



CLASS B RATE/TARIFF CHANGE APPLICATION

UTILITY NAME: _____

CCN No. _____

ADDRESS OF UTILITY: _____
P.O. Box, Street and suite number, if applicable

City and Zip Code

PHONE NUMBER: (____) _____
area code

NAME OF PERSON TO CONTACT REGARDING THIS FILING:

NAME: _____

PHONE: _____

EMAIL ADDRESS: _____

PUCT CLASS SIZE: **B**
Connection Count: **2,300-9,999**

FOR TEST YEAR ENDING: _____ (Enter Month/Day/Year)

AMOUNT OF REVENUE INCREASE (DECREASE) _____
in dollars
(From Schedule VII-1, Column B, Line 5 or
Schedule VII-2, Column C, Line 29 or
Schedule VII-3, Column C, Line 51)

PERCENT INCREASE (DECREASE): _____
percent above (below) current revenue requirement
(From Schedule VII-1, Column B, Line 6 or
Schedule VII-2, Column C, Line 30 or
Schedule VII-3, Column C, Line 52)

DESCRIBE OWNERSHIP OF COMPANY:

PUBLIC UTILITY COMMISSION OF TEXAS (PUCT) DOCKET NUMBER OF LAST MAJOR RATE FILING*: _____
(If the last major rate filing was at the Texas Commission on Environmental Quality (TCEQ), provide a copy of the final order.)

RATE CASE OR DOCKET NUMBER OF LAST MINOR TARIFF RATE CHANGE**: _____

IF ANY UTILITY ASSETS WERE TRANSFERRED IN A SALE, TRANSFER, MERGER APPLICATION _____

*(e.g. Class B or C Rate Change application or TCEQ Rate/Tariff change application).

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

CLASS B RATE/TARIFF CHANGE INSTRUCTIONS FOR APPLICATION

This application can only be used by Class B utilities. Class B utilities have connections counts from 2,300 to 9,999. The application contains schedules for the calculation of rates for one type of utility service (water or sewer). While the instructions that follow relate to only one set of schedules, they apply to each type of utility service that you are providing. If applicable, costs should be directly assigned to water and sewer functions. In the event that direct assignment is not possible, allocate expenses between water and sewer as accurately as possible, using cost-causation principles. Complete a set of rate/tariff change application schedules for each type of utility service provided. For instance, if the utility provides water and sewer service, but is only requesting a change for water service, the utility will also need to complete a set of rate/tariff change application schedules for sewer service.

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

- 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 Record historical operating expenses and make known and measurable 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).**
- 10th Calculate the increase (decrease) in revenue for the notice.**

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. Specifically, the utility must provide the general ledger, invoices and receipts from third party vendors supporting the test year expenses. If the applicant does not use a schedule, it should be marked "N/A", and an explanation provided.

CLASS B RATE/TARIFF CHANGE APPLICATION ATTACHMENTS REQUIRED FOR SUFFICIENCY

The utility must submit the following with the rate application as each applies to the specific utility and affiliates:

1. Organizational Chart.
2. Cost Allocation information/Cost Allocation Manual.
3. Rating Agency Reports/Prospectus.
4. Payroll allocation – detail on how the split (between water and sewer, or between affiliates) was calculated and supporting documentation.
5. Customer Complaint policy and records.
6. Federal forms 1096 and 1099 supporting any contract labor requested in the cost of service or capitalized.
7. Federal forms W-2 and W-3 supporting any wages claimed in the cost of service or capitalized to plant in service.
8. Income statement and balance sheet (per books) for the test year for Texas utility operations. If the utility provides both water and sewer service, then the information provided should include information for both water and sewer service, separately stated and totaled, regardless if the application is for only a water rate change or only a sewer rate change or for both.
9. If you have any developer agreements please provide as such.
10. All required schedules and supporting workpapers for a rate change. Mark any schedules that are not applicable to the utility with "N/A"
11. If the utility's tariff includes a pass-through clause or a surcharge, please provide a reconciliation of revenues collected for the pass-through clause or surcharge, and expenses paid related to the pass-through clause or surcharge for the test year.
12. If the utility's cost of service includes any affiliated transactions (affiliates as defined in TWC § 13.002 (2)), the utility must list them separately and provide evidence that meets the affiliate transaction requirements in TWC § 13.185(e) and (f). Provide a schedule that includes direct assignment costs, allocated costs and any other changes between affiliates with a summary by
13. Native files for any schedules where only summaries were provided or areas where the applicant used their own created files.
14. Proposed notice forms located at puc.texas.gov.
15. An affidavit attesting to the correctness of the application included in the application form.

The federal forms above should be filed confidentially to protect sensitive information.

Affiliates and Affiliated transactions: In order to be considered for inclusion in the cost of service as a reasonable and necessary cost in accordance with Texas Water Code § 13.185(e), payment to affiliated interests for costs of any services, or any property, right or thing, or for interest expense must be supported by documentation showing that the price to the utility is no higher than prices charged by the supplying affiliate to its other affiliates or divisions for the same item or items, or to unaffiliated persons or corporations.

If the applicant is affiliated with another entity, provide the most recent annual income statement, statement of cash flow, and balance sheet for the affiliated entity(ies).

UTILITY NAME: _____
 GENERAL RATE/TARIFF CHANGE APPLICATION SCHEDULES
 TABLE OF CONTENTS (Page 1 of 2)

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

FOR TEST YEAR ENDED: _____

	<u>Attachment Schedule</u>	<u>Items Checked</u>
SECTION I		
<u>REVENUES AND REVENUE REQUIREMENT</u>		
Revenue Requirement Summary	I-1	<input type="checkbox"/>
Historical Revenue Summary	I-2	<input type="checkbox"/>
Utility Revenue Summary - Income Statement	I-2(a)	<input type="checkbox"/>
Application Reconciled to Income Statement	I-2(b)	<input type="checkbox"/>
 <u>Include the appropriate schedules:</u>		
Connection Count	I-3	<input type="checkbox"/>
Metered Active Connections by Meter Size	I-3(a)	<input type="checkbox"/>
Unmetered Active (Flat Rate) Customers	I-3(b)	<input type="checkbox"/>
 SECTION II		
<u>OPERATIONS AND EXPENSES</u>		
Production	II-1	<input type="checkbox"/>
Water & Sewer Production (metered rates)	II-1(a)	<input type="checkbox"/>
Water Production (with unmetered rates)	II-1(b)	<input type="checkbox"/>
Other Revenues & Expenses passed through	II-2	<input type="checkbox"/>
Operating Expenses	II-3	<input type="checkbox"/>
Large Items	II-4	<input type="checkbox"/>
Known & Measurable Changes	II-5	<input type="checkbox"/>
Affiliate Transactions	II-6	<input type="checkbox"/>
Allocation of Payroll Expenses	II-7(a)	<input type="checkbox"/>
Calculation of Payroll Taxes	II-7(b)	<input type="checkbox"/>
Employee Pensions/Benefits	II-8	<input type="checkbox"/>
Other Expenses	II-9	<input type="checkbox"/>
Advertising	II-9(a)	<input type="checkbox"/>
Contributions	II-9(b)	<input type="checkbox"/>
Dues and Membership	II-9(c)	<input type="checkbox"/>
Regulatory Expenses	II-9(d)	<input type="checkbox"/>
Unaffiliated Rents & Leases	II-10(a)	<input type="checkbox"/>
Affiliated/Allocated Rents & Leases	II-10(b)	<input type="checkbox"/>
Rate Case Expense	II-11	<input type="checkbox"/>
 SECTION III		
<u>RETURN AND RATE BASE/PLANT & EQUIPMENT INFORMATION</u>		
Requested Return	III-1	<input type="checkbox"/>
Rate Base Summary	III-2	<input type="checkbox"/>
Utility Plant - Original Cost & Depreciation	III-3	<input type="checkbox"/>
Utility Plant reconciled to previous filing	III-3(a)	<input type="checkbox"/>
Accumulated Depreciation	III-3(b)	<input type="checkbox"/>
Construction Work in Progress	III-4	<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 Allowance Calculations	III-5	<input type="checkbox"/>

UTILITY NAME: _____
 GENERAL RATE/TARIFF CHANGE APPLICATION SCHEDULES
 TABLE OF CONTENTS (Page 2 of 2)

