131-135 Cash
141-143 Accounts Receivable
144 Notes Receivable
144-145 Accounts Receivable-Affiliates/Common Ownership
151 Plant Materials and Supplies
162 Prepayments
171-174 Other Current Assets
TOTAL CURRENT ASSETS

OTHER ASSETS and DEFERRED CHARGES

181 Deferred Debt Expense
182-186 Deferred Charges/Debits
190 Accum Deferred Income Taxes
TOTAL OTHER ASSETS and DEFERRED CHARGES

TOTAL ASSETS**LIABILITIES & EQUITY****STOCKHOLDERS' EQUITY**

201 Common Stock
211 Other paid in capital
215 Retained Earnings
TOTAL STOCKHOLDERS' EQUITY

End of Year
12/31/2015

End of Prior Year
12/31/2014

\$	5,000	\$	5,000
\$	387,915	\$	387,915
\$	(532,065)	\$	(458,043)
\$	(139,150)	\$	(65,128)
\$	0	\$	0
\$	0	\$	0
\$	264,080	\$	179,730
\$	0	\$	0
\$	59,012	\$	33,597
\$	309,773	\$	317,051
\$	124,929	\$	114,774
\$	757,794	\$	645,152
\$	28,300	\$	0
\$	0	\$	0
\$	0	\$	0
\$	106,942	\$	35,476
\$	0	\$	0
\$	135,242	\$	35,476
\$	753,886	\$	615,500

LONG-TERM DEBT

224 Long-term debt, excluding current portion

CURRENT LIABILITIES

Current Portion of Long-term Debt
231 Accounts Payable
232 Notes Payable
233, 234 Payables to Affiliates/Common Ownership
236 Accrued Taxes
237 Accrued Interest
241.0 Other Current Liabilities
TOTAL CURRENT LIABILITIES

OTHER LIABILITIES and DEFERRED CREDITS

252 Advances for Construction
253 Other Deferred Credits
255 Deferred Investment Tax Credits
271-272 Net Contributions in Aid of Construction
281-283 Accumulated Deferred Inc. Taxes
TOTAL OTHER LIABILITIES and DEFERRED CREDITS

TOTAL LIABILITIES & EQUITY

Add National Association of Regulatory Utility Commissioners (NARUC) accounts as needed, and if not shown above
PUC Water Annual Report

4. Statements of Income

	Water Test Year 2015	Sewer Test Year 2015	Total - Water and Sewer	Earnings Report adjustments	Adjusted for Earnings Report
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
1 Total Revenue: 1	\$ 2,140,221	\$ 30,174	\$ 2,170,395	\$ 0	\$ 2,170,395
	XXXX	XXXX	XXXX	XXXX	XXXX
	XXXX	XXXX	XXXX	XXXX	XXXX
2 Operating Expenses:					
2 601.1/701.1 O & M Salaried Labor	\$ 0	\$ 0	\$ 0		\$ 0
3 604/704 Employee Benefits	\$ 0	\$ 0	\$ 0		\$ 0
4 6/731, 6/735, 6/736 O & M Contract labor	\$ 1,075,074	\$ 21,001	\$ 1,096,075		\$ 1,096,075
5 620/720 Operating/Maint Supplies	\$ 295,849	\$ 1,693	\$ 297,542		\$ 297,542
6 610/710 Purchased Water	\$ 116,786	\$ 0	\$ 116,786		\$ 116,786
7 615/715 Purchased Power	\$ 106,902	\$ 2,490	\$ 109,392		\$ 109,392
8 635/735 Testing Expense	\$ 53,874	\$ 4,859	\$ 58,733		\$ 58,733
9 618/718 Chemicals	\$ 21,686	\$ 0	\$ 21,686		\$ 21,686
10 656-659/756-759 Insurance	\$ 0	\$ 0	\$ 0		\$ 0
11 601.2/701.2 General Office Salaries	\$ 0	\$ 0	\$ 0		\$ 0
12 650/750 Transportation	\$ 0	\$ 0	\$ 0		\$ 0
13 675 General Office Expenses	\$ 182,294	\$ 1,095	\$ 183,389		\$ 183,389
14 632, 633, 634 Contract Acctg, legal, Mgnt	\$ 257,397	\$ 250	\$ 257,647		\$ 257,647
15 666 Amortization- Rate Case Expense	\$ 0	\$ 0	\$ 0		\$ 0
16 403 Depreciation Expense	\$ 44,406	\$ 569	\$ 44,975		\$ 44,975
17 667-675 Other Misc. Expenses	\$ 178,945	\$ 0	\$ 178,945		\$ 178,945
			XXXX	XXXX	XXXX
18 Taxes:					
18 409 Federal Income Taxes	\$ 0	\$ 0	\$ 0		
19 409 State Franchise Taxes/Reg Assess.	\$ 9,222	\$ 0	\$ 9,222		\$ 9,222
20 408 All Other Taxes	\$ 40,958	\$ 376	\$ 41,334		\$ 41,334
21 Total Expenses	\$ 2,383,393	\$ 32,333	\$ 2,415,726		\$ 2,415,726
			XXXX	XXXX	XXXX
22 Net Operating Income	\$ (243,172)	\$ (2,159)	\$ (245,331)		\$ (245,331)
			XXXX	XXXX	XXXX
23 421, 433 Non-Operating Income	\$ 189,723		\$ 189,723		\$ 189,723
24 Non-Operating Deductions:					
25 426 Other	\$ 241,131	\$ 0	\$ 241,131		\$ 241,131
26 427 Interest	\$ 0	\$ 0			
27 Net Income	\$ (294,580)	\$ (2,159)	\$ (296,739)		\$ (296,739)

1. Carried over from Statements of Revenues

Community Utility Company – CCN No. 10350

System Name	TCEQ PWS ID #
Forest Manor Subdivision	1010264
Heathergate Public Utility	1011302
Sweetgum Forest	1700113

Consumers Water, Inc. - CCN No. 13047

System Name	TCEQ PWS ID #
Greengate Acres	1010132
Highland Mobile Home Sub.	1010285
Highland Ridge	1010157
Huffman Heights	1010700
Joy Village	1700021
Lakewood Colony	1700029
Meadowlake Estates	1010287
Peach Creek Oaks	1700051
Pioneer Trails	1700114
Porter Terrace	1700161
Spring Forest	1700033
Springmont	1010255
Tall Cedars Mobile Home Sub.	1010219
Urban Acres	1010252

Patton Village Water Company, Inc. – CCN No. 11193

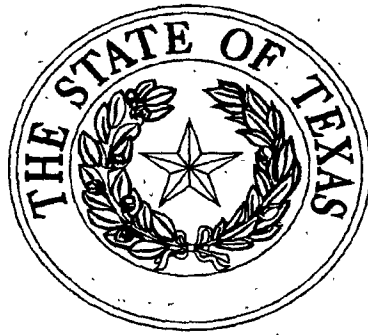
System Name	TCEQ PWS ID #
Peach Creek Colony	1700055
Patton Village East	1700503
Patton Village West	1700032

Suburban Utility Company, Inc. – CCN No. 10835

System Name	TCEQ PWS ID #
Beaumont Place	1010098
Castlewood	1010111
Cypress Bend	1010400
Reservoir Acres	1010197

Stone Hedge Utility Company, Inc. – CCN No. 12642 & 20754

System Name	TCEQ PWS ID #
Stone Hedge	1700102
System Name	TCEQ
Stone Hedge	WQ Discharge Permit No.
	14709001



45185

RECEIVED
2016 MAY 31 AM 11:04
PUC

**CLASS "C" WATER COMPANY
PUC ANNUAL REPORT
OF**

CCN Number

10350

Official Company Name:

