



PUBLIC UTILITY COMMISSION OF TEXAS

CLASS B RATE/TARIFF CHANGE APPLICATION

Required Schedules for rate/tariff changes

WATER UTILITY NAME: _____
CCN No. _____

ADDRESS OF UTILITY: _____
Street, P.O. Box and/or suite number

City and Zip Code

PHONE NUMBER: (____) _____
area code

NAME OF PERSON TO CONTACT REGARDING THIS FILING:

NAME: _____

PHONE: _____

EMAIL ADDRESS: _____

PUC CLASS SIZE: B C (circle one)

INCREASE (DECREASE) _____ (From Sch. I-1, Line 33)
dollar amount

_____ (From Sch. I-1, Line 34)
percent above (below) current revenue requirement

DESCRIBE OWNERSHIP OF COMPANY:

DATE OF LAST GENERAL RATE CASE FILING: _____

DATE OF LAST NON-GENERAL RATE CHANGE*: _____

* (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: _____
 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: _____
 DATE SUBMITTED TO PUC: _____

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

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

INSTRUCTIONS REV REQUIREMENT

UTILITY NAME: _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SECTION I - REVENUE REQUIREMENTS AND REVENUES

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

Instructions for Section I - Revenue Requirement and Revenues

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

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

Schedule I-2 reports historical revenues collected and Schedules I-3 and 1-4 report connection information. Use historical financial data and data from recent annual reports (PUC Rpt.) to complete the schedules.

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

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

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

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE I-1 REVENUE REQUIREMENT SUMMARY PUC Docket No. _____ Test Year End: _____						
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				Schedule II-3
2	615	Power Expense-production only				Schedule II-4
3	618	Other volume related expenses				Schedule II-5
4		Total volume related exp.				Add Lines 1-3
		Non-volume related expenses:				
5	601-1	Employee labor				Schedule II-6, Line 1
6	620	Materials				Schedule II-7
7	631-636	Contract work				Schedule II-8
8	650	Transportation expenses				Schedule II-9
9	664	Other plant maintenance				Schedule II-10
10		Total non-volume related exp.				Add Lines 5-9
		Admin. & general expenses:				
11	601-2	Office salaries				Schedule II-6, line 2
12	601-3	Mgmt. salaries				Schedule II-6, line 3
13	604	Employee pensions & benefits				Schedule II-11
14	615	Purchased power-Office only				Schedule II-4
15	670	Bad debt expense				Schedule II-12
16	676	Office services & rentals				Schedule II-13
17	677	Office supplies & expenses				Schedule II-14
18	678	Professional services				Schedule II-15
19	684	Insurance				Schedule II-16
20	666	Regulatory (rate case) expense				Schedule II-17
21	667	Regulatory expense (other)				Schedule II-18
22	675	Miscellaneous expenses				Schedule II-19
23		Total admin. & general expense				Add Lines 11-22
24		Total operating Expenses				Lines 4 + 10 + 23
25	403	Depreciation				Sch III-3, Col E, Line 50
26	408	Taxes Other than Income				Sch IV(b), Line 8
27	409/10	Income Tax Expense				Schedule V, Line 7
28		TOTAL EXPENSES				
29		TOTAL HISTORIC REVENUE				Sch I-2, Line 6
30		HISTORICAL TEST YEAR RETURN				Line 30 less Line 29
31		REQUESTED RETURN				Schedule III-1, Line 3
32		TOTAL REVENUE REQUIREMENT				Line 30 plus Line 34
33		REQUESTED ANNUAL REVENUE INCREASE		(to notice)		Line 32 less Line 29
34		PERCENTAGE INCREASE				Line 36 divided by Line 33
35		LESS: OTHER REVENUES				Sch. II-3(b), Col. D, Line 8
36		Revenue for Rate Design		(to VI, line 1)		Line 33 minus Line 35