FOR TEST YEAR ENDED: _____

	<u>Attachment Schedule</u>	<u>Items Checked</u>
SECTION III <u>RETURN AND RATE BASE/PLANT & EQUIPMENT INFORMATION (Continued)</u>		
Long Term Debt/ Notes Payable – Water and Sewer	III-6	<input type="checkbox"/>
Affiliate Receivables and Payables	III-7	<input type="checkbox"/>
Contributions in Aid of Construction and Advances	III-8	<input type="checkbox"/>
Advances for Construction	III-8(a)	<input type="checkbox"/>
Contributions in Aid of Construction	III-8(b)	<input type="checkbox"/>
Accumulated Deferred Federal Income Taxes (ADFIT)	III-9	<input type="checkbox"/>
ADFIT	III-9(a)	<input type="checkbox"/>
Unprotected Excess ADFIT	III-9(b)	<input type="checkbox"/>
Protected Excess ADFIT	III-9(c)	<input type="checkbox"/>
Accumulated Deferred Investment Tax Credits	III-9(d)	<input type="checkbox"/>
SECTION IV <u>TAXES OTHER THAN INCOME</u>		
Property Taxes	IV	<input type="checkbox"/>
Payroll Taxes	IV-1(a)	<input type="checkbox"/>
Other Taxes	IV-1(b)	<input type="checkbox"/>
Revenue Related Taxes	IV-1(c)	<input type="checkbox"/>
	VI-2	<input type="checkbox"/>
SECTION V <u>FEDERAL INCOME TAXES (FIT)</u>		
Federal Income Taxes at Present Rates- effective rate	V-1	<input type="checkbox"/>
SECTION VI <u>RATE DESIGN</u>		
Fixed & Variable Revenue Requirement Allocation	VI-1	<input type="checkbox"/>
Flat Rate	VI-2	<input type="checkbox"/>
Rate Calculation for Single Tier Gallonage Charge for All Usage	VI-3	<input type="checkbox"/>
Multi-Tiered Rate Calculation	VI-4	<input type="checkbox"/>
Surcharge Calculation	VI-5	<input type="checkbox"/>
Flat Rate Surcharge Calculation	VI-5(a)	<input type="checkbox"/>
Meter Equivalent Surcharge Calculation	VI-5(b)	<input type="checkbox"/>
SECTION VII <u>RATES & REVENUE GENERATED FOR NOTICE</u>		
Revenue Generated for Flat Rate	VII-1	<input type="checkbox"/>
Revenue Generated for Single Tier Gallonage Charge for All Usage	VII-2	<input type="checkbox"/>
Revenue Generated for Multi-Tier Gallonage Charges	VII-3	<input type="checkbox"/>
Surcharge Revenue Calculation	VII-4	<input type="checkbox"/>
Revenue Generated for Flat Rate Surcharge	VII-4(a)	<input type="checkbox"/>
Revenue Generated for Meter Equivalent Surcharge	VII-4(b)	<input type="checkbox"/>
SECTION VIII <u>OATH</u>		
	VIII	<input type="checkbox"/>

INSTRUCTIONS REVENUE 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.

Complete this section using the instructions on each schedule.

Instructions for Section I - Revenue Requirement and Revenues

This schedule will complete the utility's summarization of revenue requirement after all schedules except the rate design are completed.

1. Follow the instructions within the spreadsheet and complete the historical test year column (D) first using financial records. Historical data should be consistent with the applicant's annual reports and financial statements. Provide explanations
2. Complete Schedules II-2, 1-2, 1-3(a) and I-3(b).
3. Complete the remaining schedules in Sections II through V using the instructions provided in the instruction worksheets for the section or schedule and in the spreadsheets themselves.
4. Complete Schedule I-1.
5. Complete Section VI Rate Design.

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 the National Association of Regulatory Utility Commissioners (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
 PUCT Docket No. _____ Test Year End: _____

A	B		C	D	E	F=D+E	G
Line	Acct. No.		Account Name	Historical Test Year	K & M Changes	Adjusted Test Year	Reference / Instructions
	Water	Sewer					
1.	610	710	Purchased water/sewer treatment				Schedule II-3, Columns C-E, Line 1
2.		711	Sludge Removal Expense				Schedule II-3, Columns C-E, Line 2
3.	615.1	715.1	Power Expense-wells, booster pumps				Schedule II-3, Columns C-E, Line 3
4.	618	718	Chemicals and other volume related expenses				Schedule II-3, Columns C-E, Line 4
5.	601.1	701.1	Employee labor				Schedule II-3, Columns C-E, Line 5
6.	620	720	Materials				Schedule II-3, Columns C-E, Line 6
7.	631-636	731-736	Contract work				Schedule II-3, Columns C-E, Line 7
8.	650	750	Transportation expenses				Schedule II-3, Columns C-E, Line 8
9.	664	764	Other plant maintenance				Schedule II-3, Columns C-E, Line 9
10.	601.2	702.2	Office salaries				Schedule II-3, Columns C-E, Line 10
11.	603	703	Management salaries				Schedule II-3, Columns C-E, Line 11
12.	604	704	Employee pensions & benefits				Schedule II-3, Columns C-E, Line 12
13.	615.8	715.8	Purchased power- G&A				Schedule II-3, Columns C-E, Line 13
14.	670	770	Bad debt expense				Schedule II-3, Columns C-E, Line 14
15.	676	776	Office services & rentals				Schedule II-3, Columns C-E, Line 15
16.	677	777	Office supplies & expenses				Schedule II-3, Columns C-E, Line 16
17.	656-659	756-759	Insurance				Schedule II-3, Columns C-E, Line 17
18.	667	767	Regulatory expense (other)				Schedule II-3, Columns C-E, Line 18
19.	675	775	Miscellaneous expenses				Schedule II-3, Columns C-E, Line 19
20.							Schedule II-3, Columns C-E, Line 20
21.			Total operating Expenses				Add Lines 1-20
22.	403		Depreciation				Schedule III-3, Column F, Line 32
23.	408		Taxes Other than Income				Schedule IV-2, Column F, Line 8
24.	409/10		Income Tax Expense				Schedule V-1, Column C, Line 6
25.			TOTAL EXPENSES				Add Lines 21-24
26.			TOTAL HISTORIC REVENUE				Schedule I-2(a), Line 6
27.			HISTORICAL TEST YEAR RETURN				Line 26 less Line 25
28.			REQUESTED RETURN				Schedule III-1, Line 3
29.			TOTAL REVENUE REQUIREMENT				Line 25 plus Line 28
30.			LESS: OTHER REVENUES				Schedule II-2(b), Column D, Line 8
31.			Revenue for Rate Design		(to VI, line 1)		Line 29 less Line 30 (if line 30 is negative, add the two lines)

32.	666	766	Regulatory (rate case) expense				Schedule II-11, Column D, Line 19
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UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE I-2 HISTORICAL REVENUE SUMMARY FOR TEST YEAR ENDED: _____
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I-2(a) - UTILITY REVENUE SUMMARY - INCOME STATEMENT

Line No.	NARUC Account Description	Historical Test Year	
1.	461 Metered connections minimum monthly charge 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 Schedule II-2(b), Column B, line 8
6.	Total Historic Test Year Operating Revenues per income statement and Annual Report*		Line 4 + Line 5

(to I-1, Column D, line 26)

*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.