Community Utility Company

D/B/A Name(s)

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended _____ **2015**

106

GENERAL INSTRUCTIONS - Class C Utilities Only

1. This annual report (earnings report) is required by 16 TAC §24.73 and is used to monitor utility earnings and compile annual financial information to monitor financial conditions of Texas investor owned utilities. Each utility shall submit its report to the Commission in the form and manner prescribed herein. The reported information should reflect the 12-month period ending December 31. The report shall be filed not later than June 1 of the following year. Only one report needs to be completed for each Certificate of Convenience and Necessity (CCN) Number regardless of the number of Public Water Systems and/or number of Sewer Systems affiliated with each CCN. However, if you have multiple water CCNs or multiple sewer CCNs, a separate report must be submitted for each CCN, along with a summary report for all Texas water and sewer operations for affiliated entities. The summary should be submitted along with all the affiliated reports. If the utility possesses a water and sewer CCN (not multiples), then the utility may combine the water and sewer operations into one report, although water and sewer operations must be separately reported within that report.
2. Four copies of this report shall be prepared by each utility. Three copies should be mailed or delivered to the Filing Clerk of Central Records at the Commission's offices in Austin, TX by June 1 of the year following the calendar year. The other copy should be retained by the utility for reference. All water and sewer utilities are required by statute to complete and file this annual report. Note, if a utility has a water and sewer CCN and provides both water and sewer service, the utility shall file one annual report which contains information for both the water and sewer utility service. Each sheet of the Excel file is pre-formatted to calculate certain items based on company specific inputs. Any supporting documents or workpapers filed in PDF format should be searchable. For specific instructions regarding the electronic filing of the report, please visit the Commission's website at: <http://www.puc.state.tx.us/industry/filings/FilingProceed.aspx>, and 16 TAC §22.72(g). If the utility cannot complete the electronic forms, it may submit a hard copy rather than a Microsoft Excel spreadsheet.
3. Pencil entries will not be permitted on hard copy.
4. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable NARUC Uniform System of Accounts prescribed by this Commission, as set forth in 16 TAC §24.72 with detailed sub accounts listed in the form. The Texas Water Code defines Class B utility as a public utility providing retail water or sewer utility service to at least 500 but less than 10,000 taps or connections. Class B utilities must use the NARUC system of accounts for NARUC Class B utilities.
5. Standard accounting procedures shall apply in determining the nature of any entry (e.g. entries of a reverse or contrary character shall be indicated by a parentheses around the number).
6. The report shall be filed consisting of data relative to a calendar year basis (December 31 year end).
7. If this report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). Provide a full explanation.
8. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.

GENERAL INSTRUCTIONS

(Continued)

9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. If an audit is performed on the books and records of the utility by a certified public accountant, please submit a copy with this form. If the utility is a member of a controlled group, both parent and subsidiary's annual report should be submitted.
11. Throughout this report money items will be rounded off to the nearest dollar.
12. In the space provided at the top of each page insert the name of the utility and the year to which this report relates.
13. IF YOU ARE UNDER COMMON CONTROL with other water or sewer utilities operating in Texas, you must file a consolidated income statement and balance sheet including all entities under common control in Texas. These statements should be in addition to the attached schedules for the reporting utility.
14. Unless otherwise indicated, the information required in this report shall be taken from the reporting entity's financial statements, accounts and other records. Any deviation from records must be explained.

EXCERPT FROM TEXAS WATER CODE**CHAPTER 13.136(b)**

(b) The utility commission by rule shall require each utility to annually file a service, financial, and normalized earnings report in a form and at times specified by utility commission rule. The report must include information sufficient to enable the utility commission to properly monitor utilities in this state. The utility commission shall make available to the public information in the report the utility does not file as confidential.

Annual Report for Class C Water and/or Sewer Utilities

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

Utility Name: Community Utility Company

List all assumed name(s) or d/b/a names: N/A

Certificate of Convenience and Necessity No. 10350 Calendar Year Ending 2015

Street Address: P.O. Box 58

City or Town: Spring CCN No.: 10350

Email Address: customer.service@mbcws.com

County: Harris & Montgomery Zip Code: 78383

TCEQ PWS Number(s) 17000113, 1010264 & 1011302

Water Quality Discharge Permit Number(s) N/A

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

Type of Ownership:
Corporation: X Partnership: Individual: Other:

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.

Michael Martin Sr. - Director

Mitchell Martin Jr. - Director

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.
N/A

Date the utility was formed or incorporated: 3-Aug-06

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

Name and Title: Bret W. Fenner, P.E.

Address: 913 Hyde Park Dr.

City: Round Rock, TX 78665

Telephone Number with Area Code: (512) 264-9124

Cell Phone Number with Area Code: N/A

Fax Number with Area Code: (512) 692-1967

e-mail address: bretfenner@yahoo.com

If not an officer, owner or employee, give name of firm employed by: B & D Environmental, Inc.

1. Balance Sheet

Name of Utility: Community Utility Company

Line #		End of Year: 12/31/2015	End of Prior Year 12/31/2014
	<u>ASSETS</u>		
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service	\$ 146,035	\$ 146,035
2	TOTAL UTILITY PLANT	\$ 146,035	\$ 146,035
3	108 Less: Accumulated Amortization	\$ 0	\$ 0
4	110 Less: Accumulated Depreciation	\$ 119,266	\$ 116,358
5	NET UTILITY PLANT	\$ 26,769	\$ 29,677
6	<u>CURRENT ASSETS</u>		
7	131-135 Cash	\$ (1,422)	\$ (1,422)
8	141-143 Accounts Receivable	\$ 3,000	\$ 0
9	151 Plant Materials and Supplies (not previously expensed)	\$ 0	\$ 0
10	171-174 Other Current Assets	\$ 106,942	\$ 35,476
11	TOTAL CURRENT ASSETS	\$ 108,520	\$ 34,054
12	<u>TOTAL ASSETS*</u>	\$ 135,289	\$ 63,731
	<u>LIABILITIES & EQUITY</u>		
	<u>EQUITY</u>		
13	201 Common Stock	\$ 1,000	\$ 1,000
14	211 Other paid in capital	\$ 40,981	\$ 40,981
15	215 Retained Earnings	\$ (39,208)	\$ (37,441)
16	218 Proprietary Capital	\$ 0	\$ 0
17	TOTAL STOCKHOLDERS' EQUITY	\$ 2,773	\$ 4,540
	<u>LONG-TERM DEBT</u>		
18	224 Long-term debt (more than 1 year)	\$ 0	\$ 0
	<u>CURRENT LIABILITIES (less than 1 year)</u>		
19	231 Accounts Payable	\$ 2,625	\$ 765
20	232 Notes Payable	\$ 0	\$ 0
21	241.0 Other Current Liabilities	\$ 22,949	\$ 22,949
	TOTAL CURRENT LIABILITIES	\$ 25,574	\$ 23,715
	<u>OTHER LIABILITIES and DEFERRED CREDITS</u>		
22	253 Other Deferred Credits	\$ 0	\$ 0
23	271-272 Net Contributions in Aid of Construction	\$ 106,942	\$ 35,476
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS	\$ 106,942	\$ 35,476
25	<u>TOTAL LIABILITIES & EQUITY*</u>	\$ 135,289	\$ 63,731