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE FOR TEST YEAR ENDED: _____ I-2 HISTORICAL REVENUE SUMMARY			
Line No.	NARUC A/C	Description	Historical Test Year
1.	461	Metered connections base rate revenue	From financial records
2.	461	Metered connection gallonage rate revenue	From financial records
3.	460	Unmetered (Flat rate) revenue	From financial records
4.	Total Metered & Flat Rate Revenue		
5.	Plus: Total Other Revenues		From II-3, Column B, line 7
6.	Total Historic Test Year Revenues per income statement and Annual Report*		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: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
I-3 METERED ACTIVE CONNECTIONS BY METER SIZE
 FOR TEST YEAR ENDED:

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"					1.0	
2.	3/4"					1.5	
3.	1"					2.5	
4.	1 1/2"					5.0	
5.	2"					8.0	
6.							
7.							
8.							
9.	Total						
10	Average						

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE I-4 UNMETERED (FLAT RATE) ACTIVE CONNECTIONS FOR TEST YEAR ENDED:
--

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				

INSTRUCTIONS - OPERATIONS AND MAINTENANCE

UTILITY NAME: _____
SCHEDULES - CLASS B RATE/TARIFF CHANGE
SECTION II - OPERATIONS AND MAINTENANCE

The purpose of Section II is to report expense information and allow for 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: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-1(a) AND II-1(b) - HISTORICAL OF WATER PRODUCTION FOR TEST YEAR ENDED: _____
--

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

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

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

Known and measurable calculations and explanations:

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

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

Known and measurable calculations and explanations:

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-3 OTHER REVENUES & EXPENSES PASSED THROUGH FOR TEST YEAR ENDED:

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

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

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

II-3(b) Other revenues collected from customers

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

(to Sch. I-2, line 5)

(to Sch. I-1, line 35)

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

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

UTILITY NAME: _____ II-4 SCHEDULES - CLASS B RATE/TARIFF CHANGE PURCHASED POWER FOR TEST YEAR ENDED: _____
--

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
	_____	\$ _____
	_____	\$ _____
Test Year	_____	\$ _____
K & M Change	_____	\$ _____ (to I-1, Column E, Line 2)
Adjusted Test year	_____	\$ _____ (to I-1, Column F, Line 2)

Explanation and calculations of known and measurable change:

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

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

Explanation and calculations of known and measurable change:

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-5 OTHER RELATED VOLUME EXPENSES FOR THE TEST YEAR ENDED:
--

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.

	Year	Amount	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	_____	\$ _____	
b. K & M Change		\$ _____	(to I-1, Column E, Line 3)
c. Adjusted Test year (a.+b.)		\$ _____	(to I-1, Column F, Line 3)

Explanation and calculations of known and measurable change:

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

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

II-6(a) PAYROLL COSTS:

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

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

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

Line No.	Acct. No.	Account Name	Test Yr Expense	
1.	601-1	Employee labor		to Schedule I-1, Line 5.
2.	601-2	Office salaries		to Schedule I-1, Line 11.
3.	601-3	Management salaries		to Schedule I-1, Line 12.
4.		Total Payroll Expenses		(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: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-7 MATERIALS FOR THE TEST YEAR ENDED:
--

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
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:

	Year	Amount	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	_____	\$ _____	
b. K & M Change		\$ _____	(to I-1, Column E, Line 6)
c. Adjusted Test year (a. + b.)		\$ _____	(to I-1, Column F, Line 6)

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

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

Explanation and calculations of known and measurable change:

II-7(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-8 CONTRACT WORK FOR THE TEST YEAR ENDED:
--

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
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.

