



Control Number: 48523



Item Number: 7

Addendum StartPage: 0

TARIFF CONTROL NO. 48523

APPLICATION OF DOUBLE DIAMOND
PROPERTIES CONSTRUCTION CO.
D/B/A ROCK CREEK RESORT FOR
APPROVAL OF A PASS-THROUGH
RATE CHANGE

§
§
§
§
§

PUBLIC UTILITY COMMISSION
OF TEXAS

2018 SEP 10 PM 12:41
PUC STAFF CONSTRUCTION
FILED CLERK

**DOUBLE DIAMOND PROPERTIES CONSTRUCTION CO.'S RESPONSE TO
COMMISSION STAFF'S RECOMMENDATION**

COMES NOW, Double Diamond Properties Construction Co. dba Rock Creek ("Double Diamond"), by and through its attorneys of record, and files this Response to Commission Staff's Recommendation. In support thereof, Double Diamond shows the following:

I. BACKGROUND

On July 10, 2018, Double Diamond filed for approval of a pass-through rate change to implement its approved purchased water pass-through clause. On July 17, 2018, the Administrative Law Judge issued a Notice requiring PUC Staff to file a recommendation on the application. On August 14, 2018, PUC Staff filed its recommendations and requested that Double Diamond submit information responsive to its request. On August 15, 2018, the Administrative Law Judge issued a Notice finding the application and notice incomplete and deficient. The Administrative Law Judge requested Double Diamond to file supplemental information to cure the deficiencies no later than September 17, 2018, and to provide new notice to its customers no later than October 1, 2018. The Administrative Law Judge further stated that if the application is sufficient after these submittals, the PUC Staff will provide approved tariff pages to Double Diamond by October 12, 2018.

II. SUPPLEMENTAL INFORMATION

Double Diamond's responses to Commission Staff's recommendations and requests for additional information are included in Exhibit 1. With this information, Double Diamond respectfully submits that the application is complete and that PUC Staff should provide the approved tariff pages.

Respectfully submitted,

JACKSON WALKER L.L.P.



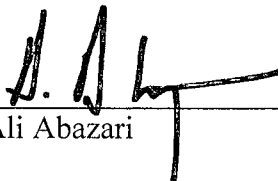
ALI ABAZARI
State Bar No. 00796094
aabazari@jw.com
100 Congress Avenue, Suite 1100
Austin, Texas 78701
512-236-2000
512-236-2002 (Fax)

ATTORNEY FOR DOUBLE DIAMOND
PROPERTIES CONSTRUCTION CO.

CERTIFICATE OF SERVICE

I certify that a copy of this document was served on all parties of record on September 10, 2018, in accordance with P.U.C. Procedural Rule 22.74.

Skyler Springsteen Collins
Attorney-Legal Division
Public Utility Commission of Texas
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326
Ph: 512/936-7203
Skyler.Collins@puc.texas.gov



Ali Abazari

EXHIBIT 1

1. Explain the positive water gains for September 2017, November 2017, January 2018, and May 2018.

RESPONSE: The positive water gains reported for the above indicated months are the result of either over-estimating water flushing or the result of billing corrections made within the billing system to authorized use. These reported positive water gains serve to lower the overall level of loss contained within the calculation and contribute to a lower pass-through rate for customers. These results are beneficial to the customer. Double Diamond has included the numbers as reflected in the provided supporting documentation.

2. Provide the source or sources, with supporting documentation such as master meter readings, for “Water Produced.”

RESPONSE: The source of water for “Water Produced” is well water. The readings associated with “Water Produced” are contained in the Columns labelled “From wells to Storage Tanks” within the Monthly Operating Reports on Pages 24 through 35 of the original application package.

3. Explain “Authorized Use” and provide supporting calculations and/or documentation for the amounts asserted.

RESPONSE: “Authorized Use” represents gallons of water billed to customers, as well as any adjustments made to those bills. The gallonage amounts, by month, are contained on Pages 36 through 47 of the original application package. Please see Attachment 4.

4. Explain how the monthly “Flushing” gallons were derived and provide all calculations or meter readings supporting the amount for flushing.

