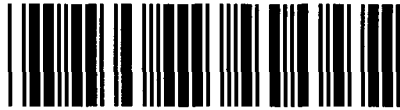




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PUBLIC UTILITY COMMISSION
FILING CLERK**PUBLIC UTILITY COMMISSION OF TEXAS****CLASS B RATE/TARIFF CHANGE APPLICATION***Required Schedules for rate/tariff changes*WATER UTILITY NAME: Dogwood Estates Water Company
CCN No. 10823ADDRESS OF UTILITY: P.O. Box 1230
Street, P.O. Box and/or suite number
Athens Texas 75751
City and Zip CodePHONE NUMBER: (903) 675-6894
area code

NAME OF PERSON TO CONTACT REGARDING THIS FILING:

NAME: Bret W Fenner, P.E.PHONE: (512) 264-9124EMAIL ADDRESS: bretfenner@yahoo.comPUC CLASS SIZE: B ☒ C (circle one)INCREASE (DECREASE) 90,771 (From Sch. I-1, Line 33)
dollar amount35% (From Sch. I-1, Line 34)
percent above (below) current revenue requirement

DESCRIBE OWNERSHIP OF COMPANY

Class C Investor Owned UtilityDATE OF LAST GENERAL RATE CASE FILING: 09/01/11DATE OF LAST NON-GENERAL RATE CHANGE*: 09/01/11

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

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

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

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

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

These schedules are intended to assist the utility in calculation of its new rates. The process consists of a number of relatively complex steps. Utilities are required to provide all the information necessary to support amounts included in the schedules and to cross-reference all information. If the applicant does not use a schedule, it should be noted as "N/A", and an explanation provided.

UTILITY NAME: Dogwood Estates Water Company
GENERAL WATER RATE/TARIFF CHANGE APPLICATION
SCHEDULES

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

TABLE OF CONTENTS (Page 1 of 2)

FOR TEST YEAR ENDED: 12/31/2016
DATE SUBMITTED TO PUC: 25-Apr-17

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

UTILITY NAME: Dogwood Estates Water Company
GENERAL WATER RATE/TARIFF CHANGE APPLICATION SCHEDULES
TABLE OF CONTENTS (Page 2 of 2)

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

INSTRUCTIONS REV REQUIREMENT

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION I - REVENUE REQUIREMENTS AND REVENUES

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

Instructions for Section I - Revenue Requirement and Revenues

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

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

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

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

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

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

UTILITY NAME: <u>Dogwood Estates Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY PUC Docket No. 46958 Test Year End: December 31, 2016						
A	B	C	D	E	F=D+E	G
			Historical Test Year	K & M Changes	Adjusted Test Year	
Line No.	Acct. No.	Account Name				Reference/ Instructions
		Volume related expenses:				
1	610	Purchased water	0	0	0	Schedule II-3
2	615	Power Expense-production only	26,579	0	26,579	Schedule II-4
3	618	Other volume related expenses	1,521	(1,521)	0	Schedule II-5
4		Total volume related exp.	28,100	(1,521)	26,579	Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor	0	0	0	Schedule II-6, Line 1
6	620	Materials	21,211	0	21,211	Schedule II-7
7	631-636	Contract work	28,910	0	28,910	Schedule II-8
8	650	Transportation expenses	9,901	0	9,901	Schedule II-9
9	664	Other plant maintenance	34,950	(1,179)	33,771	Schedule II-10
10		Total non-volume related exp.	94,972	(1,179)	93,793	Add Lines 5-9
		Admin. & general expenses:				
11	601-2	Office salaries	19,612	0	19,612	Schedule II-6, line 2
12	601-3	Mgmt. salaries	30,000	0	30,000	Schedule II-6, line 3
13	604	Employee pensions & benefits	0	0	0	Schedule II-11
14	615	Purchased power-Office only	0	0	0	Schedule II-4
15	670	Bad debt expense	343	0	343	Schedule II-12
16	676	Office services & rentals	6,000	0	6,000	Schedule II-13
17	677	Office supplies & expenses	9,992	0	9,992	Schedule II-14
18	678	Professional services	4,085	0	4,085	Schedule II-15
19	684	Insurance	18,912	0	18,912	Schedule II-16
20	666	Regulatory (rate case) expense	1,000	7,000	8,000	Schedule II-17
21	667	Regulatory expense (other)	3,916	0	3,916	Schedule II-18
22	675	Miscellaneous expenses	1,047	0	1,047	Schedule II-19
23		Total admin. & general expense	94,907	7,000	101,907	Add Lines 11-22
24		Total operating Expenses	217,979	4,300	222,279	Lines 4 + 10 + 23
25	403	Depreciation	42,214	(6,630)	35,584	Sch III-3, Col E, Line 50
26	408	Taxes Other than Income	11,753	0	11,753	Sch IV(b), Line 8
27	409/10	Income Tax Expense	0	12,481	12,481	Schedule V, Line 7
28		TOTAL EXPENSES	271,946	10,151	282,097	
29		TOTAL HISTORIC REVENUE	259,220			Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN	(12,726)			Line 30 less Line 29
31		REQUESTED RETURN			67,834	Schedule III-1, Line 3
32		TOTAL REVENUE REQUIREMENT			349,931	Line 30 plus Line 34
33		REQUESTED ANNUAL REVENUE INCREASE		(to notice)	90,771	Line 32 less Line 29
34		PERCENTAGE INCREASE			35.0169	Line 36 divided by Line 33
35		LESS: OTHER REVENUES			8,400	Sch. II-3(b), Col. D, Line 8
36		Revenue for Rate Design		(to VI, line 1)	341,531	Line 33 minus Line 35

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
 FOR TEST YEAR ENDED: December 31, 2016
I-2 HISTORICAL REVENUE SUMMARY

Line No.	NARUC A/C Description	Historical Test Year	
1.	461 Metered connections base rate revenue	136,944	From financial records
2.	461 Metered connection gallonage rate revenue	111,776	From financial records
3.	460 Unmetered (Flat rate) revenue	0	From financial records
4.	Total Metered & Flat Rate Revenue	248,720	
5.	Plus: Total Other Revenues	10,500	From II-3, Column B, line 7
6.	Total Historic Test Year Revenues per income statement and Annual Report*	259,220	Line 4 plus line 5

(to I-1, Column D, line 29)

*Provide all calculations and explanations for any differences between the applicant's annual report and this schedule.

* If the utility provides other than residential retail service (wholesale, industrial, etc), provide a work paper with the detail of this account by NARUC sub account number.

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

I-3 METERED ACTIVE CONNECTIONS BY METER SIZEFOR TEST YEAR ENDED: December 31, 2016

A	B	C	D	E	F	G	H
Number of Connections							
Line No.	Meter Size	End of Prior Year	Test Year Additions	End of Test Year	Average	Meter Ratios	Meter Equivalencies End of TY
		PUC report Sch. 9		(C+D)	(C + E) / 2		(E x G)
1.	5/8" x 3/4"	420	9	429	424.5	1.0	429
2.	3/4"	0	0	0	0	1.5	
3.	1"	0	0	0	0	2.5	
4.	1 1/2"	1	0	1	1	5.0	5
5.	2"	0	0	0	0	8.0	
6.	6"	0	0	0	0	50	
7.							
8.							
9.	Total	421		430	425.5		434
10	Average						

UTILITY NAME: <u>Dogwood Estates Water Company</u>
SCHEDULES - CLASS B RATE/TARIFF CHANGE
I-4 UNMETERED (FLAT RATE) ACTIVE CONNECTIONS
FOR TEST YEAR ENDED: <u>December 1, 2016</u>

A	B	C	D	E	F
		Number of Active Connections			
Line No.	Flat Rate Unit	End of Prior Year	Test Year Additions	End of Year	Average
		PUC report Sch. 9		(C + D)	(C + E) / 2
1.					
2.					
3.					
4.					
5.	Total				N / A

INSTRUCTIONS - OPERATIONS AND MAINTENANCE

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION II - OPERATIONS AND MAINTENANCE

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

Instructions for Section II

Compile financial and source information to determine known and measurable changes to the test year expenses. Provide copies of source documents, such as increased utility bill notices, to verify the applicant's proposed known and measurable changes.

Show calculations and explanations for all known and measurable changes on all schedules, where applicable. Attach extra workpapers if needed.

Working through Schedules II-4 through II-19, complete each and transfer test year amounts to column G of Schedule I-1.

Depreciation expense, other taxes, FIT and return will be determined using later schedules. Wait until those schedules are complete, and then transfer the amounts to Schedule I-1.