Year	Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____
a. Test Year _____	\$ _____
b. K & M Change	\$ _____ (to I-1, Column E, Line 7)
c. Adjusted Test year (a. + b.)	\$ _____ (to I-1, Column F, Line 7)

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

Explanation and calculations of known and measurable change:

II-8(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-9 TRANSPORTATION FOR THE TEST YEAR ENDED: _____

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
	_____	\$ _____
	_____	\$ _____
a. Test Year	_____	\$ _____
b. K & M Change		\$ _____ (to I-1, Column E, Line 8)
c. Adjusted Test year (a. + b.)		\$ _____ (to I-1, Column F, Line 8)

Explanation and calculations of known and measurable change:

II-9(b) Large Items*:

Description	Amount	Date in service

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

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-10 OTHER PLANT MAINTENANCE FOR THE TEST YEAR ENDED:

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
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:

	Year	Amount	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	_____	\$ _____	
b. K & M Change		\$ _____	(to I-1, Column E, Line 9)
c. Adjusted Test year (a. + b.)		\$ _____	(to I-1, Column F, Line 9)

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

Explanation and calculations of known and measurable change:

II-10(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-11 EMPLOYEE PENSIONS AND BENEFITS FOR THE TEST YEAR ENDED: _____
--

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*
------	-----------------	-------------	-----------	----------	------------------------

Cost per Employee: _____

Year	\$ Total Amount	\$ Pensions	\$ Health	\$ Other	\$ Amount Capitalized*
------	-----------------	-------------	-----------	----------	------------------------

Number of Employees covered: _____

Cost per Employee: _____

List types of Pensions & Benefits:

Year	\$ Total Amount	\$ Pensions	\$ Health	\$ Other	\$ Amount Capitalized*
------	-----------------	-------------	-----------	----------	------------------------

Number of Employees covered: _____

Cost per Employee: _____

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

UTILITY NAME _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-12 BAD DEBTS FOR THE TEST YEAR ENDED:
--

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.

	Year	Amount	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	_____	\$ _____	
b. K & M Change		\$ _____	(to I-1, Column E, Line 15)
c. Adjusted Test year (a. + b.)		\$ _____	(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: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-13 OFFICE SERVICES AND RENTALS FOR THE TEST YEAR ENDED: _____

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
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:

	Year	Amount
	_____	\$ _____
	_____	\$ _____
a. Test Year	_____	\$ _____
b. K & M Change		\$ _____ (to I-1, Column E, Line 16)
c. Adjusted Test year (a. + b.)		\$ _____ (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: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-14 OFFICE SUPPLIES FOR THE TEST YEAR ENDED:

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	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	_____	\$ _____	
b. K & M Change		\$ _____	(to I-1, Column E, Line 17)
c. Adjusted Test year (a. + b.)		\$ _____	(to I-1, Column F, Line 17)

Explanation and calculations of known and measurable change:

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

II-14(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-15 PROFESSIONAL SERVICES FOR THE TEST YEAR ENDED: _____

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	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	_____	\$ _____	
b. K & M Change		\$ _____	(to I-1, Column E, Line 18)
c. Adjusted Test year (a. + b.)		\$ _____	(to I-1, Column F, Line 18)

Explanation and calculations of known and measurable change:

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

II-15(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-16 INSURANCE FOR THE TEST YEAR ENDED: _____

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
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:

	Year	Amount	
		\$ _____	
		\$ _____	
a. Test Year		\$ _____	
b. K & M Change		\$ _____	(to I-1, Column E, Line 19)
c. Adjusted Test year (a. + b.)		\$ _____	(to I-1, Column F, Line 19)

Types of insurance:

	\$ _____			
Year	Total amount	Period Covered	Type	Company
	\$ _____			
Year	Total amount	Period Covered	Type	Company
	\$ _____			
Year	Total amount	Period Covered	Type	Company

Explanation and calculations of known and measurable change:

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-17 REGULATORY EXPENSE FOR THE TEST YEAR ENDED: _____
--

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

Line No.	Account No.	Account Name
20.	666	Regulatory (Rate Case) Expense

II-17(a) Regulatory commission expense

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

	Year	Amount	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	_____	\$ _____	
b. K & M Change		\$ _____	(to I-1, Column E, Line 20 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ _____	(to I-1, Column F, Line 20 - see instructions above)