RESPONSE: Monthly flushing gallons were derived from the Flushing Logs provided on Pages 48 through 50 of the original application package. The gallons per minute of water listed was multiplied by the minutes listed to develop the total gallons of water flushed. Attachment 1 includes a spreadsheet further illustrating these calculations. Please see No. 5 below for a further explanation regarding how flushing is measured.

5. Explain the flushing protocol, including how the gallons per minute and flushing time are determined.

RESPONSE: Flushing is performed as needed to maintain water quality within regulatory requirements. Flushing activity varies by day and based on the needs of the system. Water is flushed via a hydrant and a pitot gauge is used within the water stream to measure the gallons per minute, while the operator notes the time of flushing to develop the overall estimate of gallons flushed.

6. Explain why the “Take or Pay” amount was identified as 7,960,714 gallons instead of 3,190,000 gallons, which is the amount of gallons identified in the contract.

RESPONSE: The use of 7,960,714 in the application was in error. Attachment 2 has been amended to reflect a Take or Pay amount of 3,190,000 and the resulting lower pass-through rate.

7. Explain how the Golf Club's water usage was accounted for.

RESPONSE: The Rock Creek Golf Course is served by non-potable water pumped from Lake Texoma and purchased from the City of Dennison. This service provision began in December 2016. The Cart Barn, Golf Clubhouse, and Golf Course Bathroom are all customers of Double Diamond and are charged for metered water use.

8. Provide the date Double Diamond Properties Construction Co. began taking water from the District.

RESPONSE: In accordance with Section 2.1 of the Wholesale Treated Water Supply Agreement between Northwest Grayson County Water Control and Improvement District No. 1 (District) and Double Diamond Properties Construction (DDPC), DDPC has a monthly financial "Take or Pay" obligation to the District that began on or about July 19, 2018. The order in PUC Docket No. 46247 authorizing rates for service was issued on June 14, 2018. July 19, 2018 is the date that is within fourteen (14) days after the PUC order became final and non-appealable. Attachment 3 includes an invoice from the District, evidencing the financial obligation of DDPC.

9. Provide the year (calendar 2017, 2018, etc.) identified as "Water Year 1" in the contract.

RESPONSE: As discussed above, Water Year 1 commenced in 2018.

10. Explain pages 36-47 in the application and provide legible copies replacing these pages. The pages are labeled RC 6-17 through RC 5-18

RESPONSE: Attachment 4 provides a summary of dollars billed per month as well as the monthly gallons. A legible copy is provided.

11. Issue new notice to customers (delivered prior to the effective date) that include the information below.

- (a) New effective date;
- (b) New calculation of billing for each meter size;
- (c) New calculation of billing for each block gallonage rate; and
- (d) Specific language required by 16 TAC § 24.21(b)(2)(F)(ii)(VI) as follows:

"This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.21. The cost to you as a result of this change will not exceed the costs charged to your utility."

RESPONSE: Attachment 5 is the notice that has been mailed to customers. Double Diamond received staff approval of this notice prior to it being mailed to its customers.

12. File a copy of the notice and affidavit with the Commission within ten (10) days of the order.

RESPONSE: After receiving indication from PUC Staff that the Notice was sufficient and compliant with requirements, Double Diamond issued the notice to customers by mailing a copy of Attachment 5 on September 6, 2018. An affidavit of mailing is included as Attachment 6.

Attachment 1

Gallons Flushed Log Calculations				
Date	GPM	Minutes	Gallons	
3/2/2017	700	30	21,000	
3/2/2017	700	30	21,000	
3/2/2017	600	30	18,000	
3/3/2017	800	15	12,000	
3/3/2017	450	20	9,000	
3/3/2017	700	15	10,500	
Total March 2017	3,950	140	91,500	
4/6/2017	600	20	12,000	
4/6/2017	600	20	12,000	
4/6/2017	600	20	12,000	
4/6/2017	700	20	14,000	
4/7/2017	600	30	18,000	
4/7/2017	600	20	12,000	
4/7/2017	450	30	13,500	
4/7/2017	800	15	12,000	
Total April 2017	4,950	175	105,500	
5/9/2017	700	60	42,000	
5/9/2017	700	30	21,000	
5/9/2017	600	30	18,000	
Total May 2017	2,000	120	81,000	
6/23/2017	700	20	14,000	
6/23/2017	700	20	14,000	
6/23/2017	700	20	14,000	
6/23/2017	600	20	12,000	
Total June 2017	2,700	80	54,000	
7/28/2017	800	15	12,000	
7/28/2017	450	30	13,500	
7/28/2017	600	20	12,000	
Total July 2017	1,850	65	37,500	
8/25/2017	700	30	21,000	
8/25/2017	700	15	10,500	
8/25/2017	600	30	18,000	
Total August 2017	2,000	75	49,500	
9/18/2017	700	60	42,000	
9/18/2017	600	60	36,000	
9/19/2017	600	60	36,000	
9/19/2017	700	60	42,000	
Total September 2017	2,600	240	156,000	
10/13/2017	700	30	21,000	
10/13/2017	600	20	12,000	
10/13/2017	650	30	19,500	
10/13/2017	800	20	16,000	
10/13/2017	500	60	30,000	
Total October 2017	3,250	160	98,500	