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

2. Statements of Income

Name of Utility: Community Utility Company

Line #	Report Calendar Year	2015	Water	Sewer	Total
			Report Year	Report Year	Report Year
			A	B	C=A+B
1	Total Revenue:		\$ 224,944		\$ 224,944
	Operating Expenses:				
2	601 O & M Salaried Labor		\$ 0		\$ 0
3	604 Employee Benefits		\$ 0		\$ 0
4	631, 635, 636 O & M Contract labor		\$ 51,000		\$ 51,000
5	620 Operating/Maint Supplies		\$ 20,301		\$ 20,301
6	610 Purchased Water		\$ 10,098		\$ 10,098
7	615 Purchased Power		\$ 3,924		\$ 3,924
8	635 Testing Expense		\$ 3,624		\$ 3,624
9	618 Chemicals		\$ 1,404		\$ 1,404
10	656-659 Insurance		\$ 0		\$ 0
11	601 General Office Salaries		\$ 0		\$ 0
12	675 General Office Expenses		\$ 11,834		\$ 11,834
13	632 Contract Accounting		\$ 0		\$ 0
14	633 Legal		\$ 1,845		\$ 1,845
15	634 Management		\$ 18,200		\$ 18,200
16	666 Amortization- Rate Case Expense		\$ 0		\$ 0
17	403 Depreciation Expense		\$ 2,951		\$ 2,951
18	667-675 Other Misc. Expenses		\$ 12,481		\$ 12,481
	Taxes:		XXXX	XXXX	XXXX
19	409 Federal Income Taxes		\$ 0		\$ 0
20	409.0 State Franchise Taxes/Reg Assess.		\$ 0		\$ 0
21	408 All Other Taxes		\$ 1,866		\$ 1,866
22	Total Expenses		\$ 139,528		\$ 139,528
23	Net Operating Income		\$ 85,416		\$ 85,416
24	421, 433 Non-Operating Income		\$ 106,942		\$ 106,942
	Non-Operating Deductions:				
25	426 Other		\$ 106,942		\$ 106,942
26	427 Interest		\$ 0		\$ 0
27	Net Income		\$ 85,416		\$ 85,416

Name of Utility: Community Utility Company

Installed/Retired

12/2014

Water Utility Plant

PUC Annual Report
Page 4

City of Sewer Plant-in-Service - Changes since the last Annual Report

Name of Utility: Community Utility Company

Date Plant Installed/Retired 12/2014	Plant Additions		Plant Retirements		Plant Adjustments	Changes Since the Last Annual Report
	List Major Items by Class	Amounts	List Major Items by Class	Amounts		
WATER						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
SEWER	None					\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
TOTALS		\$0		\$0	\$0	\$0

Name of Utility: Community Utility Company

4. Other Operating Information

<u>Connection information</u>		End of Year 12/31/2015	End of Prior Year 12/31/2014	<u>Connection information</u>		End of Year 12/31/2015	End of Prior Year 12/31/2014
<u>WATER:</u>				<u>SEWER:</u>			
1	Number of active water connections	240	220		Number of active sewer connections	0	0
	5/8" or 3/4"	240	220		Residential		
	3/4"				Non-residential		
	1"						
	1 1/2"						
	2"						
	List all additional meter sizes:				List all additional meter sizes:		
	Unmetered water connections	0	0		Unmetered water connections		
2	Number of inactive water connections	66	46		Number of inactive water connections	0	0
	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	0	0		Unmetered, inactive connections	0	0
3	Number of active sewer connections	0	0		Number of active sewer connections	0	0
4	Number of inactive sewer connections	0	0		Number of inactive sewer connections	0	0
5	Total gallons purchased	1,328,000					
6	Total gallons pumped	14,506,000					
	Total Water Produced	15,834,000					
7	Total gallons sold	13,159,000					
8	Gallons unaccounted for	1,347,000					
					Total amount of sewer treated (gallons)	0	

Management and Operations

- | | |
|---|-------------------|
| 1. Do you have an Application form or formal process for new customers? | Yes |
| 2. Do you have a copy of your approved tariff and TCEQ approved drought contingency plan for customer review? | Yes |
| 3. Do you have written operating procedures for routine operations? | Yes |
| 4. Do you have a written emergency action plans? | Yes |
| 5. Do you have written personnel policies and procedures? | Yes |
| 6. Do you have risk management and safety procedures? | Yes |
| 7. Do you have customer service policies (including billing and collection)? | Yes |
| 8. Do you prepare an annual written budget for financial planning purposes? | No |
| 9. Provide a list of all affiliates and entities under Common Control (if any). | See Attached List |
| 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. | Aqua Texas, Inc |
| 11. If you have a current capital improvement/replacement plan, please attach a copy | N/A |

Name of Utility: Community Utility Company

5. Affiliated Transactions

Charges by an Affiliate to the Reporting Utility

Name of Affiliated company: MBC Water Systems, Inc.

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)
636	Contact Labor - Operation	51,000	51,000	51,000
681	Office Expense - Billing	11,520	11,520	11,520

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)
	NONE			

Community Utility Company
(Company Name)

VERIFICATION

OATH

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

State of _____ as

County of _____

(Name of affiant)

makes oath and says that he/she is

(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 the 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 MONTGOMERY

MITCHELL M. MARTIN, JR.

mak PRESIDENT

(Name of affiant)

(Official title of affiant)

of COMMUNITY UTILITY COMPANY

(Exact legal title or name of the respondent)

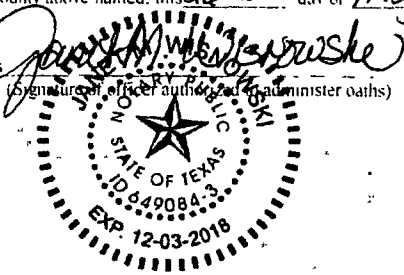
that he/she has carefully examined the foregoing report that he/she swears that all statements of fact contained in the said report are true, and that the said report is a statement of the business and affairs of the above named respondent during the period of time from and including JANUARY 1, 2015 to and including DECEMBER 31, 2015.

Subscribed and sworn to before me a Mitchell M. Martin Jr.
in and for the State and County above-named, this 24th day of May 2016.

(Signature of affiant)

My commission expires _____

(Signature of officer authorized to administer oaths)