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

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION
 FOR TEST YEAR ENDED: December 31, 2016

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

Line No.	Water Production (1,000 Gallons)	A	B	C= A+B	D
		Test Year	K & M Changes	Adjusted Test Year	Reference
1	Total water pumped	50,702,000	0	50,702,000	PUC Annual Report
2	Total water purchased	0	0	0	PUC Annual Report
3	Total water produced	50,702,000	0	50,702,000	Line 1 + line 2
4	Total water sold	40,646,133		40,646,133	PUC Annual Report
5	Total accounted for non-revenue water*	0	0	0	
6	Total unaccounted for water	10,055,867	0	10,055,867	Lines 3 less 4 less 5
7	Percentage	19.83	0	19.83	Line 6 divided by Line 3

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

Known and measurable calculations and explanations:

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

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

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-3 OTHER REVENUES & EXPENSES PASSED THROUGH
 FOR TEST YEAR ENDED: December 31, 2016

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

Line No.	A	B	C	D	D
	Purchased from:	Units purchased (in 1,000 gal.) (e.g. 1,000 gal, AC - FT)	Price Per Unit	Total Calculated Cost (B x C)	Actual Cost paid per financial records
1.	Nuches & Trinity Valley	50,702	0.03	1521.06	1521.06
2.					
3.					
4.	Total *	50,702		1521.06	1521.06

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

II-3(b) Other revenues collected from customers

Line No.	A	B	C	D
	Item passed thru or type of other revenue	Test year historical revenues collected		Test year revenues netted against COS
1.	Tap Fees*	2100		-0-
2.	Late Fees	4160		4160
3.	Meter Test Fees	0		0
4.	Reconnect Fees	775		775
5.	Purchased Water Fees	0		0
6.	Groundwater Conservation District Fees	1521		1521
7.	Other (attach detail**)	1944		1944
8.	Total Other Revenues	10500		8400

(to Sch. I-2, line 5)

(to Sch. I-1, line 35)

* Tap fees should be reported on Sch. III-8-CIAC, Line 1.

** If the utility provides other than residential retail service (wholesale, industrial, etc), provide a work paper with the detail of this account by NARUC sub account number.

Line No. 7: Other (detail)

Transfer Fees \$ 635
 Other Water Fees \$ 1,100
 NSF items \$ 185
 Interest Income \$ 24
 Total: \$ 1,944

UTILITY NAME: <u>Dogwood Estates Water Company</u> II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE PURCHASED POWER FOR TEST YEAR ENDED: <u>December 31, 2016</u>
--

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

References below refer to Schedule I-1.

Line No.	Account No.	Account Name
2.	615.1	Purchased Power (electric) -production

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

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

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

Year	Amount
2015	\$ 26,042.00
2016	\$ 26,579.00
Test Year	\$ 0.00 (to I-1, Column E, Line 2)
K & M Change	\$ 26,579.00 (to I-1, Column F, Line 2)
Adjusted Test year	

Explanation and calculations of known and measurable change:

N/A

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

Line No.	Account No.	Account Name
14	615.2	Purchased Power (electric) Expense for office

Volume related expenses

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

Year	Amount
2015	\$ 0.00
2016	\$ 0.00
a. Test Year	\$ 0.00 (to I-1, Column E, Line 14)
b. K & M Change	\$ 0.00 (to I-1, Column F, Line 14)
c. Adjusted Test year (a. + b.)	

Explanation and calculations of known and measurable change:

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-5 OTHER RELATED VOLUME EXPENSESFOR THE TEST YEAR ENDED: **December 31, 2016****This page is supplemental information. It is required to complete Schedule I-1.**

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

Other volume related expenses

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

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

	<u>Year</u>	<u>Amount</u>	
		\$ <u> </u>	
	<u>2015</u>	\$ <u>1908</u>	
a. Test Year	<u>2016</u>	\$ <u>1521</u>	
b. K & M Change		\$ <u>(1521)</u>	(to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ <u>0.00</u>	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

Removed from Cost of service as this cost is for the Neches & Trinity Valley CWCD pumpage fee of \$0.03 per 1,000 gallons which will be included in a customer pass thru rate in the rate design.

UTILITY NAME Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-6 ALLOCATION OF PAYROLL EXPENSES
 FOR THE ADJUSTED TEST YEAR December 31, 2016

SOME SALARIES MUST BE CAPITALIZED IN THIS REPORT IF EMPLOYEES INSTALL PLANT IN SERVICE

II-6(a) PAYROLL COSTS:

Line No	Employee Name	A Test Year Payroll	B Capitalized Payroll	C Expensed Payroll	D 1st 7000 or new limit (FUTA max)	E 7,001 to 9000 or new limit (SUTA max)	F 9,001 to 118500 or new limit (or FICA max)	G over 118500 or new limit	H Total Payroll
1	Patrica Edwards	19,612							19,612
2									
3									
4									
5									
6									
7									
8									
9	Total								19,612
10	Percentage Capitalized	Line 9, column F divided by line 9, column E=							

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

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

Line No	Acct. No.	Account Name	Test Yr Expense	
1	601-1	Employee labor		to Schedule I-1, Line 5.
2	601-2	Office salaries	19,612	to Schedule I-1, Line 11.
3	601-3	Management salaries	30,000	to Schedule I-1, Line 12.
4		Total Payroll Expenses	49,612	(should equal II-6(a), Column C, Line 9)

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

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

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-7 MATERIALSFOR THE TEST YEAR ENDED: **December 31, 2016**

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

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

II-7(a) Materials

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

	<u>Year</u>	<u>Amount</u>
	<u> </u>	\$ <u> </u>
	<u>2015</u>	\$ <u>11,359.00</u>
a. Test Year	<u>2016</u>	\$ <u>21,211.00</u>
b. K & M Change		\$ <u>0.00</u> (to I-1, Column E, Line 6)
c. Adjusted Test year (a. + b.)		\$ <u>21,211.00</u> (to I-1, Column F, Line 6)

* A large item is more than 10% of the test year account balance and more than \$1,000.00

Expensed materials may not be included in rate base in materials and supplies inventories.

Explanation and calculations of known and measurable change:

Utility had to make number of repairs in the test year

II-7(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-8 CONTRACT WORK
 FOR THE TEST YEAR ENDED: **December 31, 2016**

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

References below refer to Schedule I-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
7.	631, 635, 636	Contract work (non-capitalized engineering, testing, other)

II-7(a) Contract work

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

	<u>Year</u>	<u>Amount</u>
	<u> </u>	\$ <u> </u>
	<u> </u>	\$ <u> </u>
	<u>2015</u>	\$ <u>28,553.00</u>
a. Test Year	<u>2016</u>	\$ <u>28,910.00</u>
b. K & M Change		\$ <u>0.00</u> (to I-1, Column E, Line 7)
c. Adjusted Test year (a. + b.)		\$ <u>28,910.00</u> (to I-1, Column F, Line 7)

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

Explanation and calculations of known and measurable change:

II-8(b) Large Items:

Description	Amount	Date in service
System Operator	\$ 24,510.00	Monthly

UTILITY NAME: <u>Dogwood Estates Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-9 TRANSPORTATION FOR THE TEST YEAR ENDED: <u>December 31, 2016</u>

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

Line No.	Account No.	Account Name
8.	650	Transportation expense

II-9(a) Transportation expense

List the type of vehicles used by the utility and allocate the percent used for business purposes. For example, is there one vehicle used solely for the utility, or is it used for non-business activities too? Is there a vehicle involved that is part of the Company's Plant in Service and thus is already depreciated?

Vehicle expenses reported using a cost per unit (say 34 cents per mile) have the depreciation factor included. A vehicle which is part of the Plant in Service should show only actual operating and maintenance expenses (oil, gas, repairs, maintenance) excluding insurance. The purpose of this supplemental page is to ensure that vehicle expense will be recorded properly and that vehicle depreciation is not listed twice or totally omitted.