Gallons Flushed Log Calculations			
Date	GPM	Minutes	Gallons
11/16/2017	700	60	42,000
11/16/2017	700	30	21,000
11/16/2017	700	30	21,000
11/17/2017	700	30	21,000
11/17/2017	600	60	36,000
11/17/2017	600	30	18,000
11/17/2017	800	20	16,000
Total November 2017	4,800	260	175,000
1/11/2018	700	60	42,000
1/11/2018	700	30	21,000
1/11/2018	700	30	21,000
1/12/2018	700	60	42,000
1/12/2018	600	30	18,000
1/12/2018	600	30	18,000
Total January 2018	4,000	240	162,000
2/22/2018	700	20	14,000
2/22/2018	700	30	21,000
2/22/2018	700	60	42,000
2/23/2018	700	30	21,000
2/23/2018	600	30	18,000
2/23/2018	800	20	16,000
Total February 2018	4,200	190	132,000
3/14/2018	700	30	21,000
3/14/2018	700	30	21,000
3/15/2018	700	30	21,000
3/15/2018	700	30	21,000
3/15/2018	600	60	36,000
Total March 2018	3,400	180	120,000
4/11/2018	700	60	42,000
4/11/2018	600	60	36,000
4/23/2018	600	60	36,000
4/23/2018	600	30	18,000
Total April 2018	2,500	210	132,000

Gallons Flushed Log Calculations				
Date	GPM	Minutes	Gallons	
5/1/2018	700	60	42,000	
5/2/2018	700	60	42,000	
5/14/2018	700	60	42,000	
5/15/2018	700	60	42,000	
5/15/2018	700	60	42,000	
5/16/2018	600	120	72,000	
5/17/2018	500	120	60,000	
5/17/2018	700	30	21,000	
5/18/2018	600	60	36,000	
5/18/2018	600	60	36,000	
5/18/2018	700	60	42,000	
5/23/2018	400	30	12,000	
5/23/2018	600	30	18,000	
5/25/2018	400	60	24,000	
5/25/2018	600	60	36,000	
5/25/2018	600	60	36,000	
Total May 2018	9,800	990	603,000	
6/7/2018	400	60	24,000	
6/7/2018	600	30	18,000	
6/8/2018	700	60	42,000	
6/8/2018	600	60	36,000	
6/13/2018	600	60	36,000	
6/14/2018	400	90	36,000	
6/18/2018	400	30	12,000	
6/18/2018	600	30	18,000	
6/20/2018	400	60	24,000	
6/26/2018	400	60	24,000	
Total June 2018	5,100	540	270,000	

Attachment 2

Double Diamond Properties Construction dba Rock Creek Resort
CCN No. 13235 / PWS No. 0910147
Summary of Purchased Water Pass-Through Clause Adjustment