Explanation and calculations of known and measurable change:

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

II-17(b) Large Items:

Description	Amount	Date in service

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-18 REGULATORY EXPENSE FOR THE TEST YEAR ENDED: _____
--

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
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	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	_____	\$ _____	
b. K & M Change		\$ _____	(to I-1, Column E, Line 21 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ _____	(to I-1, Column F, Line 21 - see instructions above)

Explanation and calculations of known and measurable change:

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

II-18 (b) Large Items:

Description	Amount	Date in service

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-19 MISCELLANEOUS EXPENSE FOR THE TEST YEAR ENDED: _____

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	
	_____	\$ _____	
	_____	\$ _____	
a. Test Year	_____	\$ _____	
b. K & M Change		\$ _____	(to I-1, Column E, Line 22 - see instructions above)
c. Adjusted Test year (a. + b.)		\$ _____	(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: _____

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: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE III-1 REQUESTED RETURN FOR THE TEST YEAR ENDED:
--

RETURN ON RATE BASE:

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

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 x F)
4.	Equity (Rate base less Line 5, Column D)				Col E = Requested return on equity	
5.	Long Term Debt and Advances from associated companies from Schedule III-6				Col E = From Sch. III-6, Column H, Line 9	
6.	Total capitalization (Rate Base Sch III-2, Line 16)					
7.	Return on rate base Col G, Line 6 rounded to nearest 0.01%)				Line 4 + Line 5	

To Line 2 above

* ROE = Return on Equity

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-2 RATE BASE SUMMARY
 FOR THE TEST YEAR ENDED: _____

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

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE							Schedule III-3					
III-3 UTILITY PLANT IN SERVICE (NET BOOK VALUE) CALCULATION							(Provide a schedule for each PWS system)					
0							Add schedules as needed, provide a summary also					
Line No.	[A]	[B]	[C]	[D.1]	[D.2]	[D]=[D.1]-[D.2]	Depreciation			[E]=[D]/[C] Annual (\$)	[F] Accumulated (\$) (Reserve)	[G]=[D]-[F] Net Book Value (\$)
	Item	Date of Installation	Service Life (yrs) **	Original Cost when installed \$	Customer CIAC amount	Adjusted Original Cost for Customer CIAC ¹	Time in Service					
							Years in Service	Months	Days			
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											

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: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE III-3(a) UTILITY PLANT IN SERVICE-RECONCILIATION TO PRIOR CASE FOR TEST YEAR ENDED: _____
--

ORIGINAL COST DATA

A	B	C	D
Line No.	Description	Amount	Amount
1.	Beginning Gross Plant balance - (from previous rate case)	Must match previous rate case	\$
2.	Plant additions after previous rate case		
3.		\$	
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)		\$
12.	Test year plant retirements after previous rate case:		
13.		\$	
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.	Total retirements (add line 13 through 20, Col C)		\$
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: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS, MATERIALS AND SUPPLIES INVENTORY & PREPAYMENTS FOR THE TEST YEAR ENDED: _____
--

*****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	
2.	Test year costs added	
3.	Test year construction costs completed	
4.	Ending balance	
5.	Average balance - test year (line 1 plus line 4, divided by 2)	

Typically zero, to Schedule III-2, Line 3

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

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: _____ SCHEDULES FOR CLASS B RATE/TARIFF CHANGE III-5 WORKING CASH ALLOWANCE CALCULATIONS FOR THE TEST YEAR ENDED: _____

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	B	Water	Sewer	Water	Sewer
Line No	Description	Class B		Class C	
1	Annual O & M Expenses				
2	Working Cash (Line 3 / Line 5)				
3	Divisor	12	12	8	8

From Sch I-1, line 25

To Sch III-2, line 5

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-6 LONG TERM DEBT/ NOTES PAYABLE – WATER AND SEWER
 FOR THE YEAR ENDED:

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							
3							
4							
5							
6							
7							
8							
9	Total						

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

List short term debt, if any:

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE III-7 ACCUMULATED DEPRECIATION FROM PRIOR RATE CASE FOR THE TEST YEAR ENDED:

ACCUMULATED DEPRECIATION:

Line No.	Description	Dollar Amount
1.	Ending-Prior Rate Case (Docket No. _____)	
2	Ending balance per Sch III-3, Column F, Line 50	
	Describe accounting adjustments made between the prior rate case and the current rate case:	

Must match previous rate case.

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE III-8 ADVANCES FOR CONSTRUCTION AND CONTRIBUTIONS IN AID OF CONSTRUCTION FOR THE TEST YEAR ENDED:

III-8(a) ADVANCES FOR CONSTRUCTION:

Line No.	A Item	B Date of Installation	C Total Cost	D Amount of Advance	E Repayments made to developer	F (F)=(D)-(E) Rate base Value (to Sch III-2)	G Amount to be refunded in the future*
1.							
2.							
3.							
4.							
5.							
6.	Total						

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

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

Line No.	A Item	B Date of Installation or Contribution	C Total Cost	D Amount of Developer Contribution	E Annual amortization	F Accumulated Amortization	G (G)=(D) - (F) Rate Base Value (to Sch III-2)
1.							
2.							
3.							
4.							
5.							
6.	Total						

*Customer CIAC is entered directly on III-3

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE III-9 DEFERRED INCOME TAXES AND DEFERRED INVESTMENT TAX CREDITS FOR THE TEST YEAR ENDED: _____
--

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	
2.	Test year amount	
3.	Ending balance	

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

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

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-10 OTHER DEFERRED ASSETS
 FOR THE TEST YEAR ENDED: _____

III-10(a) : Other Deferred Assets

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

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

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

SECTION IV OTHER TAX INSTRUCT

UTILITY NAME: _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE

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

Instructions for Section IV

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

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV(a) ESTIMATE OF TAXES OTHER THAN INCOME
 FOR THE TEST YEAR ENDED: _____

PROPERTY TAXES:

A	B	C	D	E
Line No.	Description	Amount	Amount	Reference
1	Property taxes paid in in test year			per property tax bills
2	Utility plant added in test year			Schedule III-3(a), Line 11
3	Utility plant retirements in test year			Schedule III-3(a), Line 21
4	Net additions			Line 2 minus line 3
5	Net Property tax rate			Line 1 / beginning of test year gross plant balance from III-3 (a), Col. D, Line 1
6	Test year property tax on additions			Line 4 times Line 5
7	Adjusted Test year property tax expense			Line 1 + Line 6
8	Known and measurable change			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	
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)					
15	Less: Capitalized	Use % on Sch II-6(a), line 10	%			
16	Test year Payroll Tax Expense	Line 13 less 14				
17	Known and measurable change				(Line 13 minus Line 14)	

OTHER TAXES:

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

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV(b) REVENUE RELATED TAXES AND EXPENSES
 FOR THE TEST YEAR ENDED: _____

A	B	C	D	E	F=B+C+D+E
Line	Texas Margins Tax	City Franchise Taxes	Bad Debt Expense	Other Revenue Related	Totals
1	Test year expense				
2	Test year effective rate (test year tax expense/historic test year revenues-Sch I-1)				
3	Gross up factor (1.0 divided by (1.0 minus Line (example below))				
4	Change in revenue requirement (Sch I-1, line 33)				
5	Adjusted revenue requirement (Line 3 x Line 4)				
6	Adjusted expense (Line 3 times Line 4)				
7	Add Schedule IV(a) , Line 20				
8	Total taxes other than FIT (to Sch I-1, Col F, Line 26)				

Example: Test Year Franchise tax \$ 100
 Test Year revenues: \$ 2,000
 Percentage (100/2000): 0.050
 Gross up factor (1/(1-0.05)) 1.052631579