	Year	Amount	
		\$ <u>0.00</u>	
	<u>2015</u>	\$ <u>7,493.00</u>	
a. Test Year	<u>2016</u>	\$ <u>9,901.00</u>	
b. K & M Change		\$ <u>0.00</u>	(to I-1, Column E, Line 8)
c. Adjusted Test year (a. + b.)		\$ <u>9,901.00</u>	(to I-1, Column F, Line 8)

Explanation and calculations of known and measurable change:

II-9(b) Large Items*:

Description	Amount	Date in service
Oil & Gas	\$ 5,557.00	various
Vehicle Repair	\$ 2,432.00	various
Vehicle Expense - Other	\$ 1,508.00	various

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

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-10 OTHER PLANT MAINTENANCEFOR THE TEST YEAR ENDED: **December 31, 2016**

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

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

II-10(a) Other plant maintenance

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

	<u>Year</u>	<u>Amount</u>
	<u> </u>	\$ <u> </u>
	<u>2015</u>	\$ <u>33,619.00</u>
a. Test Year	<u>2016</u>	\$ <u>34,950.00</u>
b. K & M Change		\$ <u>(1,179.00)</u> (to I-1, Column E, Line 9)
c. Adjusted Test year (a. + b.)		\$ <u>33,771.00</u> (to I-1, Column F, Line 9)

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

Explanation and calculations of known and measurable change:

Capitalized Switch & Fuse expense for \$1179.15

II-10(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: **Dogwood Estates Water Company**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-11 EMPLOYEE PENSIONS AND BENEFITS
 FOR THE TEST YEAR ENDED: **December 31, 2016**

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

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

Employee pensions and benefits

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

List types of Pensions & Benefits:

Year	\$ Total Amount	\$ Pensions	\$ Health	\$ Other	\$ Amount Capitalized*
2015	\$ 27,376.00			\$ 7,628.00	\$ 0.00
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Cost per Employee: 0.00

Number of Employees covered: 1.00

Cost per Employee: 27,376.00

List types of Pensions & Benefits:

Year	\$ Total Amount	\$ Pensions	\$ Health	\$ Other	\$ Amount Capitalized*
2016	\$ 25,876.00			\$ 6,264.00	\$ 0.00
Year	Total Amount	Pensions	Health	Other	Amount Capitalized*

Number of Employees covered: 1.00

Cost per Employee: 25,876.00

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

UTILITY NAME Dogwood Estates Water Comapny
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-12 BAD DEBTS

FOR THE TEST YEAR ENDED: **December 31, 2016**

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

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

II-12 Bad debts/Uncollectibles

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

	<u>Year</u>	<u>Amount</u>
		\$ <u>0.00</u>
	<u>2015</u>	\$ <u>1,219.00</u>
a. Test Year	<u>2016</u>	\$ <u>343.00</u>
b. K & M Change		\$ <u>0.00</u> (to I-1, Column E, Line 15)
c. Adjusted Test year (a. + b.)		\$ <u>343.00</u> (to I-1, Column F, Line 15)

Explanation and calculations of known and measurable change:

II-12(b) Large Items*:

Description	Amount	Date in service

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

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-13 OFFICE SERVICES AND RENTALS
 FOR THE TEST YEAR ENDED: December 31, 2016

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

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

II-13(a) Office services and rentals

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

	<u>Year</u>	<u>Amount</u>
		\$ <u> </u>
	<u>2015</u>	\$ <u>3,500.00</u>
a. Test Year	<u>2016</u>	\$ <u>-6,000.00</u>
b. K & M Change		\$ <u>0.00</u> (to I-1, Column E, Line 16)
c. Adjusted Test year (a. + b.)		\$ <u>6,000.00</u> (to I-1, Column F, Line 16)

Explanation and calculations of known and measurable change:

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

II-13(b) Large Items:

Description	Amount	Date in service

UTILITY NAME <u>Dogwood Estates Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE II-14 OFFICE SUPPLIES FOR THE TEST YEAR ENDED: December 31, 2016
--

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

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

II-14(a) Office supplies & expenses

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

	Year	Amount		
	_____	\$	_____	
	<u>2015</u>	\$	<u>15,279.00</u>	
a. Test Year	<u>2016</u>	\$	<u>9,992.00</u>	
b. K & M Change		\$	-	(to I-1, Column E, Line 17)
c. Adjusted Test year (a. + b.)		\$	<u>9,992.00</u>	(to I-1, Column F, Line 17)

Explanation and calculations of known and measurable change:

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

II-14(b) Large Items:

Description	Amount	Date in service
Computer Expense	\$ 2,594.00	various
Printing Expense	\$ 1,393.00	various
Office Supplies	\$ 1,818.00	various
Credit Card Fees	\$ 1,078.00	various

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-15 PROFESSIONAL SERVICESFOR THE TEST YEAR ENDED: **December 31, 2016**

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

Line No.	Account No.	Account Name
18.	682	Professional services

II-15(a) Professional services

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

	Year	Amount	
		\$	
	2015	\$	4,035.00
a. Test Year	2016	\$	4,085.00
b. K & M Change		\$	0.00
			(to I-1, Column E, Line 18)
c. Adjusted Test year (a. + b.)		\$	4,085.00
			(to I-1, Column F, Line 18)

Explanation and calculations of known and measurable change:

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

II-15(b) Large Items:

Description	Amount	Date in service
Accounting	\$ 4,085.00	various

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-16 INSURANCE

FOR THE TEST YEAR ENDED: **December 31, 2016****This page is supplemental information. It is required to complete Schedule I-1.****References below refer to Schedule I-1.**

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
19.	684	Insurance

Insurance

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

	<u>Year</u>	<u>Amount</u>	
		\$	
	<u>2015</u>	\$	<u>23,235.00</u>
a. Test Year	<u>2016</u>	\$	<u>18,912.00</u>
b. K & M Change		\$	<u>0.00</u> (to I-1, Column E, Line 19)
c. Adjusted Test year (a. + b.)		\$	<u>18,912.00</u> (to I-1, Column F, Line 19)

Types of insurance:

<u>2016</u>	<u>\$</u>	<u>967.35</u>	<u>Test Year</u>	<u>Worker's Comp.</u>	<u>Texas Mutual Insurance Co.</u>
<u>Year</u>		<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>
<u>2016</u>	\$	<u>13,201.00</u>	<u>Test Year</u>	<u>Property/ Umbrella</u>	<u>EMC Insurance Companies</u>
<u>Year</u>		<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>
<u>2016</u>	\$	<u>4,744.00</u>	<u>Test Year</u>	<u>Auto</u>	<u>EMC Insurance Companies</u>
<u>Year</u>		<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>

Explanation and calculations of known and measurable change:

UTILITY NAME San Jo Utilities, Inc.

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-17 REGULATORY EXPENSEFOR THE TEST YEAR ENDED: **December 31, 2015**

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

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
20.	666	Regulatory (Rate Case) Expense

II-17(a) Regulatory commission expense

List the amount spent on rate case expense for the last two years and for the Test Year. Typically, the commission separates rate case expense from the revenue requirement and allows recovery through a surcharge. The known and measurable adjustment would decrease this expense to zero in this case. In any event, if the applicant does not file every year, the expense must be amortized over the time between filings and only one year's worth should be charged to customers. Record Commission filing fees or fees to consultants, attorneys, etc. in formal and informal rate cases, complaints, or other dealings with the Commission, which are not reported under Professional Services. Indicate the kinds of expenses included in this account by identifying all large* items. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>	
		\$ <u>0.00</u>	
	<u>2015</u>	\$ <u>0.00</u>	
a. Test Year	<u>2016</u>	\$ <u>1,000.00</u>	
b. K & M Change		\$ <u>7,000.00</u>	(to I-1, Column E, Line 20 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ <u>8,000.00</u>	(to I-1, Column F, Line 20 - see instructions above)

Explanation and calculations of known and measurable change:

Cost to Prepay Water Rate/Tariff Change Application

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

II-17(b) Large Items:

Description	Amount	Date in service
Retainer for Rate Application	\$ 1,000.00	May 20, 2016

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-18 REGULATORY EXPENSEFOR THE TEST YEAR ENDED: December 31, 2016

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

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

II-18(a) Regulatory commission expense

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

	Year	Amount	
	_____	\$ _____	
	<u>2015</u>	<u>\$ 6,024.00</u>	
a. Test Year	<u>2016</u>	<u>\$ 3,916.00</u>	
b. K & M Change	\$ _____	<u>0.00</u>	(to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test year (a. + b.)	\$ _____	<u>3,916.00</u>	(to I-1, Column F, Line 21 - see instructions above)

Explanation and calculations of known and measurable change:

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

II-18 (b) Large Items:

Description	Amount	Date in service
Fees & Licenses	\$ 1,104.00	various
Water Testing Fees	\$ 1,631.00	various
Other Regulatory Expense	\$ 1,181.00	various

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-19 MISCELLANEOUS EXPENSE
 FOR THE TEST YEAR ENDED: **December 31, 2016**

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

Line No.	Account No.	Account Name
22.	675	Miscellaneous

II-19 (a) Miscellaneous expense

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

	Year	Amount
		\$ _____
	2015	\$ 1,199.00
a. Test Year	2016	\$ 1,047.00
b. K & M Change		\$ 0.00 (to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ 1,047.00 (to I-1, Column F, Line 22 - see instructions above)

Explanation and calculations of known and measurable change:

* A large item is more than 10% of the test year account balance.