		<u>Current</u>		<u>After Adjustment</u>
BASE RATES				
Fixed Charge				
5/8" or 3/4"	\$	30.00	\$	30.00
1"		75.00		75.00
1 1/2"		150.00		150.00
2"		240.00		240.00
3"		450.00		450.00
Volumetric Rates (per 1,000)				
0 - 2,000	\$	3.63	\$	3.63
2,000 - 10,000		3.91		3.91
10,000 +		4.91		4.91
PASS-THROUGH RATES				
Fixed Charge				
5/8" or 3/4"			\$	2.20
1"				5.49
1 1/2"				10.98
2"				17.57
3"				32.94
Volumetric Rates (per 1,000)				
0 - 2,000			\$	0.87
2,000 - 10,000				0.87
10,000 +				0.87
TOTAL COMBINED RATE				
Fixed Charge				
5/8" or 3/4"	\$	30.00	\$	32.20
1"		75.00		80.49
1 1/2"		150.00		160.98
2"		240.00		257.57
3"		450.00		482.94
Volumetric Rates (per 1,000)				
0 - 2,000	\$	3.63	\$	4.50
2,000 - 10,000		3.91		4.78
10,000 +		4.91		5.78

Double Diamond Properties Construction dba Rock Creek Resort
CCN No. 13235 / PWS No. 0910147
Calculation of Purchased Water Pass-Through Clause

G = \$ 0.87 $(R \times I) / (1-L)$
M = \$ 2.20 $(E + A) / T$

<u>Variable</u>	<u>Value</u>	<u>Description</u>	<u>Notes</u>
G =	\$ 0.87	Pass-Through gallons charge, rounded to the nearest one cent	$(R \times I) / (1-L)$
R =	\$ 3.392	Rate (per 1,000 gallons) charged by Northwest Grayson County WCID No. 1	Current Rate of \$4.50 per 1,000 x 75%; See Article 4.2 of Attachment B, Includes regulatory assessment of 0.5% $(\$4.50 \times 75\%) \times 1.005$
I =	23.26%	Imputed water subject to the pass-through clause, expressed as the percentage of water expected to be purchased (in gallons) divided by total water to be produced from all sources	See Page 3 of 3
L =	9.69%	Actual System average line loss for the preceding 12 months not to exceed 0.15	See Page 3 of 3
M =	\$ 2.20	Monthly Base Charge (per Meter Equivalent)	$(E + A) / T$
E =	\$ 270.09	Established Northwest Grayson County WCID No. 1 monthly base charge	See Article 4.4 of Attachment B, Includes Regulatory Assessment of 0.5% $(\$268.75 \times 1.005)$
A =	\$ -	Annual under recovery resulting from take or pay contract	At this time, no under-recovery has occurred
T =	123	Total number of accounts (meter equivalents) at the beginning of the monthly billing cycle	91 - 3/4" Connections (91 Meter Equivalents); 4 - 2" Connections (32 Meter Equivalents)

Double Diamond Properties Construction dba Rock Creek Resort
CCN No. 13235 / PWS No. 0910147
Summary of Water Use and Calculation of Imputed Water

<u>Month</u>	<u>Water Produced</u>	<u>Authorized Use</u>	<u>Flushing</u>	<u>Total Used</u>	<u>Water Loss</u>	<u>%</u>
Jun-17	1,992,300	1,299,200	54,000	1,353,200	(639,100)	-47.23%
Jul-17	1,585,500	1,197,620	37,500	1,235,120	(350,380)	-28.37%
Aug-17	1,246,200	1,024,330	49,500	1,073,830	(172,370)	-16.05%
Sep-17	1,689,800	1,549,820	156,000	1,705,820	16,020	0.94%
Oct-17	1,301,300	969,020	98,500	1,067,520	(233,780)	-21.90%
Nov-17	991,900	837,500	175,000	1,012,500	20,600	2.03%
Dec-17	692,300	449,640	168,000	617,640	(74,660)	-12.09%
Jan-18	495,200	387,420	162,000	549,420	54,220	9.87%
Feb-18	468,900	332,770	132,000	464,770	(4,130)	-0.89%
Mar-18	972,500	755,505	120,000	875,505	(96,995)	-11.08%
Apr-18	888,400	745,499	132,000	877,499	(10,901)	-1.24%
May-18	1,388,400	1,065,961	603,000	1,668,961	280,561	16.81%
Subtotal	13,712,700	10,614,285	1,887,500	12,501,785	(1,210,915)	-9.69%

Take or Pay Amount 3,190,000
(See Article 4.1 of Contract in Attachment B)

Imputed Water % 23.26% (3,190,000 gallons in Take or Pay amount / 13,712,700 gallons produced)

Note: Flushing for December 2017 is estimated, no field logs were prepared for that month