Name of Utility: Consolidated Year End: 2015

2. BALANCE SHEETS

	End of Year 12/31/2015	End of Prior Year 12/31/2014
ASSETS		
UTILITY PLANT		
101 Utility Plant in Service	\$ 1,626,611	\$ 1,626,611
103 Property held for Future Use	\$ 0	\$ 0
105 Construction Work In Progress	\$ 0	\$ 0
114, 115 Net Utility Plant Acquisition Adjustment	\$ 0	\$ 0
TOTAL UTILITY PLANT	\$ 1,626,611	\$ 1,626,611
108 Less Accumulated Depreciation	\$ 1,088,983	\$ 1,088,983
110 Less Accumulated Amortization	\$ 537,628	\$ 537,628
NET UTILITY PLANT		
CURRENT ASSETS		
131-135 Cash	\$ 104,316	\$ 42,396
141-143 Accounts Receivable	\$ 4,000	\$ 0
144 Notes Receivable	\$ 0	\$ 0
144-145 Accounts Receivable-Affiliates/Common Ownership	\$ 0	\$ 0
151 Plant Materials and Supplies	\$ 1,000	\$ 0
162 Prepayments	\$ 0	\$ 0
171-174 Other Current Assets	\$ 106,942	\$ 35,476
TOTAL CURRENT ASSETS	\$ 216,258	\$ 77,872
OTHER ASSETS and DEFERRED CHARGES		
181 Deferred Debt Expense	\$ 0	\$ 0
182-186 Deferred Charges/Debits	\$ 0	\$ 0
190 Accum. Deferred Income Taxes	\$ 0	\$ 0
TOTAL OTHER ASSETS and DEFERRED CHARGES	\$ 0	\$ 0
TOTAL ASSETS	\$ 753,886	\$ 615,500
LIABILITIES & EQUITY		
STOCKHOLDERS' EQUITY		
201 Common Stock	\$ 5,000	\$ 5,000
211 Other paid in capital	\$ 387,915	\$ 387,915
215 Retained Earnings	\$ (532,065)	\$ (458,043)
TOTAL STOCKHOLDERS' EQUITY	\$ (139,150)	\$ (65,128)
LONG-TERM DEBT		
224 Long-term debt, excluding current portion	\$ 0	\$ 0
CURRENT LIABILITIES		
Current Portion of Long-term Debt	\$ 0	\$ 0
231 Accounts Payable	\$ 264,080	\$ 179,730
232 Notes Payable	\$ 0	\$ 0
233, 234 Payables to Affiliates/Common Ownership	\$ 59,012	\$ 33,597
236 Accrued Taxes	\$ 309,773	\$ 317,051
237 Accrued Interest	\$ 124,929	\$ 114,774
241 0 Other Current Liabilities	\$ 757,794	\$ 645,152
TOTAL CURRENT LIABILITIES	\$ 757,794	\$ 645,152
OTHER LIABILITIES and DEFERRED CREDITS		
252 Advances for Construction	\$ 28,300	\$ 0
253 Other Deferred Credits	\$ 0	\$ 0
255 Deferred Investment Tax Credits	\$ 0	\$ 0
271-272 Net Contributions in Aid of Construction	\$ 106,942	\$ 35,476
281-283 Accumulated Deferred Inc. Taxes	\$ 0	\$ 0
TOTAL OTHER LIABILITIES and DEFERRED CREDITS	\$ 135,242	\$ 35,476
TOTAL LIABILITIES & EQUITY	\$ 753,886	\$ 615,500

Add National Association of Regulatory Utility Commissioners (NARUC) accounts as needed, and if not shown above
PUC Water Annual Report

4. Statements of Income

	Water Test Year 2015	Sewer Test Year 2015	Total - Water and Sewer	Earnings Report adjustments	Adjusted for Earnings Report
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
1 Total Revenue: 1	\$ 2,140,221	\$ 30,174	\$ 2,170,395	\$ 0	\$ 2,170,395
	XXXX	XXXX	XXXX	XXXX	XXXX
	XXXX	XXXX	XXXX	XXXX	XXXX
Operating Expenses:					
2 601.1/701.1 O & M Salaried Labor	\$ 0	\$ 0	\$ 0		\$ 0
3 604/704 Employee Benefits	\$ 0	\$ 0	\$ 0		\$ 0
4 6/731, 6/735, 6/736 O & M Contract labor	\$ 1,075,074	\$ 21,001	\$ 1,096,075		\$ 1,096,075
5 620/720 Operating/Maint Supplies	\$ 295,849	\$ 1,693	\$ 297,542		\$ 297,542
6 610/710 Purchased Water	\$ 116,786	\$ 0	\$ 116,786		\$ 116,786
7 615/715 Purchased Power	\$ 106,902	\$ 2,490	\$ 109,392		\$ 109,392
8 635/735 Testing Expense	\$ 53,874	\$ 4,859	\$ 58,733		\$ 58,733
9 618/718 Chemicals	\$ 21,686	\$ 0	\$ 21,686		\$ 21,686
10 656-659/756-759 Insurance	\$ 0	\$ 0	\$ 0		\$ 0
11 601.2/701.2 General Office Salaries	\$ 0	\$ 0	\$ 0		\$ 0
12 650/750 Transportation	\$ 0	\$ 0	\$ 0		\$ 0
13 675 General Office Expenses	\$ 182,294	\$ 1,095	\$ 183,389		\$ 183,389
14 632, 633, 634 Contract Acctg, legal, Mgmt	\$ 257,397	\$ 250	\$ 257,647		\$ 257,647
15 666 Amortization- Rate Case Expense	\$ 0	\$ 0	\$ 0		\$ 0
16 403 Depreciation Expense	\$ 44,406	\$ 569	\$ 44,975		\$ 44,975
17 667-675 Other Misc. Expenses	\$ 178,945	\$ 0	\$ 178,945		\$ 178,945
Taxes:			XXXX	XXXX	XXXX
18 409 Federal Income Taxes	\$ 0	\$ 0	\$ 0		
19 409 State Franchise Taxes/Reg Assess.	\$ 9,222	\$ 0	\$ 9,222		\$ 9,222
20 408 All Other Taxes	\$ 40,958	\$ 376	\$ 41,334		\$ 41,334
21 Total Expenses	\$ 2,383,393	\$ 32,333	\$ 2,415,726		\$ 2,415,726
			XXXX	XXXX	XXXX
22 Net Operating Income	\$ (243,172)	\$ (2,159)	\$ -(245,331)		\$ (245,331)
			XXXX	XXXX	XXXX
23 421, 433 Non-Operating Income	\$ 189,723		\$ 189,723		\$ 189,723
24 Non-Operating Deductions:			XXXX	XXXX	XXXX
25 426 Other	\$ 241,131	\$ 0	\$ 241,131		\$ 241,131
26 427 Interest	\$ 0	\$ 0			
27 Net Income	\$ (294,580)	\$ (2,159)	\$ (296,739)		\$ (296,739)

1. Carried over from Statements of Revenues

Community Utility Company – CCN No. 10350

System Name	TCEQ PWS ID #
Forest Manor Subdivision	1010264
Heathergate Public Utility	1011302
Sweetgum Forest	1700113

Consumers Water, Inc. - CCN No. 13047

System Name	TCEQ PWS ID #
Greengate Acres	1010132
Highland Mobile Home Sub.	1010285
Highland Ridge	1010157
Huffman Heights	1010700
Joy Village	1700021
Lakewood Colony	1700029
Meadowlake Estates	1010287
Peach Creek Oaks	1700051
Pioneer Trails	1700114
Porter Terrace	1700161
Spring Forest	1700033
Springmont	1010255
Tall Cedars Mobile Home Sub.	1010219
Urban Acres	1010252

Patton Village Water Company, Inc. – CCN No. 11193

System Name	TCEQ PWS ID #
Peach Creek Colony	1700055
Patton Village East	1700503
Patton Village West	1700032

Suburban Utility Company, Inc. – CCN No. 10835

System Name	TCEQ PWS ID #
Beaumont Place	1010098
Castlewood	1010111
Cypress Bend	1010400
Reservoir Acres	1010197

Stone Hedge Utility Company, Inc. – CCN No. 12642 & 20754

System Name	TCEQ PWS ID #
Stone Hedge	1700102
System Name	TCEQ WQ Discharge Permit No.
Stone Hedge	14709001

45185

RECEIVED

2016 JUL 31 AM 11:04



**CLASS "B" WATER COMPANY
PUC ANNUAL REPORT
OF**

CCN Number
10347

Official Company Name:

Consumers Water, Inc.