II-19 (b) Large Items:

Description	Amount	Date in service

SECTION III RATE BASE INSTRUCT

UTILITY NAME: **Dogwood Estates Water Company**

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION III RATE BASE INSTRUCTIONS

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

Instructions for Section III

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

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE

III-1 REQUESTED RETURN

FOR THE TEST YEAR ENDED: December 31, 2016

RETURN ON RATE BASE: WATER

Line No		
1	Test year end rate base (from III-2, Line 16)	684,503
2	Requested ROR (Col G, Line 7 below)	9.91%
3	Return on rate base (Line 1 x Line 2)	67,834

Rate of Return:

A	B	C	D	E	F	G
Line No	Description	Amount	Percentage	Rate	Reference	Weighted Average Rate
			Amount from previous column divided by Line 6, Column C			$G=(E \times F)$
4.	Equity (Rate base less Line 5, Column D)	559,593	0.818	11.0000%	Col E = Requested return on equity	9.0000%
5.	Long Term Debt and Advances from associated companies from Schedule III-6	124,910	0.1825	5.0000%	Col E = From Sch III-6, Column H, Line 9	0.91%
6.	Total capitalization (Rate Base Sch III-2, Line 16)	684,503				
7.	Return on rate base Col G, Line 6 rounded to nearest 0.01%)				Line 4 + Line 5	9.91%

To Line 2 above

* ROE = Return on Equity

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-2 RATE BASE SUMMARY
 FOR THE TEST YEAR ENDED: December 31, 2016

Line No.	Description	Amount	Reference
1	Additions:		(From):
2.	Utility plant (Original Cost)	1,152,526	Schedule III-3, Line 50, Col D
3.	Construction work in progress	17,762	Schedule III-4, Line 5
4.	Materials and supplies	0	Schedule III-4, Line 8
5.	Working cash (capital)	27,785	Schedule III-5, Line 2
6.	Prepayments	0	Schedule III-4, line 8
7.	Other Additions	0	Add schedule
8.	TOTAL ADDITIONS (Add Lines 2 through 6)	1,198,046	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	513,543	Schedule III-3, Col F, Line 50
10.	Advances for construction	0	Schedule III-8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	0	Schedule III-8(b), Col G, Line 6
12.	Accumulated deferred income taxes	0	Schedule III-9(a), Line 3
13.	Accumulated deferred investment tax credits	0	Schedule III-9(b), Line 3
14.	Other Deductions	0	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	513,543	
16.	RATE BASE (Line 8, less Line 15)	684,503	

UTILITY NAME: **Dogwood Estates Water Company**
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION

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

Line No	[A] Item	[B] Date of Installation	[C] Service Life (yrs) **	[D.1] Original Cost when installed \$	[D.2] Customer CIAC amount	[D] = [D.1] - [D.2] Adjusted Original Cost for Customer CIAC ¹	Time in Service			Depreciation		[G] = [D]-[F] Net Book Value (\$)
							Years in Service	Months	Days	[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$) (Reserve)	
1	303 Land and land rights											
2	307 Wells		50									
	Well Pumps:											
3	311 5 hp or less		5									
4	311 Greater than 5 hp		10									
	Booster Pumps:											
5	311 5 hp or less		5									
6	311 Greater than 5 hp		10									
7	320 Chlorinators		10									
	Structures:											
8	304 Wood		15									
9	304 Masonry		30									
10	305 Storage Tanks		50									
11	311 Pressure Tanks		50									
12	331 Distribution System (mains and lines)		50									
13	334 Meters and Service (taps not covered by fees)		20									
14	340 Office Equipment		10									
15	341 Vehicles		5									
16	343 Shop Tools		15									
17	345 Heavy Equipment		10									
18	348 Fencing		20									
	Other: (Please list)											
19												
20												
50	Total											

(See Attachment B)

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

Add detailed workpapers if necessary to support this Schedule.

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

UTILITY NAME: **Dogwood Estates Water Company**

SCHEDULES - CLASS B RATE/TARIFF CHANGE

III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASEFOR TEST YEAR ENDED: **December 31, 2016**

ORIGINAL COST DATA

A Line No.	B Description	C Amount	D Amount
1.	Beginning Gross Plant balance - (from previous rate case)	Must match previous rate case	
2.	Plant additions after previous rate case		
3.		\$ 0.00	
4.			
5.	See Attachment B		
6.			
7.			
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)		\$ 0.00
12.	Test year plant retirements after previous rate case:		
13.		\$ 0.00	
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.	Total retirements (add line 13 through 20, Col C)		\$ 0.00
22.	Ending balance (line 1 + line 11 - line 21)	Equals as III-3, Column D, line 50	

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

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
**III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS,
 MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS**
 FOR THE TEST YEAR ENDED: December 31, 2016

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

III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS:

A	B	C
Line No.	Description	Test Year Amount
1.	Beginning balance	17,762
2.	Test year costs added	0
3.	Test year construction costs completed	17,762
4.	Ending balance	17,762
5.	Average balance - test year (line 1 plus line 4, divided by 2)	17,762

Typically zero, to Schedule III-2, Line 3

		Materials & Supplies inventory	Prepaid Expenses
6.	Sum of 12 test year month end balances	0	0
7.	One month prior to the test year, month end balance	0	0
8.	13 Month Average balance (line 6 plus line 7, divided by 13)	0	0

To III-2, Line 4.

To III-2, Line 6.

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

UTILITY NAME: Digwood Estates Water Company
 SCHEDULES FOR CLASS B RATE/TARIFF CHANGE
III-5 WORKING CASH ALLOWANCE CALCULATIONS
 FOR THE TEST YEAR ENDED: December 31, 2016

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

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

A Line No	B Description	Class B		Class C		
		Water	Sewer	Water	Sewer	
1	Annual O & M Expenses			222,279		From Sch I-1, line 25
2	Working Cash (Line 3 / Line 5)			27,785		To Sch III-2, line 5
3	Divisor	12	12	8	8	

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

III-6 LONG TERM DEBT/ NOTES PAYABLE – WATER AND SEWERFOR THE YEAR ENDED: December 31, 2016

List the following information concerning debt and equity of the utility and attach copies of notes payable used. Round all percentages to two (2) decimal places. If debt from affiliated interests is allocated to the utility, provide workpapers demonstrating and justifying the allocation.

	(A) Long Term Debt Name of Bank/Lender	(B) Date of Issue	(C) Date of Maturity	(D) Original Amount of Loan	(E) Outstanding or Unpaid Balance- End of Test Year	(F) Interest Rate	(G)=Col E, Line 20 x Col F, Line 20 Weighted Average
1	Part 1 - Debt						
2	First State Bank	5/2/2016	5/16/2021	140881	124910	5	
3							
4							
5							
6							
7							
8							
9	Total			140,881	124,910	5	

to Sch. III-1,
Column G,
Line 5

List short term debt, if any:

UTILITY NAME: <u>Dogwood Estates Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE III-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE FOR THE TEST YEAR ENDED: <u>December 31, 2016</u>

ACCUMULATED DEPRECIATION:

Line No.	Description	Dollar Amount
1.	Ending-Prior Rate Case (Docket No. <u>N/A</u>)	0
2	Ending balance per Sch III-3, Column F, Line 50	513,543
	Describe accounting adjustments made between the prior rate case and the current rate case:	

Must match previous rate case.

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-8 ADVANCES FOR CONSTRUCTION AND
CONTRIBUTIONS IN AID OF CONSTRUCTION
 FOR THE TEST YEAR ENDED: December 31, 2016

III-8(a) ADVANCES FOR CONSTRUCTION:

	A	B	C	D	E	F	G
Line No.	Item	Date of Installation	Total Cost	Amount of Advance	Repayments made to developer	(F)=(D)-(E) Rate base Value (to Sch III-2)	Amount to be refunded in the future*
1.	None						
2.							
3.							
4.							
5.							
6.	Total						

*If any advances or CIAC from developers or customers are refundable, please provide the potential date of refunding, if known

III-8(b) DEVELOPER CONTRIBUTIONS IN AID OF CONSTRUCTION*:

	A	B	C	D	E	F	G
Line No.	Item	Date of Installation or Contribution	Total Cost	Amount of Developer Contribution	Annual amortization	Accumulated Amortization	(G)=(D) - (F) Rate Base Value (to Sch III-2)
1.	None						
2.							
3.							
4.							
5.							
6.	Total						

*Customer CIAC is entered directly on III-3

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-9 DEFERRED INCOME TAXES AND
DEFERRED INVESTMENT TAX CREDITS
 FOR THE TEST YEAR ENDED: December 31, 2016

To the extent that new line items have been included within the calculation of ADIT since the last rate filing, provide a complete description of the underlying issues that give rise to the new category of ADIT.