Attachment 3

Northwest Water Dist. P.O. Box 715 • Gordonville, TX 76245
Tel: (903) 523-5886

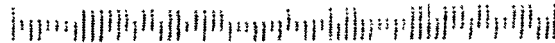
DATES OF SERVICE				
ACCOUNT	100896	7/21/18 - 8/20/18		
SERVICE AT ROCK CREEK RESORT 2				
CODE	PRESENT	PREVIOUS	USAGE	CHARGES
WATER				268.75
REGULATORY FEE				1.34
RECEIVED AUG 27 2018				
CC PAYMENT- 866-542-6182 CLOSED ON SEPT 3RD				
CLASS	AMOUNT DUE AFTER DUE DATE	DUE DATE	PAY THIS AMOUNT	
R	270.09	9/10/18	270.09	

TEMP RETURN
SERVICE REQUESTED

FIRST CLASS MAIL
U.S. POSTAGE PAID
GORDONVILLE TX
76245
PERMIT NO. 200

ACCOUNT 100896		DUE DATE 9/10/18
AMOUNT DUE AFTER DUE DATE	PENALTY AFTER DUE DATE	PAY THIS AMOUNT
270.09	00	270.09
PLEASE RETURN THIS STUB WITH PAYMENT		

DDPC
ATTN. RANDY GRACY
5495 BELT LINE RD # 200
DALLAS TX 75254



Attachment 4

RC 6-17

GRAND TOTALS

WATER	:	9193.49
SEWER	:	7308.00
OTHER	:	165.01
ARREARS	:	-32.90
LATE CHG	:	55.32
REFUNDS	:	0.00
INTEREST	:	0.00
EGCD	:	0.00
NET AMOUNT		16688.92
GALLONS		1,299,200

RC 7-17

GRAND TOTALS

WATER	:	8719.98
SEWER	:	7482.00
OTHER	:	162.06
ARREARS	:	-3412.30
LATE CHG	:	0.00
REFUNDS	:	0.00
INTEREST	:	0.00
PGCD	:	0.00
NET AMOUNT		12951.74
GALLONS		1,197,620

RC 8-17

GRAND TOTALS

WATER :	7348.13
SEWER :	7569.00
OTHER :	155.14
ARREARS :	-2864.37
LATE CHG :	0.00
REFUNDS :	0.00
INTEREST :	0.00
PGCD :	0.00
NET AMOUNT	12907.90
GALLONS	1,024,330

RC 9-17

GRAND TOTALS

WATER	:	10431.47
SEWER	:	7053.20
OTHER	:	182.86
ARREARS	:	-2961.42
LATE CHG	:	0.00
REFUNDS	:	0.00
INTEREST	:	0.00
PGCD	:	0.00
NET AMOUNT		15506.11
GALLONS		1,549,820

RC 10-17

GRAND TOTALS

WATER	:	7715.73
SEWER	:	8004.00
OTHER	:	157.23
APPEARS	:	981.30
LATE CHG	:	71.05
REFUNDS	:	0.00
INTEREST	:	0.00
PGCD	:	0.00
NET AMOUNT		15929.91
GALLONS	969,020	

email 11-7-17
over bills

RC 11-17

GRAND TOTALS

WATER	:	7105.12
SEWER	:	7317.00
OTHER	:	150.29
ABREARS	:	4094.36
LATE CHG	:	0.00
REFUNDS	:	0.00
INTEREST	:	0.00
EGCD	:	0.00
NET AMOUNT		19266.77
GALLONS		837,500

RC 12-17

GRAND TOTALS

WATER	:	5360.22
SEWER	:	8004.00
OTHER	:	133.66
ARREARS	:	-3535.65
LATE CHG	:	0.00
REFUNDS	:	0.00
INTEREST	:	0.00
PGCD	:	0.00
NET AMOUNT		<u>\$952.23</u>
GALLONS		449,640

RC 1-18

GRAND TOTALS

WATER	:	5176.88
SEWER	:	8641.10
OTHER	:	138.16
ARREARS	:	-927.29
LATE CHG	:	0.00
REFUNDS	:	0.00
INTEREST	:	0.00
PGCD	:	0.00
NET AMOUNT		13028.85
GALLONS		387,420