I-2(b) - APPLICATION RECONCILED TO INCOME STATEMENT

Line No.	Expense Source & Descriptions of Reconciling Items	A Total	B Work Paper Reference/ Reconciliation Description
1.	Total Expenses Per Class B Rate Application		Schedule I-1, Column D, Line 21
RECONCILING ITEMS:			
2.	Non-utility Expenses		From Income Statement
3.	Regulatory Assessment Fee		From Income Statement
4.	Depreciation Difference		Income Statement Expense minus Rate Application Expense
5.	Taxes Other Than Income Difference		Income Statement Expense minus Rate Application Expense
6.	Income Tax Difference		Income Statement Expense minus Rate Application Expense
7.	Interest Expense		Income Statement
8.	Other (Please Explain)		
9.	Subtotalled Rate Change Expenses:		Sum of Lines 1 through 8
10.	Income Statement Total Expenses:		From Income Statement (must equal Line 9)
11.	Total Revenues per Class B Rate Application:		Schedule I-2(a) Line 6
12.	Gain on Sale of Fixed Assets		From Income Statement
13.	Interest Income		From Income Statement
14.	Other non-utility revenue:		From Income Statement
15.			
16.			
17.			
18.	Subtotalled Revenues:		Sum Lines 11 through 17.
19.	Total Income Statement Revenues:		From Income Statement (must equal Line 18)

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
I-3 CONNECTION COUNT
 FOR TEST YEAR ENDED: _____

**I-3(a): METERED ACTIVE CONNECTIONS BY METER SIZE
 (COMPANIES WITH METERED RATE CUSTOMERS)**

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
		PUCT report Sch. 9		(C+D)	(C + E) /2		(E x G)
1.	5/8"					1.0	
2.	3/4"					1.5	
3.	1"					2.5	
4.	1 1/2"					5.0	
5.	2"					8.0	
6.	2"					15.0	
7.							
8.							
9.	Total						
10	Average						

**I-3(b) UNMETERED ACTIVE (FLAT RATE) CUSTOMERS
 (COMPANIES WITH UNMETERED (FLAT) RATE CUSTOMERS)**

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
		PUCT 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

Complete all schedules per instructions found in the column headers and reference column.

While working through Schedules II-4 and II-6 through II-8, transfer test year amounts to column F of 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.

Schedule II-6 Known & Measurable Changes

A utility is allowed to recover reasonable and necessary expenses incurred during the test year. Certain expenses may have increased or decreased during the year, so the 12 months of test year expenses would be different from the amount you would have paid for the new level of expenses for the whole 12-month period. Additionally, the utility may know that a certain expense will be changing in the near future. If you know the amount the expense will be changing, then you can adjust your test year expenses to include the change. Known and measurable changes in expenses should be recorded if they occur, but it is possible that none have occurred. If the applicant has no known and measurable changes, simply put N/A on the appropriate schedule.

Some examples of generally allowable changes with documentation/support are:

- Electric rates went up or down during the test year.
- You hired a new employee during the test year or gave your employees a raise.
- You received notice that your chemical expenses will be going up by a specified amount.
- You received a written notice from your landlord that your office rent will increase by a specified amount.
- Your property tax is decreasing because the legislature passed a law that limits property taxes.

Some examples of increases that would generally not be allowed are:

- You are thinking about hiring an extra employee.
- You have heard that your rent might be increased in a couple of months.
- Projected inflation.

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-1 - PRODUCTION
 FOR TEST YEAR ENDED: _____

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

		A	B	C= A+B	D	
Line No.	(1,000 Gallons)		Test Year	K & M Changes	Adjusted Test Year	Reference
	Water Production	Sewer Treatment				
1	Total water pumped	Total Number of Gallons Treated (Pumped) (Total Master Meter Reading for the year for the utility only.)				PUCT Annual Report
2	Total water purchased	Total Number of Gallons Treated by Another Source (Purchased Treatment)				PUCT Annual Report
3	Total water produced	Total Number of Gallons Treated				Line 1 + Line 2
4	Total water sold	Total Number of Gallons Billed				PUCT 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.
 Provide all calculations and explanations for any differences between the applicant's annual report and the items requested on this schedule.

Known and measurable calculations and explanations:

**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)				PUCT report Sch. D-1
2	Water Pumped (1,000 gallons)				PUCT report Sch. D-1
3	Total production (1,000 gallons)				Line 1 + Line 2

Known and measurable calculations and explanations:

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-2 OTHER REVENUES & EXPENSES PASSED THROUGH FOR TEST YEAR ENDED: _____

II-2(a) PURCHASED WATER OR OTHER PASS THROUGH EXPENSES*

Line No.	A	B	C	D	E
	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**				

* Examples include Ground Water Conservation or subsidence district fees
 ** Totals of purchased water only must agree with Schedule II-1(a), Column A, Line 2, or provide a reconciliation.

II-2(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(a), line 5) (to Sch. I-1, line 30)

* Do not include expenses passed-through to customers, but record these in Schedule II-2(a). Include only revenues associated with expenses included in the cost of service.
 ** Tap fees should be reported on Sch. III-8(b) for Developer CIAC and Sch. III-3 for Customer CIAC.

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-3 OPERATING EXPENSES
 FOR TEST YEAR ENDED: _____

INSTRUCTIONS: This page is required to support Schedule I-1 Revenue Requirement. Complete the columns A and B with historical financial data for the last two record periods and column C with the actual financial data for the test year. Indicate the kinds of expenses included in this account by identifying all large* items in Schedule II-4 Large Items Identified. The known and measurable (K&M) change column represents the total change in expenses anticipated for the year after the test year. Identify all K&M expenses anticipated in Schedule II-5 Known & Measurable Revenues or Expenses Justifications. The K&M amount represents only the increase or decrease in line item expense from the test year. Identify all Affiliate Transactions in Schedule II-6 Affiliate Transactions.

If the actual for the Test Year is higher than previous years, explain the increase.
 * A large item is more than 10% of the test year account balance and more than \$1,000.

	NARUC Acct. No.		NARUC Account Description	A	B	C	D	E
				2 Years before Test Year	1 Year before Test Year	Test Year	K & M Change (K&M) Positive or (negative)	Adjusted Test Year (Column C plus Column D)
	Water	Sewer						
1.	610	710	Purchased Water / Sewer Treatment					
2.		711	Sludge Removal Expense					
3.	615.1	715.1	Purchased Power-wells, booster pumps					
4.	618	718	Chemicals and other volume related expenses					
5.	601.1	701.1	Employee Labor (non-administrative)					
6.	620	720	Materials and Supplies					
7.	631-636	731-736	Contract Work					
8.	650	750	Transportation Expenses					
9.	664	764	Other Plant Maintenance					
10.	601.2	702.2	Office Salaries					
11.	603	703	Management Salaries					
12.	604	704	Employee Pensions & Benefits					
13.	615.8	715.8	Purchased Power - G&A					
14.	670	770	Bad Debt Expense					
15.	676	776	Office Services & Rentals					
16.	677	777	Office Supplies & Expenses					
17.	656-659	756-759	Insurance					
18.	667	767	Regulatory Expense (Other)					
19.	675	775	Miscellaneous Expenses					
20.								
21.			TOTAL					

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE II-4 LARGE ITEMS FOR TEST YEAR ENDED: _____
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INSTRUCTIONS: Describe all large items listed in Schedule II-4 Operating Expenses in the test year column, the amount of the large item, and the justification for the large item. For each large item, provide documentation from the vendor, contractor, etc. that supports the cost.

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

	NARUC Account Number	Description of Expense	Amount of Large Item	Justification	Schedule Reference	Supporting documentation attachment number
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-5 KNOWN & MEASURABLE REVENUES OR EXPENSES JUSTIFICATION
 FOR TEST YEAR ENDED: _____

INSTRUCTIONS: Describe all known and measurable changes in revenues and expenses, the amount of the change, and the justification for the change. For each change, provide documentation from the vendor, contractor, etc. that supports the increase or decrease in costs. Adequate supporting documentation consists of a rate change notice, a new contract etc. which must be submitted with the application. Reference the source documentation to this schedule.

	NARUC Account Number	Description of Expense	Amount of Large Item	Justification	Schedule Reference	Supporting documentation attachment number
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-6 AFFILIATE TRANSACTIONS
 FOR TEST YEAR ENDED: _____

Line No.	A	B	C	D	E	F	G	H	I
	NARUC Acct	Total Company per books, adjusted to include nonregulated activities	Non-regulated, non-utility, and prohibited activities	K&M Positive or (negative)	Adjusted Total Company subject to allocations (B - C + D)	Texas Allocation Factor	Texas Allocated	Allocation Factor	Utility/Rate Region Allocated
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12.									
13.									
14.									
15.									
16.									
17.									
18.									
19.									
20.									
21.									
22.	Total								

UTILITY NAME _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-7(a) ALLOCATION OF PAYROLL EXPENSES
 FOR TEST YEAR ENDED:

PAYROLL - DIRECT AND INDIRECT EXPENSES (INCLUDES MERIT, BONUS, OVERTIME & AFFILIATED PAYROLL)

(Report the information requested below for each EMPLOYEE.)