D/B/A Name(s)

None

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended **2015**

99

GENERAL INSTRUCTIONS-Class B Utilities Only

1. This annual report (earnings report) is required by 16 TAC §24.73 and is used to monitor utility earnings and compile annual financial information to monitor financial conditions of Texas investor owned utilities. Each utility shall submit its report to the Commission in the form and manner prescribed herein. The reported information should reflect the 12-month period ending December 31. The report shall be filed not later than June 1 of the following year. Only one report needs to be completed for each Certificate of Convenience and Necessity (CCN) Number regardless of the number of Public Water Systems and/or number of Sewer Systems affiliated with each CCN. However, if you have multiple water CCNs or multiple sewer CCNs, a separate report must be submitted for each CCN, along with a summary report for all Texas water and sewer operations for affiliated entities. The summary should be submitted along with all the affiliated reports. If the utility possesses a water and sewer CCN (not multiples), then the utility may combine the water and sewer operations into one report, although water and sewer operations must be separately reported within that report.
2. Four copies of this report shall be prepared by each utility. Three copies should be mailed or delivered to the Filing Clerk of Central Records at the Commission's offices in Austin, TX by June 1 of the year following the calendar year. The other copy should be retained by the utility for reference. Additionally, the utility shall file an unaltered electronic version (i.e. in native Microsoft Excel format) with all cell references, formulas, links and other electronic information intact) of the information contained in the required schedules and report along with the hard copies. All water and sewer utilities are required by statute to complete and file this annual report. Note, if a utility has a water and sewer CCN and provides both water and sewer service, the utility shall file one annual report which contains information for both the water and sewer utility service. Each sheet of the Excel file is pre-formatted to calculate certain items based on company specific inputs. Any supporting documents or workpapers filed in PDF format should be searchable. For specific instructions regarding the electronic filing of the report, please visit the Commission's website at: <http://www.puc.state.tx.us/industry/filings/FilingProceed.aspx>, and 16 TAC §22.72(g).
3. Pencil entries will not be permitted on hard copy.
4. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable NARUC Uniform System of Accounts prescribed by this Commission, as set forth in 16 TAC §24.72 with detailed sub accounts listed in the form. The Texas Water Code defines Class B utility as a public utility providing retail water or sewer utility service to at least 500 but less than 10,000 taps or connections. Class B utilities must use the NARUC system of accounts for NARUC Class B utilities.
5. Standard accounting procedures shall apply in determining the nature of any entry (e.g. entries of a reverse or contrary character shall be indicated by a parentheses around the number).
6. The report shall be filed consisting of data relative to a calendar year basis (December 31 year end. Revenues and expenses shall include a column for normalization adjustments to produce a normalized net income. All normalization adjustments must be explained with all assumptions defined and rational/best practices referenced.
7. If this report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). Provide a full explanation.
8. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.

GENERAL INSTRUCTIONS

(Continued)

9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. If an audit is performed on the books and records of the utility by a certified public accountant, please submit a copy with this form. If the utility is a member of a controlled group, both parent and subsidiary's annual report should be submitted.
11. Throughout this report money items will be rounded off to the nearest dollar.
12. In the space provided at the top of each page insert the name of the utility and the year to which this report relates.
13. On Schedule 3, column (c), the reporting entity is required to make adjustments to normalize income and expenses for the purpose of determining positive differences between the annual revenues and costs of each utility. Adjusting normalization entries should include adjustments to
 - (1) avoid double counting in affiliates or entities under common control,
 - (2) to record depreciation at the commission's approved rates, amortization at the amount approved in the utility's last rate proceeding in which deferred costs and the amortization of deferred costs are established.
 - (3) to remove any expenses not allowed by the Texas Water Code, or disallowed in previous dockets.
 - (4) other normalization adjustments must be accompanied by all best practice references and an explanation.
14. IF YOU ARE UNDER COMMON CONTROL with other water or sewer utilities operating in Texas, you must file a consolidated income statement and balance sheet including all entities under common control in Texas. These statements should be in addition to the attached schedules for the reporting utility.
15. Unless otherwise indicated, the information required in this report shall be taken from the reporting entity's financial statements, accounts and other records. Any deviation from records must be explained.

EXCERPT FROM TEXAS WATER CODE**CHAPTER 13.136(b)**

(b) The utility commission by rule shall require each utility to annually file a service, financial, and normalized earnings report in a form and at times specified by utility commission rule. The report must include information sufficient to enable the utility commission to properly monitor utilities in this state. The utility commission shall make available to the public information in the report the utility does not file as confidential.

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326

Annual Report for Class B Water and/or Sewer Systems
Pursuant to TWC § 13.136 and Title 16 Texas Administrative Code (TAC) Chapter 24

I. UTILITY INFORMATION

- A. Utility Name: Consumers Water, Inc.
List all assumed name(s) or d/b/a names: None
- B. Street Address, City or Town & Zip code: P.O. Box 1383, Spring, TX 77383-1383
County: Harris & Montgomery CCN No.: 13047
- C. List All PWS System names and numbers: See Attached List
- D. List All WQ Permitted system names and numbers: _____
- E. Type of Ownership:
Corporation: _____ ☒ Partnership: _____ Individual: _____ Other: _____
- F. If a corporation list names of the officers. If an individual or partnership list the name of the individual or each partner.
Mitchell Martin Jr. - Director
Michael Martin Sr. - Director
- G. 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.
N/A
- H. Date the utility was formed or incorporated: 18-Nov-10
- I. Is the utility commonly owned or controlled by another corporation? Y ☒ N
If yes, by whom? _____

PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

- A. Name and Title: Bret W. Fenner, P.E.
- B. Street Address, city, zip code: 913 Hyde Park Dr. Round Rock, TX 78665
- C. Telephone Number with Area Code: 512-917-7541
Cell Phone Number with Area Code: N/A
Fax Number with Area Code: 512-692-1967
e-mail address: bretfenner@yahoo.com
- D. If not an officer, owner or employee, give name of firm employed by:
B & D Environmental, Inc.
- E. List all entities under common control or ownership with this utility by entity name, CCN No(s), Public Water System (PWS) No(s). and name(s) of water system(s) owned and Water Quality (WQ) Discharge Permit No(s). and name(s) of wastewater systems owned, and contact information. See Attached List
- F. List all affiliates of the utility by entity name(s), CCN No(s). if any, PWS No. for each system owned and WQ Discharge Permit No. for each wastewater systems owned, including contact information.
See Attached List
- G. If the utility owner owns multiple CCN's, please list all CCN numbers owned:
10350, 11193, 10835, 12642 and 20754

Name of Utility: Consumers Water, Inc. Year End: 2015

2. BALANCE SHEETS

	End of Year 12/31/2015	End of Prior Year 12/31/2014
ASSETS		
UTILITY PLANT		
101 Utility Plant in Service	\$ 793,140	\$ 781,192
103 Property held for Future Use	\$ 0	\$ 0
105 Construction Work In Progress	\$ 0	\$ 0
114, 115 Net Utility Plant Acquisition Adjustment	\$ 0	\$ 0
TOTAL UTILITY PLANT	\$ 793,140	\$ 781,192
108 Less: Accumulated Depreciation		
110 Less: Accumulated Amortization	\$ 510,204	\$ 487,400
NET UTILITY PLANT	\$ 282,936	\$ 293,792
CURRENT ASSETS		
131-135 Cash	\$ 77,993	\$ 23,150
141-143 Accounts Receivable	\$ 0	\$ 0
144 Notes Receivable	\$ 0	\$ 0
144-145 Accounts Receivable-Affiliates/Common Ownership	\$ 0	\$ 0
151 Plant Materials and Supplies	\$ 0	\$ 0
162 Prepayments	\$ 0	\$ 0
171-174 Other Current Assets	\$ 0	\$ 0
TOTAL CURRENT ASSETS	\$ 77,993	\$ 23,150
OTHER ASSETS and DEFERRED CHARGES		
181 Deferred Debt Expense	\$ 0	\$ 0
182-186 Deferred Charges/Debits	\$ 0	\$ 0
190 Accum. Deferred Income Taxes	\$ 0	\$ 0
TOTAL OTHER ASSETS and DEFERRED CHARGES	\$ 0	\$ 0
TOTAL ASSETS	\$ 360,929	\$ 316,942
LIABILITIES & EQUITY		
STOCKHOLDERS' EQUITY		
201 Common Stock	\$ 1,000	\$ 1,000
211 Other paid in capital	\$ 139,034	\$ 139,034
215 Retained Earnings	\$ (216,661)	\$ (191,184)
TOTAL STOCKHOLDERS' EQUITY	\$ (76,627)	\$ (51,150)
LONG-TERM DEBT		
224 Long-term debt, excluding current portion	\$ 0	\$ 0
CURRENT LIABILITIES		
Current Portion of Long-term Debt	\$ 0	\$ 0
231 Accounts Payable	\$ 233,834	\$ 157,555
232 Notes Payable	\$ 0	\$ 0
233, 234 Payables to Affiliates/Common Ownership	\$ 33,597	\$ 33,597
236 Accrued Taxes	\$ 131,265	\$ 138,543
237 Accrued Interest	\$ 0	\$ 0
241,0 Other Current Liabilities	\$ 38,860	\$ 38,397
TOTAL CURRENT LIABILITIES	\$ 437,556	\$ 368,092
OTHER LIABILITIES and DEFERRED CREDITS		
252 Advances for Construction	\$ 0	\$ 0
253 Other Deferred Credits	\$ 0	\$ 0
255 Deferred Investment Tax Credits	\$ 0	\$ 0
271-272 Net Contributions in Aid of Construction	\$ 0	\$ 0
281-283 Accumulated Deferred Inc. Taxes	\$ 0	\$ 0
TOTAL OTHER LIABILITIES and DEFERRED CREDITS	\$ 0	\$ 0
TOTAL LIABILITIES & EQUITY	\$ 360,929	\$ 316,942