III-9(a) ACCUMULATED DEFERRED INCOME TAXES:

Line No.	Description	Test Year Amount
1.	Beginning balance	0
2.	Test year amount	0
3.	Ending balance	0

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

Line No.	Description	Test Year Amount
1.	Beginning balance	0
2.	Test year amortization	0
3.	Ending balance	0

UTILITY NAME Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-10 OTHER DEFERRED ASSETS
 FOR THE TEST YEAR ENDED: December 31, 2016

III-10(a): Other Deferred Assets

Line No.	Description	Test Year Amount
1.		
2.		0
3.		0

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

Line No.	Description	Test Year Amount	Total Accum Amort End of test year
1.			0
2.			0
3.			0

SECTION IV OTHER TAX INSTRUCT

UTILITY NAME: Dogwood Estates Water Company

SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

Instructions for Section IV

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

TILITY NAME: <u> Dogwood Estates Water Company </u> SCHEDULES - CLASS B RATE/TARIFF CHANGE IV(a) ESTIMATE OF TAXES OTHER THAN INCOME FOR THE TEST YEAR ENDED: December 31, 2016
--

PROPERTY TAXES:

A	B	C	D	E
Line No	Description	Amount	Amount	Reference
1	Property taxes paid in test year		5,489	per property tax bills
2	Utility plant added in test year			Schedule III-3(a), Line 11
3	Utility plant retirements in test year			Schedule III-3(a), Line 21
4	Net additions			Line 2 minus line 3
5	Net Property tax rate			Line 1 / beginning of test year gross plant balance from III-3 (a), Col D, Line 1
6	Test year property tax on additions			Line 4 times Line 5
7	Adjusted Test year property tax expense		5,489	Line 1 + Line 6
8	Known and measurable change	0		Line 7 minus Line 1

PAYROLL TAXES (BASED ON ADJUSTED TEST YEAR NUMBERS):

A	B	C	D	E	F	G
Line No	Tax Type	Wage Level	Tax Rate	Taxable Wages	Reference	Tax
					SCHEDULE II-6	(D x E)
9	FICA	wages to _____	%		Column D+E+F Line 9	6,264
10	Medicare	wages to _____	%		Column H Line 9	
11	Added Medicare (Affordable Care Act)	wages to _____	%			
12	Federal unemployment	wages to _____	%		Column D Line 9	
13	State unemployment	wages to _____	%		Column D+E Line 9	
14	Total (add Lines 11 through 14)					6,264
15	Less: Capitalized	Use % on Sch II-6(a), line 10	%			0
16	Test year Payroll Tax Expense	Line 13 less 14				6,264
17	Known and measurable change				(Line 13 minus Line 14)	0

OTHER TAXES:

A	I	J	K	L
Line No	Description	Test year	K & M change	Adjusted Test Year
18	Other taxes & licenses	0	0	0
19				
20				
21	Total Other Taxes (Line 18 + Line 19 + Line 20)	0	0	0
22	Total this page - taxes other than income (Line 7) + (Col G, Line 16) + (Col L, Line 21)			11,753
23	Sch IV(a), Total known and measurable change (Line 8 plus line 17, Column G plus line 21, Column K)			0

11,753

0

UTILITY NAME: <u>Dogwood Estates Water Company</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE IV(b) REVENUE RELATED TAXES AND EXPENSES FOR THE TEST YEAR ENDED: <u>December 31, 2016</u>						
A		B	C	D	E	F=B+C+D+E
Line		Texas Margins Tax	City Franchise Taxes	Bad Debt Expense	Other Revenue Related	Totals
1	Test year expense	None	None	None	None	0.00
2	Test year effective rate (test year tax expense/historic test year revenues-Sch I-1)					
3	Gross up factor (1.0 divided by (1.0 minus Line (example below))					
4	Change in revenue requirement (Sch I-1, line 33)					
5	Adjusted revenue requirement (Line 3 x Line 4)					
6	Adjusted expense (Line 3 times Line 4)					

SECTION V FEDERAL INCOME TAX

SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section V calculated federal income tax at present rates.

Instructions for Section V

Complete SCHEDULE V per instructions found in the reference column.

UTILITY NAME: Dogwood Estates Water Company
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE
 FOR THE TEST YEAR ENDED: December 31, 2016

A	B	C	D
Line		Amount	Reference
1	Requested Return	67,834	Schedule III-1, Line 3 or II-1, line 34
2	Less: Synchronized Interest	6,245	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return	61,589	Line 1 minus Line 2
4	Income taxes at proposed rates	10,401	Line 17 below
5	Effective tax rate	17%	Line 4 divided by Line 3
6	Total gross up factor	1.2	1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax	12,481	Line 4 times line 6

To Sch I-1, Line 27

FEDERAL INCOME TAX CALCULATION:

Line No.	Tax Rate	Taxable Income	Tax Rate	Tax
		(Portion of Taxable Income in Level)		(C x D)
12	1st 50,000 of taxable income	50,000	15%	7,500
13	Next 25,000 of taxable income	25,000	25%	2,901
14	Next 25,000 of taxable income	25,000	34%	
15	Next 235,000 of taxable income	235,000	39%	
16	Over 335,000 of taxable income		34%	
17	Total before gross up		To Line 4	10,401

If the utility is setting a tiered rate, calculations for all tiers must be provided with total collections for all tiers compared to the revenue requirement requested.

ATTACHMENT A

Dogwood Estates Water Co.
Balance Sheet
As of December 31, 2016

Dec 31, 16

ASSETS

Current Assets

Checking/Savings

1109 · First State Bank	13,161.75
11091 · FSB Reserve	24,087.95
1130 · Petty Cash	346.16

Total Checking/Savings 37,595.86

Accounts Receivable

1122 · A/R - Water Customers	32,316.35
1123 · A/R CBS	266.67
1124 · A/R Other Utilities	89.32

Total Accounts Receivable 32,672.34

Other Current Assets

1191 · Employee N/R	1,350.00
---------------------	----------

Total Other Current Assets 1,350.00

Total Current Assets 71,618.20

Fixed Assets

1510 · Wells - Tanks - Distribution Eq

1511 · Wells-Tanks-Dist Equ	297,703.16
1512 · A/D - Wells, Tanks, Distrib Eq	-212,472.88

Total 1510 · Wells - Tanks - Distribution Eq 85,230.28

1530 · Office Equipment

1531 · Office Equipment-Orig Cost	9,819.75
1532 · A/D - Office Equipment	-9,819.75

Total 1530 · Office Equipment 0.00

1550 · Transportation Equipment

1551 · Transportation Eq.- Orig Cost	89,352.70
1552 · A/D - Transportation Eq.	-83,501.93

Total 1550 · Transportation Equipment 5,850.77

1580 · Other Equipment

1581 · Other Equipment - Orig Cost	92,290.87
1582 · A/D - Other Equipment	-35,922.38

Total 1580 · Other Equipment 56,368.49

1610 · New Plant

1611 · New Plant - Orig Cost 1999	43,490.89
1612 · A/D - New Plant 1999	-30,445.57
1621 · New Plant - Cost-2000	247,794.28
1622 · A/D New Plant - 2000	-163,545.40
1623 · New Plant- Cost- 2001	49,944.17
1624 · A/D New Plant - 2001	-30,966.29

Total 1610 · New Plant 116,272.08

Total Fixed Assets 263,721.62

TOTAL ASSETS 335,339.82

LIABILITIES & EQUITY

Liabilities

Dogwood Estates Water Co.
Balance Sheet
As of December 31, 2016

	<u>Dec 31, 16</u>
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable - General	22,924.87
Total Accounts Payable	<u>22,924.87</u>
Credit Cards	
2007 · Citi Credit Card	2,482.51
Total Credit Cards	<u>2,482.51</u>
Other Current Liabilities	
2112 · Payroll Liabilities	1,342.12
2200 · Regulatory Fees Payable	2,486.57
2420 · Deposits Held	5,400.00
2430 · Inspection Fees Held	182.00
Total Other Current Liabilities	<u>9,410.69</u>
Total Current Liabilities	<u>34,818.07</u>
Long Term Liabilities	
2322 · N/P FSB (SCADA)	126,374.99
Total Long Term Liabilities	<u>126,374.99</u>
Total Liabilities	<u>161,193.06</u>
Equity	
3500 · Paid In Capital	12,514.00
3530 · Capital Stock	1,000.00
3900 · *Retained Earnings	177,776.47
Net Income	-17,143.71
Total Equity	<u>174,146.76</u>
TOTAL LIABILITIES & EQUITY	<u><u>335,339.82</u></u>

Dogwood Estates Water Co.
Profit & Loss
January through December 2016

Jan - Dec 16

Ordinary Income/Expense

Income

4010 · Sale of Water	248,742.55
4016 · Sales Credits	-22.53
4020 · Late Fees	4,160.00
4030 · New Meters - Tap Fees	2,100.00
4050 · Transfer Fees	635.00
4060 · Other Water Fees	1,100.00
4070 · Reconnect Fees	775.00
4086 · NSF items	185.00
4090 · Interest Income	24.08

Total Income

257,699.10

Gross Profit

257,699.10

Expense

5000 · Utilities

5010 · Telephone Expense	6,373.45
5015 · Electricity	
5018 · Electricity Wells	21,987.82
Total 5015 · Electricity	<u>21,987.82</u>
5020 · Propane/Natural Gas	1,735.31
5040 · Internet	162.36
5000 · Utilities - Other	2,855.54

Total 5000 · Utilities

33,114.48

5002 · Employee Activities

100.00

5028 · System Maintenance

3,651.31

6000 · Labor - Detail

60001 · Meter Reading / Re-reads	1,710.63
60002 · Turn off / Turn on	157.02
60003 · New Meters/Changeouts	496.05
60004 · Line Flushing	982.31
60005 · Line Maintenance	3,800.60
60006 · Plant Maintenance	518.35
60007 · Grounds Maintenance	6,492.19
60010 · Repairs at meter	5,906.85

Total 6000 · Labor - Detail

20,064.00

6005 · Officer Salaries (Officer of the Corporation salaries)

30,000.00

6007 · Shop Wages

.