	A	B	C	D	E	F	G	H	
Line No.	Employee Name	Test Year Base Salary	Merit Pay	Overtime Pay	Total Test Year Payroll [Columns A+B+C]	Known & Measurable Amount Change	Adjusted Test Year Payroll	Allocated to Water	Allocated to Sewer
601.1 & 701.1 - EMPLOYEE LABOR									
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12.									
13.									
14.									
15.	SUBTOTALLED EMPLOYEE LABOR								

Should equal Schedule II-3,
 Column C, Line 5.

UTILITY NAME _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-7(a) ALLOCATION OF PAYROLL EXPENSES
 FOR TEST YEAR ENDED:

	A	B	C	D	E	F	G	H	
Line No.	Employee Name	Test Year Base Salary	Merit Pay	Overtime Pay	Total Test Year Payroll [Columns A+B+C]	Known & Measurable Amount Change	Adjusted Test Year Payroll	Allocated to Water	Allocated to Sewer
601.2 & 701.2 - OFFICE SALARIES									
16.									
17.									
18.									
19.									
20.									
21.									
22.									
23.									
24.									
25.									
26.									
27.									
28.									
29.									
30.									
31.									
32.									
33.	SUBTOTALLED OFFICE SALARIES								

UTILITY NAME _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-7(a) ALLOCATION OF PAYROLL EXPENSES

FOR TEST YEAR ENDED:

Should equal Schedule II-3,
Column C, Line 10.

	A	B	C	D	E	F	G	H	
Line No.	Employee Name	Test Year Base Salary	Merit Pay	Overtime Pay	Total Test Year Payroll [Columns A+B+C]	Known & Measurable Amount Change	Adjusted Test Year Payroll	Allocated to Water	Allocated to Sewer
603 & 703 - MANAGEMENT SALARIES									
34.									
35.									
36.									
37.									
38.									
39.									
40.									
41.									
42.									
43.									
44.									
45.									
46.									
47.									
48.									
49.									

SCHEDULE II-7(a) ALLOCATION OF PAYROLL EXPENSES

UTILITY NAME _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-7(a) ALLOCATION OF PAYROLL EXPENSES

FOR TEST YEAR ENDED:

50.	SUBTOTALLED MANAGEMENT SALARIES								
-----	---------------------------------	--	--	--	--	--	--	--	--

Should equal Schedule II-3,
Column C, Line 11.

		A	B	C	D	E	F	G	H
Line No.	Employee Name	Test Year Base Salary	Merit Pay	Overtime Pay	Total Test Year Payroll [Columns A+B+C]	Known & Measurable Amount Change	Adjusted Test Year Payroll	Allocated to Water	Allocated to Sewer
634 & 734 - MANAGEMENT FEES									
51.									
52.									
53.									
54.									
55.									
56.									

UTILITY NAME _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-7(a) ALLOCATION OF PAYROLL EXPENSES
 FOR TEST YEAR ENDED:

57.	SUBTOTALLED MANAGEMENT FEES								
-----	-----------------------------	--	--	--	--	--	--	--	--

UTILITY NAME _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-7(b) CALCULATION OF PAYROLL TAXES
 FOR TEST YEAR ENDED:

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

(Report the information requested below for each EMPLOYEE.)

Line No.	Employee Name	A Test Year Payroll	B Capitalized Payroll	C Expensed Payroll	D 1st 7,000 or new limit (FUTA max)	E 7,001 to 9,000 or new limit (SUTA max)	F 9,001 to 118,500 or new limit (or FICA max)	G over 118,500 or new limit	H Total Payroll
601.1 & 701.1 - EMPLOYEE LABOR									
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12.									
13.									
14.									
15.	SUBTOTALLED EMPLOYEE LABOR								

UTILITY NAME _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE

II-7(b) CALCULATION OF PAYROLL TAXES

FOR TEST YEAR ENDED:

		A	B	C	D	E	F	G	H
Line No.	Employee Name	Test Year Payroll	Capitalized Payroll	Expensed Payroll	1st 7,000 or new limit (FUTA max)	7,001 to 9,000 or new limit (SUTA max)	9,001 to 118,500 or new limit (or FICA max)	over 118,500 or new limit	Total Payroll
601.2 & 701.2 - OFFICE SALARIES									
16.									
17.									
18.									
19.									
20.									
21.									
22.									
23.									
24.									
25.									
26.									
27.									
28.									
29.									
30.									
31.									
32.									

UTILITY NAME _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-7(b) CALCULATION OF PAYROLL TAXES
 FOR TEST YEAR ENDED:

33.	SUBTOTALLED OFFICE SALARIES								
-----	-----------------------------	--	--	--	--	--	--	--	--

		A	B	C	D	E	F	G	H
Line No.	Employee Name	Test Year Payroll	Capitalized Payroll	Expensed Payroll	1st 7,000 or new limit (FUTA max)	7,001 to 9,000 or new limit (SUTA max)	9,001 to 118,500 or new limit (or FICA max)	over 118,500 or new limit	Total Payroll
603 & 703 - MANAGEMENT SALARIES									
34.									
35.									
36.									
37.									
38.									
39.									
40.									
41.									
42.									
43.									
44.									
45.									
46.									
47.									
48.									
49.									

UTILITY NAME _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-7(b) CALCULATION OF PAYROLL TAXES
 FOR TEST YEAR ENDED:

50.	SUBTOTALLED MANAGEMENT SALARIES								
-----	---------------------------------------	--	--	--	--	--	--	--	--

		A	B	C	D	E	F	G	H
Line No.	Employee Name	Test Year Payroll	Capitalized Payroll	Expensed Payroll	1st 7,000 or new limit (FUTA max)	7,001 to 9,000 or new limit (SUTA max)	9,001 to 118,500 or new limit (or FICA max)	over 118,500 or new limit	Total Payroll
634 & 734 - MANAGEMENT FEES									
51.									
52.									
53.									
54.									
55.									
56.									

SCHEDULE II-7(b) CALCULATION OF PAYROLL TAXES

UTILITY NAME _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-7(b) CALCULATION OF PAYROLL TAXES
 FOR TEST YEAR ENDED:

57.	SUBTOTALLED MANAGEMENT FEES								
-----	--------------------------------	--	--	--	--	--	--	--	--

		A	B	C	D	E	F	G	H
Line No.		Test Year Payroll	Capitalized Payroll	Expensed Payroll	1st 7,000 or new limit (FUTA max)	7,001 to 9,000 or new limit (SUTA max)	9,001 to 118,500 or new limit (or FICA max)	over 118,500 or new limit	Total Payroll
58.	Totals (Line 15 + Line 33 + Line 50 + Line 57)								

To Schedule IV-1(b)

59.	Percentage Capitalized	
-----	------------------------	--

Column B, Line 58 divided by Column A, Line 58 multiply by 100 for percentage. If entering in excel do not multiply by 100, enter number as a decimal.

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-8 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 Schedule II-7(b), line 59)

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

II-9(a) ADVERTISING

Line No.	Acct. No.		Type of Advertising	2 Years before Test Year	1 Year before Test Year	Test Year Expense
	Water	Sewer				
1.			Public Health and Safety			
2.			Conservation of Water			
3.			Explanation of Billing Practices, rates, rules and regulations			
4.			Other advertising programs			
5.	Total Advertising Expense					

II-9(b) CONTRIBUTIONS

Line No.	Acct. No.		Type of Contribution/Donation	Amount	Payee	Type of Organization
	Water	Sewer				
1.						
2.						
3.						
4.						
5.	Total					

II-9(c) DUES AND MEMBERSHIP

Line No.	Acct. No.		Level of payment by Account	Description of Payee Organization	Total Amount	Amount Attributable to Lobbying
	Water	Sewer				
1.						
2.						
3.						
4.						
5.	Total					

II-9(d) REGULATORY EXPENSES

Line No.	Docket No.	CCN No.	Description	Test year amount by System	Company Adjustment by System	Company Request by System
2.						
3.						
4.						
5.	Total					

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-10 RENTS AND LEASES
 FOR THE TEST YEAR ENDED: _____

II-10(a) UNAFFILIATED

	A	B	C	D	E
	Item leased/rented	Amount	Purpose related to providing water/sewer service	Terms/Conditions	Method of calculating payment
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
16.					
17.					
18.					
19.					