Re - 2-18⁷

GRAND TOTALS

WATER	:	4918.38
SEWER	:	8749.76
OTHER	:	136.70
ARREARS	:	3011.84
LATE CHG	:	0.00
REFUNDS	:	0.00
INTEREST	:	0.00
PGCD	:	0.00
NET AMOUNT		16816.68
GALLONS	332,770	

Re 3-18

GRAND TOTALS

WATER	:	6873.06
SEWER	:	8787.00
OTHER	:	156.65
ARREARS	:	-728.39
LATE CHG	:	0.00
REFUNDS	:	0.00
INTEREST	:	0.00
PGCD	:	0.00
NET AMOUNT		15088.32
GALLONS		755,505

RC 4-18

GRAND TOTALS

WATER	:	6805.71
SEWER	:	8830.50
OTHER	:	156.39
ARREARS	:	1123.92
LATE CHG	:	0.00
REFUNDS	:	0.00
INTEREST	:	0.00
PGCD	:	0.00

NET AMOUNT		19916.52
GALLONS	745,499	

RA 5-18

GRAND TOTALS

WATER	:	8746.03
SEWER	:	8874.00
OTHER	:	176.19
ARREARS	:	-483.09
LATE CHG	:	0.00
REFUNDS	:	0.00
INTEREST	:	0.00
PGCD	:	0.00
NET AMOUNT		17313.13
GALLONS		1,065,961

Attachment 5

IMPORTANT CHANGES TO YOUR BILL

Dear Valued Customer:

Double Diamond Properties Construction (DDPC) has entered into a Wholesale Water Supply Agreement with Northwest Grayson County Water Control and Improvement District No. 1. As a result of this contract, and in accordance with our tariff approved by the Public Utility Commission, DDPC will be implementing a pass-through charge on your bill effective on the first meter reading after October 12, 2018 or upon approval of the Public Utility Commission. We are only passing through the cost incurred by us.

The rates (current and new) are as shown below.

	Current	Pass-Through Adjustment	New
Meter Size Charge			
5/8" or 3/4"	\$30.00	\$2.20	\$32.20
1"	\$75.00	\$5.49	\$80.49
1 ½"	\$150.00	\$10.98	\$160.98
2"	\$240.00	\$17.57	\$257.57
3"	\$450.00	\$32.94	\$482.94
Gallage Charge (Per 1,000 Gallons)			
0 – 2,000 gallons	\$3.63	\$0.87	\$4.50
2,001 – 10,000 gallons	\$3.91	\$0.87	\$4.78
10,000+ gallons	\$4.91	\$0.87	\$5.78

This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.21. The cost to you as a result of this change will not exceed the costs charged to your utility.

Double Diamond Properties Construction dba Rock Creek Resort
CCN No. 13235 / PWS No. 0910147
Calculation of Purchased Water Pass-Through Clause

$$G = \$ 0.87 (R \times I) / (1-L)$$

$$M = \$ 2.20 (E + A) / T$$

<u>Variable</u>	<u>Value</u>	<u>Description</u>
G =	\$ 0.87	Pass-Through gallons charge, rounded to the nearest one cent
R =	\$ 3.392	Rate (per 1,000 gallons) charged by Northwest Grayson County WCID No. 1
I =	23.26%	Imputed water subject to the pass-through clause, expressed as the percentage of water expected to be purchased (in gallons) divided by total water to be produced from all sources
L =	9.69%	Actual System average line loss for the preceding 12 months not to exceed 0.15
M =	\$ 2.20	Monthly Base Charge (per Meter Equivalent)
E =	\$ 270.09	Established Northwest Grayson County WCID No. 1 monthly base charge
A =	\$ -	Annual under recovery resulting from take or pay contract
T =	123	Total number of accounts (meter equivalents) at the beginning of the monthly billing cycle

<p>Double Diamond Properties Construction dba Rock Creek Resort</p> <p>CCN No. 13235 / PWS No. 0910147</p> <p>Calculation of Purchased Water Pass-Through Clause</p>
--

Meter Size	<u>Charge per</u>		<u>Meter</u>		<u>Pass-Through</u>	
		<u>Meter Equivalent</u>		<u>Equivalency Factor</u>		<u>Base Charge</u>
5/8" or 3/4"	\$	2.20		1.00	\$	2.20
1"		2.20		2.50		5.49
1 1/2"		2.20		5.00		10.98
2"		2.20		8.00		17.57
3"		2.20		15.00		32.94