60071 · General - Shop Wages	0.00
6007 · Shop Wages - Other	0.00

Total 6007 · Shop Wages

0.00

6009 · Office Wages

60092 · Holiday Office wages	552.00
60093 · Vacation office wages	1,001.00
6009 · Office Wages - Other	18,044.42

Total 6009 · Office Wages

19,597.42

Dogwood Estates Water Co.
Profit & Loss
January through December 2016

	<u>Jan - Dec 16</u>
6017 · Water System Repairs	2,750.61
6018 · Shop & Operational Supplies	14,406.70
6019 · Small Tools	430.81
6020 · Office Rent	6,000.00
6036 · Meals & Entertainment	467.81
6040 · Vehicle Expense	
6041 · Gas & Oil	5,556.51
6042 · Vehicle Registration	364.25
6043 · Vehicle Repairs	2,432.04
6044 · Vehicle Inspection	14.00
6046 · Diesel, gas - non highway	26.07
6040 · Vehicle Expense - Other	1,507.80
Total 6040 · Vehicle Expense	9,900.67
6045 · Equipment Rental	176.07
6060 · Water Plant Supervision	
6080 · System Operator	24,150.00
6081 · Cont Lab - Water System Repairs	800.00
6083 · Cont Lab - Reporting	675.00
6086 · Cont Labor - Water Samples	1,235.00
Total 6060 · Water Plant Supervision	26,860.00
6075 · Subcontractor	6,605.07
6120 · Computer Expense	2,594.03
6125 · Printing Expense	1,393.46
6130 · Office Supplies	1,818.20
6132 · Office Expenses	227.87
6133 · employee medical expense	325.68
6140 · Postage	2,391.16
6150 · Insurance	18,912.35
6170 · Interest Expense	4,416.53
6180 · Bank Charges	
6183 · Return Check Charge	15.00
6184 · ACH deposit fees	289.28
6186 · Merchant Acct Fees	1,078.34
6180 · Bank Charges - Other	24.00
Total 6180 · Bank Charges	1,406.62
6181 · NSF Check from Customer	76.09
6190 · Legal & Accounting	4,085.00
6200 · Equipment Repairs	
62002 · Lawn Equipment Repair	694.12
6200 · Equipment Repairs - Other	231.77
Total 6200 · Equipment Repairs	925.89
6210 · Fees & Licenses	1,103.80
6212 · Rate Case Expense	1,000.00
6215 · Payroll Expense	6,263.70
6220 · Minor Improvements	2,827.03

Dogwood Estates Water Co.
Profit & Loss
January through December 2016

	<u>Jan - Dec 16</u>
6290 · Water Testing Fees	1,630.91
6310 · Regulatory Expense	1,181.25
6330 · Misc. Business Expense	153.25
6360 · Property Taxes	5,488.80
6500 · Depreciation Expense	42,214.45
6566 · BAD DEBT EXPENSE	266.95
66000 · Payroll Expenses (Payroll expenses)	14.84
Total Expense	<u>274,842.81</u>
Net Ordinary Income	<u>-17,143.71</u>
Net Income	<u><u>-17,143.71</u></u>

Dogwood Estates Water, Co.

Allocation from Profit & Loss Statement (01/01/2016 to 12/31/2016)

Account Number	Account	Employee Labor 601-1	Office Salaries 601-2	Mgmt. Salaries 601-3	Contract Work 636	Reg. Expense 667	Utilities 615.1	Materials 620	Transport. Expense 650	Plant Maint. 664	Office Rental 676	Office Expense 681	Bad Debt Expense 670	Profess. Services 677	Insurance 684	Misc. 675	Rate Case Expense 666	Employ. Benefits 604	Other Taxes 408	Non O&M Expenses	Water Sales	Other Revenues	Totals
4010	Sale of Water																						248743
4016	Sales Credits																						-23
4020	Late Fees																						4160
4030	New Meters - Tap Fees																						2100
4050	Transfer Fees																						635
4060	Other Water Fees																						635
4070	Reconnection Fees																						1100
4086	NSF Items																						775
4090	Interest Income																						185
5010	Telephone Expense																						775
5018	Electricity Wells																						185
5020	Propane / Natural Gas																						24
5040	Internet																						6373
5000	Utilities - Other																						21988
5002	Employee Activities																						1735
5028	System Maintenance																						162
60001	Meter Reading / Re-reads																						100
60002	Turn off / Turn on																						100
60003	New Meters / Changeouts																						1711
60004	Line Flushing																						157
60005	Line Maintenance																						982
60006	Plant Maintenance																						3801
60007	Ground Maintenance																						518
60010	Repairs at meter																						6492
60011	Officer Salaries																						5907
60092	Holiday Office wages																						30000
60093	Vacation Office wages																						552
6009	Office wages - other																						1001
6017	Water System Repairs																						18044
6018	Shop & Oper. Supplies - Others																						2751
6019	Small Tools																						14407
6020	Office Rent																						431
6036	Meals & Entertainment																						6000
6041	Gas & Oil																						468
6042	Vehicle Registration																						5557
6043	Vehicle Repairs																						364
6044	Vehicle Inspection																						2432
6046	Diesel, gas - non highway																						14
6040	Vehicle Expense - Other																						26
6045	Equipment Rental																						1508
6080	System Operator																						176
6081	Cont. Labor - System Repairs																						800
6083	Cont. Labor - Reporting																						675
6086	Cont. Labor - Water Samples																						1235
6075	Subcontractor																						2594
6120	Computer Expense																						1393
6125	Printing Expense																						1818
6130	Office Supplies																						228
6132	Office Expense																						326
6140	employee medical expense																						2391
6140	Postage																						18912
6150	Insurance																						4417
6170	Interest Expense																						15
6183	Return Check Charge																						15
6184	ACH deposit fees																						289
6186	Credit Card Fees																						1078
6180	Bank Charges - Other																						24
6181	NSF Check from Customer																						76
6190	Legal & Accounting																						4085
62002	Lawn Equipment Repair																						694
6200	Equipment Repairs - Other																						232
6210	Fees & Licenses																						1104
6212	Rate Case Expense																						1000
6215	Payroll Expense																						6264
6220	Minor Improvements																						2827
6290	Water Testing Fees																						1631
6310	Regulatory Expense																						1181
6330	Misc. Business Expense																						5489
6360	Property Taxes																						42214
6500	Depreciation Expense																						267
6566	Bad Debt Expense																						15
66000	Payroll Expense																						532541
	Totals:	0	19612	30000	28810	3916	26579	21211	9901	34950	6000	9992	343	4085	18912	1047	1000	6264	5489	46631	248720	6979	532541

ATTACHMENT B

Dogwood Estates Water, Co.

Schedule III - Water

Test Period Ends:			31-Dec-16												
NARUC Acct. No.	Item Description	Installation Date	Original Cost	Developer Customer CIAC	Service Life	Economic Life	Remaining Service Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value					
PLANT & EQUIPMENT															
307	Well #1 - Depth: 495 Ft.	15-May-70	\$4,509	\$0	50	47	3	\$90	\$4,220	\$289					
307	Well #1 - Depth: 495 Ft.	23-Jul-73	\$5,207	\$0	50	44	6	\$104	\$4,540	\$667					
307	Well #2 - Depth: 508 Ft.	11-Jun-74	\$16,653	\$0	50	43	7	\$333	\$14,223	\$2,430					
307	Well #4 - Depth: 516 Ft.	28-Apr-69	\$3,908	\$0	50	48	2	\$78	\$3,739	\$169					
307	Well #1, Plant #1 Pump - 5 HP	26-Feb-09	\$4,524	\$0	30	8	22	\$151	\$1,187	\$3,337					
310	Well #4 Pump - 25 HP	2-Jul-09	\$12,745	\$0	10	8	2	\$1,275	\$9,590	\$3,155					
314	Booster Pump - 15 HP, Plant #2	4-Sep-07	\$4,718	\$0	10	9	1	\$472	\$4,415	\$303					
314	Rebuilt Booster Pump	28-Jul-10	\$1,190	\$0	10	6	4	\$119	\$768	\$422					
316	Chlorination Equip. - Plant #1	7-Jun-10	\$1,964	\$0	20	7	13	\$98	\$647	\$1,317					
322	20,000 Gal. GST - Plant #1	1-Oct-70	\$2,896	\$0	50	46	4	\$58	\$2,688	\$208					
322	20,000 Gal. GST - Plant #1	1-Oct-82	\$8,547	\$0	50	34	16	\$171	\$5,875	\$2,672					
322	65,800 Gal. GST - Plant #2	27-Sep-93	\$17,256	\$0	50	23	27	\$345	\$8,055	\$9,201					
322	20,000 Gal. GST - Plant #3	15-May-70	\$4,509	\$0	50	47	3	\$90	\$4,220	\$289					
322	66,000 Gal. GST - Plant #2	19-Apr-85	\$128,892	\$0	50	32	18	\$2,578	\$82,002	\$46,890					
322	50,000 Gal. GST - Plant #4	1-Jul-00	\$18,469	\$0	50	17	33	\$369	\$6,116	\$12,353					
320	PST - 2400 Gal. Plant #1	1-Oct-70	\$1,952	\$0	50	46	4	\$39	\$1,812	\$140					
320	PST - 3000 Gal. Plant #2	1-Oct-74	\$3,093	\$0	50	42	8	\$62	\$2,623	\$470					
320	PST - 5000 Gal. Plant #4	1-Jul-00	\$13,133	\$0	50	17	33	\$263	\$4,349	\$8,784					
Totals:									\$6,695	\$161,067	\$93,098				

Dogwood Estates Water, Co.