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-10 RENTS AND LEASES
 FOR THE TEST YEAR ENDED: _____

II-10(b) AFFILIATED/ALLOCATED

	A	B	C	D	E	F	G
	Item leased/rented	Amount	Purpose related to providing water/sewer service	Terms/Conditions	Method of calculating payment	Method of Allocation	Amount allocated to each affiliate
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
16.							
17.							
18.							
19.							

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
II-11 RATE CASE EXPENSE
 FOR THE TEST YEAR ENDED: _____

INSTRUCTIONS: List the amount spent on rate case expense. Provide the items comprising the rate case expense claim (include the actual billings or invoices in support of each kind of rate case expense) and the items comprising the actual expenses of the rate case. Invoices should include number of hours billed, hourly rate, and services performed for each block of time billed, and the name of the person providing the service. Include a detailed list of travel, entertainment, meals expense included in rate case expense specifically by item with an attached invoice, and summarized by type of expense. 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. Typically, the commission allows recovery of rate case expense through a surcharge. 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. Add additional pages if necessary.

	A	B	C	D	E
	Vendor	Posting Date	Invoice Date	Amount	Supporting documentation attachment number
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
16.					
17.					
18.					
19.	Total (Sum Lines 1 - 18)				

INSTRUCTIONS SECTION III RATE BASE

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.

Round all cents to the nearest whole dollar. Round all percentages to two decimal places.

Fill out the schedules as listed below.

- 1** Complete Schedules III-3 through III-7 as they apply to your company. These tables will be used to fill out Schedule III-2.
- 2** Transfer resulting year end balances (See "References" column) to Schedule III-2.
- 3** Complete Schedule III-1

INSTRUCTIONS SCHEDULE III-1 RETURN

UTILITY NAME: _____
SCHEDULES - CLASS B RATE/TARIFF CHANGE
SCHEDULE III-1 RATE OF RETURN INSTRUCTIONS

Round all cents to the nearest whole dollar. Round all percentages to two decimal places.

Fill in the schedule using your financial information.

Determining an appropriate ROE percentage

As part of the cost that the utility passes on to its customers, a utility's ROE must be authorized by the PUCT. Other factors may be considered in establishing a ROE including, but not limited to company-specific business and financial risk factors. Return percentages should be calculated at a combined level and then applied to the rate-base amounts for water and sewer to produce the return dollars that the utility is requesting to include in the water and sewer costs of service.

Please see link below for examples of recent requests, testimonies, and Commission decisions.

http://www.puc.texas.gov/industry/water/reports/rates/ROR_Report.pdf

Note: If the utility is requesting a *hypothetical* capital structure for the determination of overall rate of return, enter the requested capital-structure percentages for equity and debt in lines 4 and 5 of Column C.

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 Schedule III-2, Line 18)	
2	Requested ROR (Column F, Line 7 below)	
3	Return on rate base (Line 1 x Line 2)	

To Sch. I-1, Col. F, Line 28

Rate of Return:

For col. A line 5, actual equity should equal the amount the owner has contributed to the business to finance invested capital. However, if your actual debt percentage or equity percentage is greater than 60%, then use a 50/50% claimed capital structure.

Line No.	Description	A Actual Amount	B Actual Percentage	C Claimed Percentage	D Rate	E Reference	F Weighted Average Rate
			Amount from previous column divided by Line 6, Column C	Proposed Capital Structure Percentage			$F = C \times D$
4.	Long Term Debt and Advances from associated companies from Sch. III-6, Col. F, Line 13.					From Sch. III-6, Col. F, Line 16 	
5.	Equity (Balance sheet plus adjustments)					Applicant testimony/ROE*	
6.	Total Capitalization Col. A line 4 plus Col. A line 5						
7.	Overall Rate of Return					Line 4 + Line 5 	 Total Col. F, Line 7 to Line 2 above

* Please explain the applicant's requested return on Equity on Column D line 5. Include all calculations.

COMMENTS:

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

If more than one PWS or Wastewater System enter total of all the systems together here.

Line No.	A Description	B Amount	C Reference (From)
	Additions:		
1.	Utility plant (Original Cost)		Schedule III-3, Column D, Line 32
2.	Construction work in progress		Schedule III-4(a), Column C, Line 5
3.	Materials and supplies		Schedule III-4(b), Column B, Line 3
4.	Prepayments		Schedule III-4(b), Column C, Line 3
5.	Working cash (capital)		Schedule III-5, Line 2, Corresponding Column for Water or Sewer
6.	Other Additions		Provide documentation to support
7.	TOTAL ADDITIONS (Add Lines 1 through 6)		
	Deductions:		
8.	Reserve for depreciation (Accumulated)		Schedule III-3, Column G, Line 32
9.	Advances for construction		Schedule III-8(a), Column F, Line 6
10.	Developer Contributions in aid of construction		Schedule III-8(b), Column G, Line 6
11.	Customer Deposits		
12.	Accumulated Deferred Income Taxes (ADFIT)		Schedule III-9(a), Column A, Line 3
13.	Unprotected Excess ADFIT		Schedule III-9(b), Column A, Line 3
14.	Protected Excess ADFIT		Schedule III-9(c), Column A, Line 3
15.	Accumulated Deferred Investment Tax Credits		Schedule III-9(d), Column A, Line 3
16.	Other Deductions		Add schedule
17.	TOTAL DEDUCTIONS (Add lines 8 through 16)		
18.	RATE BASE (Line 7 less Line 17)		

INSTRUCTIONS SCHEDULE III-3 PLANT IN SERVICE

UTILITY NAME: _____
SCHEDULES - CLASS B RATE/TARIFF CHANGE
SCHEDULE III-3 PLANT IN SERVICE INSTRUCTIONS

Round all cents to the nearest whole dollar. Round all percentages to two decimal places.

A list of all used and useful assets must be submitted for each rate/tariff change.

Provide a Schedule III-3 for each public water system or wastewater system and a summary Schedule III-3 for the applicant including all utility plant in service. If more room is needed, you may add lines or make a separate table. The PUCT will accept your own schedules as long as it has the same information as Schedule III-3. Schedule III-3(a) (required) reconciles the utility's current plant balances to the previous case filed. The instructions are for listing only one item, and you should repeat the instructions for each item added to the table. The instructions can be used to set up your own table as long as it contains the same columns.

The information developed in this table will be used in other tables throughout the application. The instructions that follow this table will tell you where to enter the information. The utility can include plant and equipment paid for by developer contributions in the depreciation schedule, but the utility cannot include plant and equipment paid for by customer contributions. Furthermore, when calculating the return on net invested capital, developer and customer contributions must be removed. This schedule may be used to capitalize regulatory assets. A group asset depreciation study may be submitted instead of Schedule III-3, for any utility that had group asset depreciation approved in its preceding rate case. Utilities electing group asset depreciation for the first time, must provide both the group asset depreciation study and Schedule III-3 in their rate filing package.

Column [A] – NARUC Account No./Item Description

Each asset should be listed individually in order to claim straight line depreciation. The description of each individual asset listed under its NARUC account in Column A must include the following in the description and identify its location by the public water system or subdivision for water assets and the wastewater system or subdivision for sewer, as applicable:

Water NARUC Accounts

- 303 Land
- 304 Structures: material type, function of each structure.
- 305 Storage Tanks: material type, capacity in gallons.
- 306 Intake Structures: quantity of pumps, horsepower per pump, capacity per pump in gallons per minute (gpm), wet well capacity in gallons.
- 307 Wells: design or rated capacity in gallons per minute (gpm).
- 310 Power Generation: size of generator in kW.
- 311 Well/Booster Pump: horsepower and capacity in gpm.
- 320 Water Treatment Equipment: type of treatment, design capacity in gallons per day (GPD).
- 331 Transmission/Distribution: material type, size of main in inches and length in feet.
- 333 Services: material type, size in inches and length in feet.
- 334 Meters and Meter Installations
- 335 Hydrants
- 340 Office Equipment
- 341 Vehicles
- 343 Shop Tools
- 344 Lab Equipment
- 345 Power Operated Equipment
- 348 Fencing & Other Tangible Plant
- 407 Amortization Expense - Regulatory Assets

INSTRUCTIONS SCHEDULE III-3 PLANT IN SERVICE

UTILITY NAME: _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SCHEDULE III-3 PLANT IN SERVICE INSTRUCTIONS

Column [A] – NARUC Account No./Item Description (Continued)

Sewer NARUC Accounts

- 353 Land
- 354 Structures: building function.
- 355 Power Generation: size of generator in kW.
- 360 Force Mains: material type, size (pipe diameter) of main in inches and length in feet.
- 361 Gravity Mains: material type, size (pipe diameter) of main in inches and length in feet.
- 362 Filtration Equipment: type.
- 363 Services to Customers
- 364 Flow Meters: size in inches.
- 370 Manholes: type and quantity
- 371 Lift Station facility: quantity of pumps, horsepower per pump, capacity per pump in gallons per minute
- 375 Transmission/Distribution Mains
- 380 Treatment facility: type of treatment, design capacity in gallons per day (GPD).
- 381 Plant Sewers
- 382 Outfall Sewer Lines
- 390 Office Equipment
- 391 Vehicles
- 393 Shop Tools
- 394 Lab Equipment
- 395 Power Operated Equipment
- 396 Communication Equipment
- 397 Misc. Equipment
- 398 Fencing & Other Tangible Plant
- 407 Amortization Expense - Regulatory Assets

Column [B] – Date of Installation (MM/DD/YYYY)

The date of installation is the date the asset was installed or constructed and operated in the provision of water or sewer service.