Add National Association of Regulatory Utility Commissioners (NARUC) accounts as needed, and if not shown above
PUC Water Annual Report

Name of Utility:

Consumers Water, Inc.

Year End:

2015

3. STATEMENT OF REVENUES

(Actual Revenues for the report year)

Water CUSTOMER CLASS	Prior Year Reported 2014 (A)	Current Reporting Year 2015 (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
Metered Sales:				
5/8" or 3/4"	\$ 841,581	\$ 938,727	\$ 0	\$ 938,727
3/4"				
1"	\$ 10,586	\$ 11,808	\$ 0	\$ 11,808
1 1/2"	\$ 13,232	\$ 14,760	\$ 0	\$ 4,300
2"	\$ 16,761	\$ 18,696	\$ 0	\$ 5,017
List all additional meter sizes				
SUB-TOTAL	\$ 882,160	\$ 983,991	\$ 0	\$ 983,991
Unmetered Sales:				
	\$ 0	\$ 0	\$ 0	\$ 0
				\$ -
				\$ -
				\$ -
				\$ -
List and explain if any rates are set on a basis other than meter size				\$ -
				\$ -
	\$ 0	\$ 0	\$ 0	\$ 0
470.0 Late fees - Water	\$ 34,400	\$ 38,538		\$ 38,538
471-474 Other Revenue	\$ 16,943	\$ 18,732		\$ 18,732
TOTAL WATER REVENUE	\$ 933,503	\$ 1,041,261	\$ 0	\$ 1,041,261

To Statement of Income

Sewer CUSTOMER CLASS	Prior Year Reported yyyy (A)	Current Reporting Year yyyy (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
Metered (measured) Sales (if any)				
				\$ 0
				\$ -
				\$ -
				\$ -
SUB-TOTAL	\$ 0	\$ 0	\$ -	\$ 0
Unmetered (flat rate) Sales:				
				\$ -
				\$ -
				\$ -
				\$ -
SUB-TOTAL	\$ 0	\$ 0	\$ -	\$ 0
470.0 Late fees - Sewer				\$ -
536 Other Revenue	\$ 0	\$ 0		\$ -
TOTAL SEWER REVENUE	\$ 0	\$ 0	\$ -	\$ 0
TOTAL REVENUE	\$ 933,503	\$ 1,041,261	\$ 0	\$ 1,041,261

To Statement of Income

Name of Utility: Consumers Water, Inc.

Year End: 2015

4. Statements of Income

	Water Test Year 2015	Sewer Test Year N/A	Total - Water and Sewer	Earnings Report adjustments	Adjusted for Earnings Report
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
1 Total Revenue:	\$ 1,041,261	\$ 0	\$ 1,041,261	\$ 0	\$ 1,041,261
	XXXX	XXXX	XXXX	XXXX	XXXX
	XXXX	XXXX	XXXX	XXXX	XXXX
Operating Expenses:					
2 601.1/701.1 O & M Salaried Labor	\$ 0		\$ 0		\$ 0
3 604/704 Employee Benefits	\$ 0		\$ 0		\$ 0
4 6/731, 6/735, 6/736 O & M Contract labor	\$ 522,600		\$ 522,600		\$ 522,600
5 620/720 Operating/Maint Supplies	\$ 137,290		\$ 137,290		\$ 137,290
6 610/710 Purchased Water	\$ 100,294		\$ 100,294		\$ 100,294
7 615/715 Purchased Power	\$ 44,661		\$ 44,661		\$ 44,661
8 635/735 Testing Expense	\$ 23,606		\$ 23,606		\$ 23,606
9 618/718 Chemicals	\$ 10,109		\$ 10,109		\$ 10,109
10 656-659/756-759 Insurance	\$ 0		\$ 0		\$ 0
11 601.2/701.2 General Office Salaries	\$ 0		\$ 0		\$ 0
12 650/750 Transportation	\$ 0		\$ 0		\$ 0
13 675 General Office Expenses	\$ 83,653		\$ 83,653		\$ 83,653
14 632, 633, 634 Contract Acctg. legal, Mgnt	\$ 85,058		\$ 85,058		\$ 85,058
15 666 Amortization- Rate Case Expense	\$ 0		\$ 0		\$ 0
16 403 Depreciation Expense	\$ 22,547		\$ 22,547		\$ 22,547
17 667-675 Other Misc. Expenses	\$ 123,340		\$ 123,340		\$ 123,340
Taxes:			XXXX	XXXX	XXXX
18 409 Federal Income Taxes			\$ -		
19 409 State Franchise Taxes/Reg Assess.	\$ 2,775		\$ 2,775		\$ 2,775
20 408 All Other Taxes	\$ 15,207		\$ 15,207		\$ 15,207
21 Total Expenses	\$ 1,171,140	\$ -	\$ 1,171,140	\$ -	\$ 1,171,140
			XXXX	XXXX	XXXX
22 Net Operating Income	\$ (129,879)	\$ 0	\$ (129,879)		\$ (129,879)
			XXXX	XXXX	XXXX
23 421, 433 Non-Operating Income	\$ 57,270		\$ 57,270		\$ 57,270
24 Non-Operating Deductions:			XXXX	XXXX	XXXX
25 426 Other	\$ 0		\$ 0		\$ 0
26 427 Interest	\$ 0				
27 Net Income	\$ (72,609)	\$ 0	\$ (72,609)	\$ -	\$ (72,609)

1. Carried over from Statements of Revenues

Name of Utility:

Consumers Water, Inc.

Year End:

2015

5(b). Sewer Plant In Service - Changes Since the Previous Annual Report

A

Date Plant
Installed/Retired
12/2015

B

List Major Items by account
number and Class

No Sewer Assets

C

Report Year
Beginning
Balance

D

Plant Additions
Amounts

E

Plant Retirements
Amounts

F

Plant
Adjustments
(plus or minus)

G=D-E+F

Total change
during report
year

TOTALS

\$0

\$0

\$0

\$0

\$0

PUC Water Annual Report
Page 5(b)

Name of Utility:

Consumers Water, Inc.