Schedule III - Water

Test Period Ends:			31-Dec-16											
NARUC Acct. No.	Item Description	Installation Date	Original Cost	Developer Customer CIAC	Expected Service Life	Economic Life	Remaining Service Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value				
DISTRIBUTION SYSTEM														
325	6" PVC Water Lines	1-Jul-93	\$94,977	\$0	50	24	26	\$1,900	\$44,796	\$50,181				
325	4" PVC Water Lines	1-Jul-93	\$15,391	\$0	50	24	26	\$308	\$7,259	\$8,132				
325	3" PVC Water Lines	1-Jul-93	\$524,534	\$0	50	24	26	\$10,491	\$247,396	\$277,138				
325	2" PVC Water Lines	1-Jul-93	\$76,713	\$0	50	24	26	\$1,534	\$36,182	\$40,531				
325	Bear Woods 3" Line Installed	23-Aug-07	\$2,939	\$0	50	9	41	\$59	\$552	\$2,387				
325	Redbud Ct. 4" Line Installed	21-Feb-08	\$5,680	\$0	50	9	41	\$114	\$1,010	\$4,670				
(Since Last Rate Case)														
314	Rebuilt Booster Pump	25-Jul-15	\$1,916	\$0	30	1	29	\$64	\$92	\$1,824				
314	Booster Pump - 15 HP, Plant #2	23-May-16	\$1,226	\$0	30	1	29	\$41	\$25	\$1,201				
314	Booster Pump - 7.5 HP, Plant #1	26-Oct-11	\$1,323	\$0	30	5	25	\$44	\$229	\$1,094				
349	200 amp Switch & Fuse	11-Jul-16	\$1,179	\$0	10	0	10	\$118	\$56	\$1,123				
349	SCADA System	2-May-16	\$74,864	\$0	20	1	19	\$3,743	\$2,499	\$72,365				
316	Chlorine System	2-May-16	\$9,555	\$0	20	1	19	\$478	\$319	\$9,236				
349	SCADA System Software	2-May-16	\$2,995	\$0	20	1	19	\$150	\$100	\$2,895				
349	SCADA System Site Equipment	2-May-16	\$4,500	\$0	20	1	19	\$225	\$150	\$4,350				
344	100 kW Generator	2-May-16	\$38,187	\$0	15	1	14	\$2,546	\$1,700	\$36,487				
344	Auxiliary Generator	2-May-16	\$10,500	\$0	15	1	14	\$700	\$467	\$10,033				
341	2006 Polaries Ranger	2-Apr-16	\$3,950	\$0	5	1	4	\$790	\$593	\$3,358				
341	2009 Kubota Backhoe	12-May-15	\$23,906	\$0	5	2	3	\$4,781	\$7,868	\$16,038				
341	18 Ft. Utility Trailer	15-Jul-15	\$2,515	\$0	5	1	4	\$503	\$739	\$1,776				
341	14 Ft. Trailer for Ranger	15-Jul-15	\$1,511	\$0	5	1	4	\$302	\$444	\$1,067				
Totals: Page 2			\$898,361	\$0				\$28,889	\$352,475	\$545,886				
Totals: Page 1			\$254,165	\$0				\$6,695	\$161,067	\$93,098				
Totals - Utility Water Plant:			\$1,152,526	\$0				\$35,584	\$513,543	\$638,983				

ATTACHMENT C

Attachment C - Alternative Water Rate Design**Dogwood Estates Water Company**

Item	Cost	%	Fixed	%	Variable
Management Salaries	\$30,000	90	\$27,000	10	\$3,000
Contract Work	\$28,910	90	\$26,019	10	\$2,891
Office Salaries	\$19,612	90	\$17,651	10	\$1,961
Power Expense	\$26,579	0	\$0	100	\$26,579
Materials	\$21,211	50	\$10,606	50	\$10,606
Transportation	\$9,901	50	\$4,951	50	\$4,951
Other Plant Maintenance	\$33,771	50	\$16,886	50	\$16,886
Bad Debt expense	\$343	100	\$343	0	\$0
Office services & rental	\$6,000	100	\$6,000	0	\$0
Office Supplies	\$9,992	50	\$4,996	50	\$4,996
Professional Services	\$4,085	100	\$4,085	0	\$0
Insurance	\$18,912	100	\$18,912	0	\$0
Rate Case Expense	\$8,000	100	\$8,000	0	\$0
Miscellaneous	\$1,047	50	\$524	50	\$524
Regulatory Expense	\$3,916	50	\$1,958	50	\$1,958
<hr/>					
Sub-total (Less F.I.T. & Return)	\$222,279		\$147,929		\$74,350
% of Total (Fixed + Variable)			66.55%		33.45%
Depreciation	\$35,584	100	\$35,584	0	\$0
Taxes Other than Income	\$11,753	100	\$11,753	0	\$0
Income Taxes Expense	\$12,481	100	\$12,481	0	\$0
Return	\$67,834	100	\$67,834	0	\$0
Less other Revenues	\$8,400	100	\$8,400	0	\$0

TOTAL	\$341,531	\$267,181	\$74,350
--------------	------------------	------------------	-----------------

Test Year Customer Equivalents = 434
 Gallons Included in Minimum Bill = 0
 Total Test Year Gallons Billed = 40,646,133

Gallonge Charge

Variable Costs / (Total Test Year Gallons Billed / 1,000 gallons) = \$1.83 per 1,000 gal

Minimum Bill

Fixed Costs / 12 months / Test Year Customer Equivalents = \$51.30 per month

	Proposed Rate
Using Gallonge charge of \$	2.75 per 1,000 gallons
Yeilds a Minimum Bill of \$	44.12 per month

Minimum Bill = [Total Costs - (Gallonge charge * Gallons Billed / 1000)] / 12 months / Customer Equivalents

	Minimum Bill	
5/8" x 3/4" (standard)	\$ 44.12	
1" (multiply standard by 2.5)	\$ 110.30	Gallonge Rate \$ 2.75 per 1,000 gal
1 1/2" (multiply standard by 5.0)	\$ 220.60	
2" (multiply standard by 8.0)	\$ 352.96	
3" (multiply standard by 15.0)	\$ 661.80	
4" (multiply standard by 25.0)	\$ 1,103.00	
6" (multiply standard by 50.0)	\$ 2,206.00	

AFFDAVIT & NOTICE OF PROPOSED RATE CHANGE TO BE PROVIDED TO CUSTOMERS

Dogwood Estates Water Company is proposing to increase its rate structure in this Application in a two-step approach. The first proposed rate increase will be effective June 5, 2017 with a second increase effective June 5, 2019. In addition, the utility is not requesting the entire recovery of its justifiably cost of service. This approach is being proposed in this Application to reduce the impact on the utility's customer base.

AFFIDAVIT

STATE OF TEXAS

COUNTY OF Henderson

I, Rick Brown being duly sworn, file this **NOTICE OF
PROPOSED RATE CHANGE**
as owner

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

I further represent that a copy of the attached NOTICE was provided
by

direct mail

(method of delivery)

to each customer or other affected party on or about April 26, 20 17

Rick Brown
AFFIANT

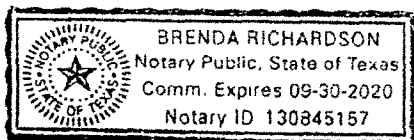
(Utility's Authorized Representative)

Dogwood Estates Water Company
NAME OF UTILITY

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

SUBSCRIBED AND SWORN TO BEFORE ME,
this the 6th day of April, 20 17, to certify
which witness my hand and seal of office.