Column [C] – Service Life (Years)

Column [D.1] – Original Cost when installed (\$)

This is the amount that was paid for when the asset was installed. The original cost must be supported by invoices or receipts and must match the amount that was booked in the utility's general ledger when the asset

Column [D.2] – Customer Contributions in Aid of Construction (CIAC)(\$)

Column [D] – Adjusted Original Cost Net of Customer CIAC (\$)

This amount is calculated by subtracting the dollar amount of CIAC (Column D.2) from the asset's original cost (Column D.1)

Column [E] – Economic Life (Number of Days)

INSTRUCTIONS SCHEDULE III-3 PLANT IN SERVICE

UTILITY NAME: _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE

SCHEDULE III-3 PLANT IN SERVICE INSTRUCTIONS

Calculate the total number of days the asset has been in service since the date the asset was installed or constructed and operated in the provision of water or sewer service.

Column [F] – Annual Depreciation Expense (\$)

This amount is calculated by dividing the Original Cost when installed (Column D.1) by the asset's Service Life (Column C)

Column [G] – Accumulated Depreciation (\$)

This amount is calculated by multiplying the Annual Depreciation (Column F) by the Economic Life (Column E) and dividing the result by 365.25 days.

Column [H] – Net Book Value or Net Plant (\$)

This is the amount of the item remaining that has not been depreciated and is calculated by subtracting the Accumulated Depreciation (Column G) from the Adjusted Original Cost net of Customer CIAC (Column D).

UTILITY NAME: _____

FOR THE TEST YEAR ENDED: _____

PWS ID or WQ Discharge Permit Number: _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3 UTILITY PLANT - ORIGINAL COST & DEPRECIATION

(Provide a schedule for each PWS or Wastewater system)
 Add schedules as needed, provide a summary also

Line No.	[A.1]		[A.2]	[B]	[C]	[D.1]	[D.2]	[D]	[E.1]	[E.2]	[F]	[G]	[H]	[I]
	NARUC Acct. No.		Plant Name	Date of Installation (MM/DD/YYYY)	Service Life (Yrs)	Original Cost When Installed (\$)	Customer CIAC Amount* (\$)	Adjusted Original Cost (\$)	Economic Life (Total Days In Service)	Remaining Service Life (Yrs)	Annual Depreciation (\$)	Accumulated Depreciation (Reserve) (\$)	Net Book Value (\$)	Developer Contributions in Aid of Construction (DCIAC) (\$)
	Water	Sewer												
								[D] = [D.1] - [D.2]	[Test Year End Date] [Date of Installation]	[Service Life] - [Economic Life/365.25]	[F] = [D]/[C]	[G] = ([F]*[E.1])/365.25	[H] = [D]-[G]	
1.	303	353												
1.01														
1.02														
1.03														
2.	304	354												
2.01														
2.02														
2.03														
3.	310	355												
3.01														
3.02														
3.03														
4.	331	375												
4.01														
4.02														
4.03														
5.	333	363												
5.01														
5.02														
5.03														

UTILITY NAME: _____

FOR THE TEST YEAR ENDED: _____

PWS ID or WQ Discharge Permit Number: _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3 UTILITY PLANT - ORIGINAL COST & DEPRECIATION

(Provide a schedule for each PWS or Wastewater system)
 Add schedules as needed, provide a summary also

Line No.	[A.1]		[A.2]	[B]	[C]	[D.1]	[D.2]	[D]	[E.1]	[E.2]	[F]	[G]	[H]	[I]
	NARUC Acct. No.		Plant Name	Date of Installation (MM/DD/YYYY)	Service Life (Yrs)	Original Cost When Installed (\$)	Customer CIAC Amount* (\$)	Adjusted Original Cost (\$)	Economic Life (Total Days In Service)	Remaining Service Life (Yrs)	Annual Depreciation (\$)	Accumulated Depreciation (Reserve) (\$)	Net Book Value (\$)	Developer Contributions in Aid of Construction (DCIAC) (\$)
	Water	Sewer												
6.	340	390												
6.01														
6.02														
6.03														
7.	341	391												
7.01														
7.02														
7.03														
8.	343	393												
8.01														
8.02														
8.03														
9.	344	394												
9.01														
9.02														
9.03														
10.	345	395												
10.01														
10.02														
10.03														
11.	348	398												
11.01														
11.02														
11.03														
12.	305													
12.01														
12.02														
12.03														
13	306													
13.01														
13.02														

UTILITY NAME: _____

FOR THE TEST YEAR ENDED: _____

PWS ID or WQ Discharge Permit Number: _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3 UTILITY PLANT - ORIGINAL COST & DEPRECIATION

(Provide a schedule for each PWS or Wastewater system)
 Add schedules as needed, provide a summary also

Line No.	[A.1]		[A.2]	[B]	[C]	[D.1]	[D.2]	[D]	[E.1]	[E.2]	[F]	[G]	[H]	[I]
	NARUC Acct. No.		Plant Name	Date of Installation (MM/DD/YYYY)	Service Life (Yrs)	Original Cost When Installed (\$)	Customer CIAC Amount* (\$)	Adjusted Original Cost (\$)	Economic Life (Total Days In Service)	Remaining Service Life (Yrs)	Annual Depreciation (\$)	Accumulated Depreciation (Reserve) (\$)	Net Book Value (\$)	Developer Contributions in Aid of Construction (DCIAC) (\$)
	Water	Sewer												
13.03														
14.	307													
14.01														
14.02														
14.03														
15.	311													
15.01														
15.02														
15.03														
16.	311													
16.01														
16.02														
16.03														
17.	311													
17.01														
17.02														
17.03														
18.	311													
18.01														
18.02														
18.03														
19.	320	380												
19.01														
19.02														
19.03														
20.	334													
20.01														
20.02														
20.03														
21.	335													
21.01														

UTILITY NAME: _____

FOR THE TEST YEAR ENDED: _____

PWS ID or WQ Discharge Permit Number: _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3 UTILITY PLANT - ORIGINAL COST & DEPRECIATION

(Provide a schedule for each PWS or Wastewater system)
 Add schedules as needed, provide a summary also

Line No.	[A.1]		[A.2]	[B]	[C]	[D.1]	[D.2]	[D]	[E.1]	[E.2]	[F]	[G]	[H]	[I]
	NARUC Acct. No.		Plant Name	Date of Installation (MM/DD/YYYY)	Service Life (Yrs)	Original Cost When Installed (\$)	Customer CIAC Amount* (\$)	Adjusted Original Cost (\$)	Economic Life (Total Days In Service)	Remaining Service Life (Yrs)	Annual Depreciation (\$)	Accumulated Depreciation (Reserve) (\$)	Net Book Value (\$)	Developer Contributions in Aid of Construction (DCIAC) (\$)
	Water	Sewer												
21.02														
21.03														
22.	360	Collection Sewers - Force												
22.01														
22.02														
22.03														
23.	361	Collection Sewers - Gravity												
23.01														
23.02														
23.03														
24.	362	Clarifier & Media												
24.01														
24.02														
24.03														
25.	364	Flow Meters												
25.01														
25.02														
25.03														
26.	370	Manholes / Receiving Wells												
26.01														
26.02														
26.03														
27.	371	Lift Station Pumps												
27.01														
27.02														
27.03														
28.	381	Plant Sewers												
28.01														
28.02														
28.03														
29.	382	Outfall Sewer Lines												