Year End: 2015

6(a). Capital Structure

Year Ended 12/31/2015

	Per Books	Adjustments for Earnings Report	Per Books Post Adjustment	Ratio
232 00 Short-Term Debt	\$ 0	\$ -	\$ 0	0.00%
224 0 Long-Term Debt	\$ 0	\$ -	\$ 0	0.00%
Common Equity				
201 0 Common Stock	\$ 1,000	\$ -	\$ 1,000	
218 0 Proprietary Capital				
211 0 Misc Paid-in-Capital	\$ 139,034	\$ -	\$ 139,034	
215 0 Retained Earnings	\$ (216,661)	\$ -	\$ (216,661)	
216 0 Recquired Stock	\$ -	\$ -	\$ -	
Total Equity	\$ (76,627)	\$ -	\$ (76,627)	100.00%
Total Capital	\$ (76,627)	\$ -	\$ (76,627)	100.00%

Debt Detail

Type	Principal Amount	Cost Rates	Interest Expense
232 0 Short Term Debt:			
(Lender name A)	\$ -	0.00%	\$ -
(Lender name B)	\$ -	0.00%	\$ -
(Lender name C)	\$ -	0.00%	\$ -
Total Short-Term Debt	\$ 0	100.00%	\$ 0
224 0 Long-Term Debt			
(Lender name D)		0.00%	\$ -
(Lender name E)		0.00%	\$ -
(Lender name F)		0.00%	\$ -
Total Long-Term Debt	\$ 0	100.00%	\$ 0

6(b). RATE BASE AND EARNINGS CALCULATION**RATE BASE SUMMARY**

Description	Water (a)	Sewer (b)	Total (c) = (a) + (b)	Reference (schedule)
1 Additions	xxxx	0	xxxx	
2 Utility plant	781,192		781,192	5(a) & 5(b)
3 Materials and supplies	0		0	2
4 Working cash (capital) (attach schedule)	85,818		85,818	4
5 Prepayments	0		0	2
6 Other (attach schedule or itemize)	11,948		11,948	5(a) & 5(b)
7 TOTAL ADDITIONS (Add Lines 2 through 6)	878,958		878,958	
8 Deductions	xxxx		xxxx	
9 Reserve for depreciation (Accumulated)	510,204		510,204	2
10 Advances for construction	0		0	2
11 Contributions in aid of construction	0		0	2
12 Accumulated deferred income taxes	0		0	2
13 Accumulated deferred investment tax credits	0		0	2
14 Other (attach schedule or itemize)	0		0	2
15 TOTAL DEDUCTIONS (Add lines 9 through 14)	510,204		510,204	
16 RATE BASE (Line 7, less Line 15)	368,754		368,754	

EARNINGS CALCULATION

17 Return (Note 1)	(72,609)
18 Rate of Return (Line 17/Line 16)	-19.69%
19 Earned Return on Ending Equity (Notes 2, 3)	-19.69%

Note 1 Schedule 4 Statements of Income, line 26 plus line 27

Note 2 Based on reported capital structure in Schedule 6 Capital Structure Earnings

Note 3 Line 19 (above) will automatically calculate correctly only after Schedule 4 Statements of Income, Schedule 6 Rate of Return, and the above portions of this schedule (tab) have been completed.

Name of Utility: Consumers Water, Inc. Year End: 2015

7. Rate of Return

Year Ended 12/31/2015

	Balance	Capital Structure %	Cost Rates	Weighted Cost of Capital
	(a)	(b)	(c)	(c) = (a) x (b)
224.0 Long-Term Debt	0	0.00%	1000.00%	0.00%
Common Equity*	368,754	100.00%	11.55%	11.55%
Total		100.00%		11.55%

*If the company currently has an authorized return on equity (ROE), enter that ROE in column (c)

and provide the docket number in which that ROE was granted here ==>>

N/A

If the company does not currently have an authorized ROE, enter in column (c) the ROE Moody's BAA Bond rating plus 6 percentage points. Utilities may obtain the current Moody's BAA Bond rating by emailing the PUC at water@puc.state.tx.us (this will in virtually every circumstance be different from the ROE that is actually earned) and place an "X" here ==>>

11.55

Name of Utility: Consumers Water, Inc. Year End: 2015

8. Connection Count

METERED CUSTOMERS BY METER SIZE

Number of Customers

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Meter size description	End of Prior Year	Additions or change	End of Report Year	Meter Ratios	Meter Equivalencies
No.						
Water				(C + D)		(E x F)
1	5/8" x 3/4"	1680	31	1711	1	1711
2	3/4"				1.5	
3	1"	8	0	8	2.5	20
4	1 1/2"	5	0	5	5	25
5	2"	4	0	4	8	32
6	List all Additional meter sizes					
7	Unmetered		0			
8		1697	31	1728		1788
Sewer						
9						
10						
11						
12						
13		0	0	0		0

Total Water

Total Sewer

Name of Utility: Consumers Water, Inc. Year End: 2015

9. VOLUMETRIC INFORMATION

	(Report in 1,000 gallons)	Report Year
	Description	2015
1.	Water Pumped	165,343
2.	Purchased Water	9,302
3.	Total Water Produced (1. + 2.)	174,645
4.	Total Water Sold	117,432
5.	Water Lost (3 - 4)	57,213

Name: **Consumers Water, Inc.**

Year End:

2015

10. Affiliated Transactions

Charges by an Affiliate to the Reporting Utility

Name of Affiliated company: MBC Water Systems, Inc.

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)
636	Contract labor	522,600	522,600	522,600
675	Office Expense - Billing	82,344	82,344	82,344

Charges by a 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)
	None			

Consumers Water, Inc.
(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)

(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 the 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 MONTGOMERY

MITCHELL M. MARTIN, JR.
(Name of affiant)

max. PRESIDENT

(Official title of affiant)

of CONSUMERS WATER, INC.

(Exact legal title or name of the respondent)

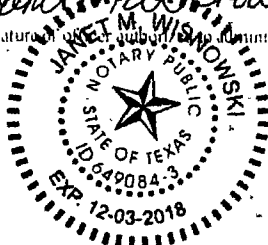
that he/she has carefully examined the foregoing report, that he/she swears that all statements of fact contained in the said report are true and that the said report is a statement of the business and affairs of the above-named respondent during the period of time from and including JANUARY 1, 2015 to and including DECEMBER 31, 2015.

Subscribed and sworn to before me, a Mitchell M. Martin Jr.
in and for the State and County above-named, this 26th day of May 2016

My commission expires

(Signature of affiant)

(Signature of officer authorized to administer oaths)



Name of Utility:

Consolidated

Year End:

2015

2. BALANCE SHEETS**ASSETS****UTILITY PLANT**

101 Utility Plant in Service	
103 Property held for Future Use	
105 Construction Work In Progress	
114, 115 Net Utility Plant Acquisition Adjustment	
TOTAL UTILITY PLANT	
108 Less: Accumulated Depreciation	
110 Less: Accumulated Amortization	
NET UTILITY PLANT	

End of Year
12/31/2015End of Prior Year
12/31/2014

\$	1,626,611	\$	1,626,611
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	1,626,611	\$	1,626,611
\$	1,088,983	\$	1,088,983
\$	537,628	\$	537,628
\$	104,316	\$	42,396
\$	4,000	\$	0
\$	0	\$	0
\$	0	\$	0
\$	1,000	\$	0
\$	0	\$	0
\$	106,942	\$	35,476
\$	216,258	\$	77,872
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	0	\$	0
\$	753,886	\$	615,500