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: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE V SCHEDULE OF EFFECTIVE FEDERAL TAX RATE FOR THE TEST YEAR ENDED: _____
--

A	B	C	D
Line		Amount	Reference
1	Requested Return	Amount	Schedule III-1, Line 3 or II-1, line 34
2	Less: Synchronized Interest	Amount	Sch. III-1, Col. G, Line 5 x Sch. III-2, Line 16)
3	Requested taxable return		Line 1 minus Line 2
4	Income taxes at proposed rates		Line 17 below
5	Effective tax rate		Line 4 divided by Line 3
6	Total gross up factor		1.0 divided by (1.0 minus line 5)
7	Grossed up federal income tax		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%	
13	Next 25,000 of taxable income	25,000	25%	
14	Next 25,000 of taxable income	25,000	34%	
15	Next 235,000 of taxable income	235,000	39%	
16	Over 335,000 of taxable income		34%	
17	Total before gross up		To Line 4	

UTILITY NAME: _____
VI RATE DESIGN INSTRUCTIONS
SCHEDULES - CLASS B RATE/TARIFF CHANGE

Section VI is used for rate design.

Instructions for Section VI:

Sheet VI-1 designs rates based on the requested revenue requirement. Complete the schedule using the referenced lines from other schedules. The schedule is for a simple base (customer charge) rate and one gallonage rate per each 1,000 gallons. If a different rate structure is requested, all calculations supporting the proposed rates must be included. Rates and resulting revenues for each class of customer and each rate tier included in the proposed tariff must be specified. If a different fixed/variable expense split is proposed, attached explanations of why the split is appropriate, and include any calculations not included on Schedule VI.

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
Schedule VI-1 RATE DESIGN
 FOR THE TEST YEAR ENDED:

Line No.	A	B	C
		Reference	
	DETERMINATION OF FIXED COSTS		
1.	Gross revenues to be recovered:	Sch I-1, Line 36	
	Less variable costs:		
2.	Purchased water - Account 610	Sch I-1, Col. F, line 1	
3.	Purchased power - Account 615	Sch I-1, Col. F, line 2	
4.	Other volume related - Account 618	Sch I-1, Col. F, line 3	
5.	Other volume related or allocated (attach schedule)		
6.			
7.			
8.			
9.			
10.	FIXED COSTS (Line 1 minus Lines 2-9)		
11.	% OF FIXED COSTS RECOVERED IN VOLUMETRIC CHARGE		
12.	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		
	RECAP:		
13.	RECOVERED THROUGH BASE SERVICE CHARGE	Line 10	
14.	RECOVERED THROUGH VOLUMETRIC RATE	Line 1 - Line 10	
	TOTAL	Equals Line 1	
	TO BE RECOVERED THROUGH BASE SERVICE CHARGE		
15.	TOTAL METER EQUIVALENTS	Sch I-3, Col H, line 9	
16.	CHARGE PER 5/8" X 3/4" METER	Line 13 / Line 15	
	TO BE RECOVERED THROUGH VOLUMETRIC RATE		
17.	TOTAL WATER SALES IN 1,000 GALS	Sch II-1(a), Col C, line 4	
18.	VOLUMETRIC RATE (CHARGE PER 1,000 GALS)	Line 14 / Line 17	
	PROPOSED RATES:		
19.	FOR ALL WATER DELIVERED PER 1,000 gallons	Line 18 or attach calc	
	BASE SERVICE CHARGE (PER 5/8" X 3/4")		
	Meter size	Line 16	Equivalency Base Rate/size
20.	5/8 X 3/4"		X 1.0 =
21.	3/4"		X 1.5 =
22.	1"		X 2.5 =
23.	1 1/2"		X 5.0 =
24.	2"		X 8.0 =
25.	3"		X 15.0 =
26.	4"		X 25.0 =

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.