UTILITY NAME: _____

FOR THE TEST YEAR ENDED: _____

PWS ID or WQ Discharge Permit Number: _____

SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-3 UTILITY PLANT - ORIGINAL COST & DEPRECIATION

(Provide a schedule for each PWS or Wastewater system)
 Add schedules as needed, provide a summary also

Line No.	[A.1]		[A.2]	[B]	[C]	[D.1]	[D.2]	[D]	[E.1]	[E.2]	[F]	[G]	[H]	[I]
	NARUC Acct. No.		Plant Name	Date of Installation (MM/DD/YYYY)	Service Life (Yrs)	Original Cost When Installed (\$)	Customer CIAC Amount* (\$)	Adjusted Original Cost (\$)	Economic Life (Total Days In Service)	Remaining Service Life (Yrs)	Annual Depreciation (\$)	Accumulated Depreciation (Reserve) (\$)	Net Book Value (\$)	Developer Contributions in Aid of Construction (DCIAC) (\$)
	Water	Sewer												
29.01														
29.02														
29.03														
30.	396	Communication Equipment												
30.01														
30.02														
30.03														
31.	397	Misc. Equipment												
31.01														
31.02														
31.03														
32		Subtotal (Items 1 - 31)												

*Any amount incurred by the utility's customers will be deducted from the original cost. The adjusted original cost (Original Cost - Customer CIAC), column D, will be depreciated and the net book value will be calculated in column H. Any item whose original cost was paid for entirely by the customer(s) will equate to zero.

SCHEDULE III-3(a) UTILITY PLANT IN SERVICE - RECONCILIATION

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 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.		\$	
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.	Total additions (add lines 3 through 10, Col C)		
	Test year plant retirements after previous rate case:		
12.		\$	
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.	Total retirements (add line 12 through 19, Col C)		\$
21.	Ending balance (line 1 + line 11 - line 20)	Equals III-3, Column D, line 32	\$

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

SCHEDULE III-3(b) ACCUMULATED DEPRECIATION PRIOR RATE CASE

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE III-3(b) 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 G, Line 32	
	Describe accounting adjustments made between the prior rate case and the current rate case:	

Must match previous rate case.

SCHEDULE III-4 CONSTRUCTION WORK IN PROGRESS

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE III-4 AVERAGE CONSTRUCTION WORK IN PROGRESS, MATERIALS & SUPPLIES INVENTORY & PREPAYMENTS FOR THE TEST YEAR ENDED: _____
--

Complete if the utility maintains these accounts and if the utility wants this to be included in the rate base. If the utility does not want this included in the rate case mark "N/A" on tables.

Do not include this amount in your rate base unless the utility provides testimony meeting the requirements of PUCT Subst. Rule 24.41(c)(4).

III-4(a) 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 2

III-4(b) MATERIALS & SUPPLIES / PREPAID EXPENSES

Include the un-expensed or capitalized portion of materials and supplies on your balance sheet. Prepayments include amounts, such as annual insurance, that the utility has prepaid, such as a discount. Prepayments must be reasonable.

	A	B	C
		Materials & Supplies inventory	Prepaid Expenses
1.	Sum of 12 test year month end balances		
2.	One month prior to the test year, month end balance		
3.	13 Month Average balance (line 6 plus line 7, divided by 13)		

To III-2, Line 3.

To III-2, Line 4.

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

For Class B Utilities, one-twelfth of O&M expense (excluding amounts charged to O&M expense for materials, supplies, expenses recovered through a pass-through provision or through charges other than minimum monthly charge and gallonage charges, and prepayments) will be considered a reasonable allowance for cash working capital. For purposes of working capital calculations, O&M expense does not include depreciation, other taxes, or federal income taxes.

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 must divide its annual Operating and Maintenance (O&M) expenses (excluding all taxes and depreciation) by 12 to calculate working cash allowance. An example follows:

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

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

From Sch I-1, line 21, column F

To Sch III-2, line 5

INSTRUCTIONS SCHEDULE III-6 DEBT

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

SCHEDULE III-6 NOTES PAYABLE (LONG TERM DEBT) & EQUITY INFORMATION INSTRUCTIONS

Enter the water and sewer combined debt and equity information in both water and sewer tables. The calculated rate of return should be the same for water and sewer, and should be based on combined water and sewer information. The utility's debt and equity for return purposes relate to water and sewer system assets only and should not include short term debt unless it is used to finance system assets. Do not include personal debt.

Where a utility is part of an affiliated interest or organization, the commission may consider and apply a hypothetical capital structure for the utility.

For each loan enter the following information:

1. **Description**
2. **Date of Issuance**
3. **Maturity Date**
4. **Interest Rate** - Effective interest rate should be used for issues supported by letters of credit.
5. **Principal Amount at Issuance**
6. **Premium or (Discount) at Issuance**
7. **Underwriting Fees and Issuance Expenses**
8. **Gain or (Loss) on Reacquired Debt at Issuance**
9. **Net Proceeds** (Line 5+Line 6-Line 7 - Line 8)
Adjusted Net Proceeds at Issuance - Net proceeds at issuance + amortized debt, discount, expenses,
10. premiums and unamortized losses
11. **Adjusted Net Proceeds as a Percent of Par Value** (Line 10/Line 5)
12. **Principal Currently Outstanding** (Including current maturities)
13. **Adjusted Net Proceeds** (Line 11) x (Line 12)
Issue as a Percent of Total Net Proceeds - Each issue should be weighted by adjusted net proceeds to
14. derive the weighted cost of debt.
Cost of Debt - this will equal the stated interest rate only if there were no issuance expenses or
15. underwriting costs, discounts or premiums, or gains or losses on reacquired debt.
16. **Weighted Cost of Long-Term Debt**

If the applicant has a parent or affiliate from which corporate debt or equity is allocated, provide a schedule that clearly presents corporate debt issuances and debt costs for the affiliate and the applicant. All methodologies, assumptions, and calculations used to allocate the debt to the Texas utility should be transparently disclosed. Fill out Schedule II-7 for the affiliate transactions.

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.

Line No.		A	B	C	D	E	F
	Name of Bank/Lender						Totals
1	Description						
2	Date of Issue						
3	Maturity Date						
4	Interest Rate						
5	Principal Amount at Issuance						
6	Premium (Discount) at Issuance						
7	Underwriting Fees and Issuance Expenses						
8	Gain (Loss) on Reacquired Debt at Issuance						
9	Net Proceeds (Line 5+Line 6-Line 7 - Line 8)						
10	Adjusted Net Proceeds at Issuance						
11	Adjusted Net Proceeds as a Percent of Par Value (Line 10/Line 5)						
12	Principal Amount Currently Outstanding						
13	Adjusted Net Proceeds (Line 11) X (Line 12)						
14	Issue as a Percent of Total Net Proceeds (Line 13/Column F Line 13)						
15	Cost of Debt (Line 4/Line 11)						
16	Weighted Cost of Long-Term Debt (Line 14 x Line 15)						

Column F, Line 13
To Sch. III-1,
Column A, Line 4

Column F, Line 16
To Sch. III-1,
Column D, Line 4

Sum of Column A
through Column E

List short term debt, if any:

SCHEDULE III-7 AFFILIATE RECEIVABLES AND PAYABLES

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE III-7 AFFILIATE RECEIVABLES AND PAYABLES FOR TEST YEAR ENDED: _____
--

III-7(a) - AFFILIATE RECEIVABLES

Line No.	Affiliate	Amount Outstanding	Reason for Receivable
1.			
2.			
3.			
4.			
5.			
6.			
7.			

III-7(b) - AFFILIATE PAYABLES

Line No.	Affiliate	Amount Outstanding	Reason for Payable
1.			
2.			
3.			
4.			
5.			
6.			
7.			

INSTRUCTIONS SCHEDULE III-8 CONTRIBUTIONS IN AID OF CONSTRUCTION AND
ADVANCES

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

SCHEDULE III-8 CONTRIBUTIONS IN AID OF CONSTRUCTION AND ADVANCES INSTRUCTIONS

III-8(a) ADVANCES FOR CONSTRUCTION

If any of the items included in utility plant and equipment were 100% financed with customer contributions, assessments, surcharges, extension fees, etc., the utility may not include depreciation or return on those items in the revenue requirement, and the utility should not include them in **Table III-8(a) or (b)**. However, if those customer contributions did **not** cover the entire cost of the asset, the utility may include the excess amount that the utility paid for. Please list below all items that were funded either all or in part by customer contributions and indicate the amount that the customers contributed for each item.