CURRENT ASSETS

131-135 Cash	
141-143 Accounts Receivable	
144 Notes Receivable	
144-145 Accounts Receivable-Affiliates/Common Ownership	
151 Plant Materials and Supplies	
162 Prepayments	
171-174 Other Current Assets	
TOTAL CURRENT ASSETS	

OTHER ASSETS and DEFERRED CHARGES

181 Deferred Debt Expense	
182-186 Deferred Charges/Debits	
190 Accum. Deferred Income Taxes	
TOTAL OTHER ASSETS and DEFERRED CHARGES	

TOTAL ASSETS**LIABILITIES & EQUITY****STOCKHOLDERS' EQUITY**

201 Common Stock	
211 Other paid in capital	
215 Retained Earnings	
TOTAL STOCKHOLDERS' EQUITY	

LONG-TERM DEBT

224 Long-term debt, excluding current portion	
---	--

CURRENT LIABILITIES

Current Portion of Long-term Debt	
231 Accounts Payable	
232 Notes Payable	
233, 234 Payables to Affiliates/Common Ownership	
236 Accrued Taxes	
237 Accrued Interest	
241.0 Other Current Liabilities	
TOTAL CURRENT LIABILITIES	

OTHER LIABILITIES and DEFERRED CREDITS

252 Advances for Construction	
253 Other Deferred Credits	
255 Deferred Investment Tax Credits	
271-272 Net Contributions in Aid of Construction	
281-283 Accumulated Deferred Inc. Taxes	
TOTAL OTHER LIABILITIES and DEFERRED CREDITS	

TOTAL LIABILITIES & EQUITYEnd of Year
12/31/2015End of Prior Year
12/31/2014

\$	5,000	\$	5,000
\$	387,915	\$	387,915
\$	(532,065)	\$	(458,043)
\$	(139,150)	\$	(65,128)
\$	0	\$	0
\$	0	\$	0
\$	264,080	\$	179,730
\$	0	\$	0
\$	59,012	\$	33,597
\$	309,773	\$	317,051
\$	124,929	\$	114,774
\$	757,794	\$	645,152
\$	28,300	\$	0
\$	0	\$	0
\$	0	\$	0
\$	106,942	\$	35,476
\$	0	\$	0
\$	135,242	\$	35,476
\$	753,886	\$	615,500

Add National Association of Regulatory Utility Commissioners (NARUC) accounts as needed, and if not shown above.
PUC Water Annual Report

Name of Utility:

Consolidated

Year End:

2015

4. Statements of Income

	Water Test Year 2015	Sewer Test Year 2015	Total - Water and Sewer	Earnings Report adjustments	Adjusted for Earnings Report
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
1 Total Revenue:	\$ 2,140,221	\$ 30,174	\$ 2,170,395	\$ 0	\$ 2,170,395
	XXXX	XXXX	XXXX	XXXX	XXXX
	XXXX	XXXX	XXXX	XXXX	XXXX
Operating Expenses:					
2 601.1/701:1 O & M Salaried Labor	\$ 0	\$ 0	\$ 0		\$ 0
3 604/704 Employee Benefits	\$ 0	\$ 0	\$ 0		\$ 0
4 6/731, 6/735, 6/736 O & M Contract labor	\$ 1,075,074	\$ 21,001	\$ 1,096,075		\$ 1,096,075
5 620/720 Operating/Maint Supplies	\$ 295,849	\$ 1,693	\$ 297,542		\$ 297,542
6 610/710 Purchased Water	\$ 116,786	\$ 0	\$ 116,786		\$ 116,786
7 615/715 Purchased Power	\$ 106,902	\$ 2,490	\$ 109,392		\$ 109,392
8 635/735 Testing Expense	\$ 53,874	\$ 4,859	\$ 58,733		\$ 58,733
9 618/718 Chemicals	\$ 21,686	\$ 0	\$ 21,686		\$ 21,686
10 656-659/756-759 Insurance	\$ 0	\$ 0	\$ 0		\$ 0
11 601.2/701.2 General Office Salaries	\$ 0	\$ 0	\$ 0		\$ 0
12 650/750 Transportation	\$ 0	\$ 0	\$ 0		\$ 0
13 675 General Office Expenses	\$ 182,294	\$ 1,095	\$ 183,389		\$ 183,389
14 632, 633, 634 Contract Acctg, legal, Mgmt	\$ 257,397	\$ 250	\$ 257,647		\$ 257,647
15 666 Amortization- Rate Case Expense	\$ 0	\$ 0	\$ 0		\$ 0
16 403 Depreciation Expense	\$ 44,406	\$ 569	\$ 44,975		\$ 44,975
17 667-675 Other Misc. Expenses	\$ 178,945	\$ 0	\$ 178,945		\$ 178,945
Taxes:			XXXX	XXXX	XXXX
18 409 Federal Income Taxes	\$ 0	\$ 0	\$ 0		
19 409 State Franchise Taxes/Reg Assess.	\$ 9,222	\$ 0	\$ 9,222		\$ 9,222
20 408 All Other Taxes	\$ 40,958	\$ 376	\$ 41,334		\$ 41,334
21 Total Expenses	\$ 2,383,393	\$ 32,333	\$ 2,415,726		\$ 2,415,726
			XXXX	XXXX	XXXX
22 Net Operating Income	\$ (243,172)	\$ (2,159)	\$ (245,331)		\$ (245,331)
			XXXX	XXXX	XXXX
23 421, 433 Non-Operating Income	\$ 189,723		\$ 189,723		\$ 189,723
24 Non-Operating Deductions:			XXXX	XXXX	XXXX
25 426 Other	\$ 241,131	\$ 0	\$ 241,131		\$ 241,131
26 427 Interest	\$ 0	\$ 0			
27 Net Income	\$ (294,580)	\$ (2,159)	\$ (296,739)		\$ (296,739)

1. Carried over from Statements of Revenues

Community Utility Company - CCN No. 10350

System Name	TCEQ PWS ID #
Forest Manor Subdivision	1010264
Heathergate Public Utility	1011302
Sweetgum Forest	1700113

Consumers Water, Inc. - CCN No. 13047

System Name	TCEQ PWS ID #
Greengate Acres	1010132
Highland Mobile Home Sub.	1010285
Highland Ridge	1010157
Huffman Heights	1010700
Joy Village	1700021
Lakewood Colony	1700029
Meadowlake Estates	1010287
Peach Creek Oaks	1700051
Pioneer Trails	1700114
Porter Terrace	1700161
Spring Forest	1700033
Springmont	1010255
Tall Cedars Mobile Home Sub.	1010219
Urban Acres	1010252

Patton Village Water Company, Inc. - CCN No. 11193

System Name	TCEQ PWS ID #
Peach Creek Colony	1700055
Patton Village East	1700503
Patton Village West	1700032

Suburban Utility Company, Inc. – CCN No. 10835

System Name	TCEQ PWS ID #
Beaumont Place	1010098
Castlewood	1010111
Cypress Bend	1010400
Reservoir Acres	1010197

Stone Hedge Utility Company, Inc. – CCN No. 12642 & 20754

System Name	TCEQ PWS ID #
Stone Hedge	1700102
System Name	TCEQ
Stone Hedge	WQ Discharge Permit No. 14709001

Cox, Bernice

From: Guerrero, Leila
Sent: Thursday, February 16, 2017 10:13 AM
To: Loockerman, Debi

Tracking:	Recipient	Delivery	Read
	Loockerman, Debi	Delivered: 2/16/2017 10:13 AM	Read: 2/16/2017 10:56 AM

Hi Debi,

If you have the chance, please see Suburban's customers list of issues filed under docket 46674, they are talking about the loan... surcharge...

Thanks
Leila