Attachment 6

AFFIDAVIT OF PROOF OF NOTICE

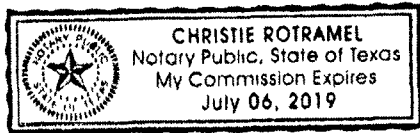
STATE OF TEXAS §
 Dallas §
COUNTY OF ~~GRAYSON~~ §

I, Randy Gracy, being duly sworn, a representative of Double Diamond Properties Construction Co. dba Rock Creek Resort ("Double Diamond"); that in such capacity, I am qualified and authorized to file and verify such affidavit; and that all statements made and matters set forth herein are true and correct.

I represent that a copy of the attached Notice was mailed by U. S. First Class Mail to every customer of Double Diamond Properties Construction Co. dba Rock Creek Resort on September 6, 2018.

Randy Gracy
Name: Randy Gracy / President

Subscribed and sworn to before me, this 6 day of September, 2018, to certify which witness my hand and seal of office.



Christie Rotramel
Notary Public in and for the State of Texas

IMPORTANT CHANGES TO YOUR BILL

Dear Valued Customer:

Double Diamond Properties Construction (DDPC) has entered into a Wholesale Water Supply Agreement with Northwest Grayson County Water Control and Improvement District No. 1. As a result of this contract, and in accordance with our tariff approved by the Public Utility Commission, DDPC will be implementing a pass-through charge on your bill effective on the first meter reading after October 12, 2018 or upon approval of the Public Utility Commission. We are only passing through the cost incurred by us.

The rates (current and new) are as shown below.

	Current	Pass-Through Adjustment	New
Meter Size Charge			
5/8" or 3/4"	\$30.00	\$2.20	\$32.20
1"	\$75.00	\$5.49	\$80.49
1 1/2"	\$150.00	\$10.98	\$160.98
2"	\$240.00	\$17.57	\$257.57
3"	\$450.00	\$32.94	\$482.94
Gallonge Charge (Per 1,000 Gallons)			
0 – 2,000 gallons	\$3.63	\$0.87	\$4.50
2,001 – 10,000 gallons	\$3.91	\$0.87	\$4.78
10,000+ gallons	\$4.91	\$0.87	\$5.78

This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.21. The cost to you as a result of this change will not exceed the costs charged to your utility.

Double Diamond Properties Construction dba Rock Creek Resort
CCN No. 13235 / PWS No. 0910147
Calculation of Purchased Water Pass-Through Clause

$$G = \$ 0.87 \quad (R \times I) / (1-L)$$

$$M = \$ 2.20 \quad (E + A) / T$$

<u>Variable</u>	<u>Value</u>	<u>Description</u>
G =	\$ 0.87	Pass-Through gallons charge, rounded to the nearest one cent
R =	\$ 3.392	Rate (per 1,000 gallons) charged by Northwest Grayson County WCID No. 1
I =	23.26%	Imputed water subject to the pass-through clause, expressed as the percentage of water expected to be purchased (in gallons) divided by total water to be produced from all sources
L =	9.69%	Actual System average line loss for the preceding 12 months not to exceed 0.15

M =	\$ 2.20	Monthly Base Charge (per Meter Equivalent)
E =	\$ 270.09	Established Northwest Grayson County WCID No. 1 monthly base charge
A =	\$ -	Annual under recovery resulting from take or pay contract
T =	123	Total number of accounts (meter equivalents) at the beginning of the monthly billing cycle

<p>Double Diamond Properties Construction dba Rock Creek Resort</p> <p>CCN No. 13235 / PWS No. 0910147</p> <p>Calculation of Purchased Water Pass-Through Clause</p>
--

Meter Size		<u>Charge per</u> <u>Meter Equivalent</u>		<u>Meter</u> <u>Equivalency Factor</u>		<u>Pass-Through</u> <u>Base Charge</u>
5/8" or 3/4"	\$	2.20		1.00	\$	2.20
1"		2.20		2.50		5.49
1 1/2"		2.20		5.00		10.98
2"		2.20		8.00		17.57
3"		2.20		15.00		32.94