SEAL



Brenda Richardson
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Brenda Richardson
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

9/30/2020

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

Dogwood Estates Water Company

10823

Company Name

CCN Number(s)

has filed a rate change application with the Public Utility Commission of Texas (Commission or PUC). The application may be reviewed online at interchange.puc.texas.gov. You may also inspect a copy of the rate change application at your utility's office at the address below or at the Commission's office (1701 N. Congress Ave, Austin, TX 78701). The proposed rates will apply to service received after the effective date provided below, unless modified or suspended by the Commission. If the Commission receives a sufficient number of protests, separately or in a combined protest letter, from at least ⁴³ [number of] ratepayers (10 percent of the utility's customers over whose rates the Commission has original jurisdiction) or from any affected municipality before the 91st day after the proposed effective date, the matter will be set for hearing. **See Protest Form on the next page for instructions on how to protest.**

EFFECTIVE DATE OF PROPOSED INCREASE: 6/5/2017

(must be at least 35 days after notice is provided to customers and 35 days after application is filed)

(Proposed rates requested by the utility are not final. The Commission may modify the rates and order a refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest.)

Reason(s) for proposed Rate Change:

Allow the utility to generate enough revenue to cover those expenses that are reasonable and necessary to provide service to the ratepayers and allow the utility a reasonable opportunity to earn a reasonable return on its invested capital used and useful.

BILLING COMPARISON

Water

Existing	5,000 gallons:	\$ <u>40.75</u> /mo	Proposed	5,000 gallons:	\$ <u>52.75</u> /mo
Existing	10,000 gallons:	\$ <u>54.50</u> /mo	Proposed	10,000 gallons:	\$ <u>66.50</u> /mo
Existing	30,000 gallons:	\$ <u>109.50</u> /mo	Proposed	30,000 gallons:	\$ <u>121.50</u> /mo

Dogwood Estates, Oak Manor, Wagontree and adjacent Subdivisions (PWS #1070043)

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

P.O. Box 1230

Athens,

Texas

75751

Company Address

City

State

Zip

(903) 675-6894

Company Phone Number

90,771.00

Annual Revenue Increase

4/26/2017

Date Notice Delivered

3/25/2001

Date of Last Rate Change

The 22nd day of the month

Date Meters Typically Read

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

P.U.C. DOCKET NO. 46958

RATEPAYER PROTEST

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

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

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

CUSTOMER INFORMATION (to be completed by customers submitting protests)

First Name: _____ Last Name: _____

Phone Number: _____ Fax Number: _____

Address, City, State: _____

Location where service is received: _____

(if different from the mailing address)

Please fill out the following:

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

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

☐ Other (please specify below)

Signature of Protestant:

_____ Date: _____

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

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

NOTICE OF PROPOSED RATE CHANGE –WATER

CURRENT RATES			PROPOSED RATES (Effective June 5, 2017)		
Monthly base rate including _____ 0 gallons			Monthly base rate including _____ 0 gallons		
Meter Size:			Meter Size:		
RESIDENTIAL			RESIDENTIAL		
5/8" or 3/4"	\$	27.00	5/8" or 3/4"	\$	34.00
1"	\$	45.90	1"	\$	85.00
1 1/2"	\$	89.10	1 1/2"	\$	170.00
2"	\$	143.10	2"	\$	272.00
3"	\$	270.00	3"	\$	510.00
Other:	\$		Other: 4"	\$	850.00
			6"	\$	1,700.00
GALLONAGE CHARGE:			GALLONAGE CHARGE:		
TIER	VOLUME	CHARGE per 1000 gals.	TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	All Billed Gallons	\$ 2.75 /1000 gals.	Tier 1	All Billed Gallons	\$ 2.75 /1000 gals.
			\$ 0.03 per 1,000 gallons for the Neches & Trinity Valley's Groundwater Conservation District 's pumpage fee		
MISCELLANEOUS FEES			MISCELLANEOUS FEES		
Tap Fee	\$	350.00	Tap Fee	\$	500.00
Reconnect fee: Non-payment	\$	25.00	Reconnect fee: Non-payment (Maximum - \$25.00)	\$	25.00
Customer's Request	\$	35.00	Customer's Request	\$	35.00
Transfer Fee	\$	15.00	Transfer Fee	\$	25.00
Late Charge	\$	5.00	Late charge: (Indicate either \$5.00 or 10%)	\$	5.00
Returned Check Charge	\$	20.00	Returned Check Charge	\$	30.00
Deposit	\$	50.00	Deposit (Maximum \$50.00)	\$	50.00
Meter test fee	\$	25.00	Meter test fee (Maximum - \$25.00)	\$	25.00

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

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

None

NOTICE OF PROPOSED RATE CHANGE –WATER

CURRENT RATES			PROPOSED RATES (Effective June 5, 2019)		
Monthly base rate including _____ 0 gallons			Monthly base rate including _____ 0 gallons		
Meter Size:			Meter Size:		
RESIDENTIAL			RESIDENTIAL		
5/8" or 3/4"	\$	27.00	5/8" or 3/4"	\$	39.00
1"	\$	45.90	1"	\$	97.50
1 1/2"	\$	89.10	1 1/2"	\$	195.00
2"	\$	143.10	2"	\$	312.00
3"	\$	270.00	3"	\$	585.00
Other:	\$		Other: 4"	\$	975.00
			6"	\$	1,950.00
GALLONAGE CHARGE:			GALLONAGE CHARGE:		
TIER	VOLUME	CHARGE per 1000 gals.	TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	All Billed Gallons	\$ 2.75 /1000 gals.	Tier 1	All Billed Gallons	\$ 2.75 /1000 gals.
			\$ 0.03 per 1,000 gallons for the Neches & Trinity Valley's Groundwater Conservation District's pumpage fee		
MISCELLANEOUS FEES			MISCELLANEOUS FEES		
Tap Fee	\$	350.00	Tap Fee	\$	500.00
Reconnect fee: Non-payment	\$	25.00	Reconnect fee: Non-payment (Maximum - \$25.00)	\$	25.00
Customer's Request	\$	35.00	Customer's Request	\$	35.00
Transfer Fee	\$	15.00	Transfer Fee	\$	25.00
Late Charge	\$	5.00	Late charge: (Indicate either \$5.00 or 10%)	\$	5.00
Returned Check Charge	\$	20.00	Returned Check Charge	\$	30.00
Deposit	\$	50.00	Deposit (Maximum \$50.00)	\$	50.00
Meter test fee	\$	25.00	Meter test fee (Maximum - \$25.00)	\$	25.00

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

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

None

PASS THROUGH ADJUSTMENT CLAUSE

The utility may pass on only to those customers served by a system subject to the jurisdiction of any regional water authority and/or any groundwater reduction plan, any increase or decrease in its underground water district pumpage fee or purchased water fee. To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 24.21 D . Example of a Pass Through Provision

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

G = approved gallonage charge, per 1,000 gallons;

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

**CURRENT TARIFF
RATE PAGES**

**WATER UTILITY TARIFF
FOR**

Dogwood Estates Water Company
(Utility Name)

P.O. Box 387
(Business Address)

Athens, Texas 75751
(City, State, Zip Code)

(903) 675-6894
(Area Code/Telephone)

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

10823

This tariff is effective in the following county:

Henderson

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

None

This tariff is effective in the following subdivisions or systems:

Dogwood Estates, Oak Manor, Wagontree and adjacent Subdivisions

This tariff is effective for the following public water system number:

1070043

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

SECTION 1.0 -- RATE SCHEDULE 2
SECTION 2.0 -- SERVICE RULES AND REGULATIONS 5
SECTION 3.0 -- EXTENSION POLICY 13
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN Attachment A
APPENDIX A -- SERVICE AGREEMENT	

HEALTH AND RESOURCE CONSERVATION COMMISSION
33121R CON 10823 MAR 25 '01
APPROVED TARIFF BY [Signature] JLS

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$27.00</u> (Includes 0 gallons)	<u>\$2.75</u> per 1000 gallons
1"	<u>\$45.90</u>	
1 1/2"	<u>\$89.10</u>	
2"	<u>\$143.10</u>	
3"	<u>\$270.00</u>	

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

Cash X, Check X, Money Order X, Credit Card _____, Other(specify) _____
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT
 PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN
 FOR CASH PAYMENTS.

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$350.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
 RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF
 LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

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

ENVIRONMENTAL PROTECTION COMMISSION
 33121R CON 10823 MAR 25 '01
 APPROVED TARIFF BY Jim JLS

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE \$25.00

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

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$35.00

TRANSFER FEE \$15.00

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

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

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

RETURNED CHECK CHARGE \$20.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00**COMMERCIAL & NON-RESIDENTIAL DEPOSIT** 1/6TH OF ESTIMATED ANNUAL BILL**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE** \$0.00

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

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

DAKOTA TERRITORY CONSERVATION COMMISSION

33121R CCN 10823 MAR 25 '01

APPROVED TARIFF BY Xm/JLS