Column [A] - List all of the items of plant and equipment that were funded all or in part by Customer Contributions (e.g., meters paid for by tap fee, line extension paid for by customer).

Column [B] - List the date each specific item was placed in service.

Column [C] - Enter the total cost of each item (regardless of how much was paid for by customers contributions or the utility).

Column [D] - Enter the amount of each item that was paid for with customer contributions. In most cases, this will be the same as the number in Column [C]. However, it is possible that the item may cost more or less than the customer contribution amount.

Column [E] - Subtract the amount in Column [D] from the amount in Column [C] and enter the result here. If the amount in this column is greater than zero for any specific item, enter those items into the appropriate category in **Table III-2**.

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

List any items of plant or equipment that you listed in **Schedule III-3** that were paid for all or in part by developer contributions. If only paid for in part by developer contributions, enter only the part that was funded by developer contributions. Enter the total Net Book Value from this table in **Schedule III-2**. If you have none, be sure to enter "N/A" on any line in the table.

Customer CIAC is entered directly into **Schedule III-3**.

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

	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, Line 9)	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*

	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, Line 10)
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 ACCUMULATED DEFERRED FEDERAL INCOME TAXES (ADFIT) FOR THE TEST YEAR ENDED: _____

Provide the calculations used to determine the ADFIT and Excess ADFIT amounts. **If this is the first time the utility is claiming ADFIT provide additional worksheets to show how it was calculated.**

III-9(a) - ADFIT:

Line No.	Description	A
		Amount
1.	Beginning Balance	
2.	Test Year Adjustment	
3.	Ending Balance	

To Schedule III-2, Line 12

III-9(b) - UNPROTECTED EXCESS ADFIT:

Line No.	Description	A
		Amount
1.	Beginning Balance	
2.	Total Change	
3.	Ending Balance	

To Schedule III-2, Line 13

III-9(c) - PROTECTED EXCESS ADFIT:

Line No.	Description	A
		Amount
1.	Beginning Balance	
2.	Total Change	
3.	Ending Balance	

To Schedule III-2, Line 14

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

Line No.	Description	A
		Amount
1.	Beginning Balance	
2.	Test Year Adjustment	
3.	Ending Balance	

To Schedule III-2, Line 15

INSTRUCTIONS SECTION IV OTHER TAX

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.

SECTION IV: TAXES OTHER THAN INCOME

Schedule IV-1

Complete for property and payroll taxes. The schedule allows for calculations if the utility proposes known and measurable changes to payroll taxes and property taxes. Use your test year property tax bills for the known and measurable calculation. Use wages expense for the adjusted total payroll in the test year to complete this schedule. If wages were capitalized, payroll taxes should be allocated between expense and capital costs in the same ratio as payroll was allocated. Attach a schedule showing the allocation calculations. Provide the same for any affiliate taxes.

Schedule IV-2

Revenue related taxes and expenses are those that change as the gross revenue of the utility changes. Examples are Texas franchise tax and bad debt expense. This schedule allows the "gross up" of these expenses. Obtain copies of the utility's franchise tax report to complete this schedule. Provide the same for any affiliate taxes.

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV-1 ESTIMATE OF TAXES OTHER THAN INCOME
 FOR THE TEST YEAR ENDED: _____

IV-1(a) PROPERTY TAXES

A	B	C	D	E
Line No.	Description	Plant Additions	Property Taxes	Reference
1	Utility plant added in test year			Schedule III-3(a), Column D, Line 11
2	Utility plant retirements in test year			Schedule III-3(a), Column D, Line 20
3	Net additions			Line 1 minus line 2
4	Property taxes paid in in test year			per property tax bills
5	Beginning Gross Plant balance			Schedule III-3(a), Column D, Line 1
6	Net Property tax rate			Line 4 divided by Line 5 times 100
7	Test year property tax on additions (Known and measurable change)			Line 3 times Line 6
8	Adjusted Test year property tax expense			Line 4 plus Line 7

IV-1(b) 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-7(b) Line 58	(D x E)
9	FICA	wages to _____	%		Column D+E+F Line 58	
10	Medicare	wages to _____	%		Column H Line 58	
11	Added Medicare (Affordable Care Act)	wages to _____	%			
12	Federal unemployment	wages to _____	%		Column D Line 58	
13	State unemployment	wages to _____	%		Column D+E Line 58	
14	Total (add Lines 11 through 14)					
15	Less: Capitalized	Use % on Sch II-7(b), line 59	%			
16	Test year Payroll Tax Expense	Line 13 less 14				
17	Known and measurable change				(Line 13 minus Line 14)	

IV-1(c) OTHER TAXES:

A	B	C	D	E
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 (Sch IV-1(a) Line 8, Column D) + (Sch IV-1(b) Line 16, Column G) + (Sch IV-1(c) Line 21, Column E)			
23	Total known and measurable change (Sch IV-1(a) Line 7, Column D) + (Sch IV-1(b) Line 17, Column G) + (Sch IV-1(c) Line 21, Column D)			

SCHEDULE IV-2 REVENUE RELATED TAXES AND EXPENSES

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
IV-2 REVENUE RELATED TAXES AND EXPENSES
 FOR THE TEST YEAR ENDED: _____

Line No.	A	B	C	D	E	F
		Texas Margins Tax	City Franchise Taxes	Bad Debt Expense	Other Revenue Related	Totals (F=B+C+D+E)
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 2)) (example below)					
4	Change in revenue requirement					
5	Adjusted revenue requirement (Line 3 x Line 4)					
6	Adjusted expense (Line 3 times Line 4)					
7	Add Schedule IV-1(c) , Line 21, Column E					
8	Total taxes other than FIT (to Sch I-1, Col F, Line 23)					

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

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE V-1 FEDERAL INCOME TAX FOR THE TEST YEAR ENDED: _____
--

Section V calculated federal income tax at present rates.

PUCT allows utilities to include normalized federal income tax in the cost of service. The federal income tax calculation is based on the utility's return dollars. The schedule includes a "gross up of taxes to allow for the cost of service to include changes in taxes due to the changes in proposed revenues.

A	B	C	D
Line		Amount	Reference
1	Requested Return		Schedule III-1, Line 3
2	Less: Synchronized Interest		Schedule III-1, Column F, Line 4 x Schedule III-2, Column B, Line 18
3	Requested taxable return		Line 1 minus Line 2
4	Corp. Tax Rate		Current C corporation federal income tax rate at the time of filing, if the applicant is not a C corporation, then the appropriate alternative federal income tax rate is required to be used.
5	Tax Factor	1.265822785	1.0 divided by (1.0 minus Corp. Tax Rate)*Corp. Tax Rate = (1/(1-Corp. Tax Rate)*Corp.Tax Rate)
6	Grossed up federal income tax		Line 3 times line 5

To Sch I-1, Line 24

INSTRUCTIONS SECTION VI RATE CALCULATION

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

Instructions for Section VI

Complete schedules per instructions found in the column headers and reference column.

For a flat rate calculation, use VI-2 Flat Rate Calc

For a fixed rate and a variable rate, use VI-1 Fixed & Variable Alloc and

For a single tier variable rate, use VI-3 1 Tier Gallonage Rate Calc

For a multi-tier variable rate, use VI-4 Multi-Tier Rate Calc

For surcharges, use VI-5 Surcharge Calc

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

Line No.	Acct. No.		Account Name	A	B	C	D	E
	Water	Sewer		Adjusted Test Year Expenses (From Schedule I-1)	Fixed % of Col. A (Adjust each row or adjust line 28 for overall percentage for Fixed Expenses)	Fixed Expenses C = A x B	Variable Expenses D = A - C	Reference
1.	610	710	Purchased water/sewer treatment					Schedule I-1, Column F, Line 1
2.		711	Sludge Removal Expense					Schedule I-1, Column F, Line 2
3.	615.1	715.1	Purchased Power-wells, booster pumps					Schedule I-1, Column F, Line 3
4.	618	718	Chemicals and other volume related expenses					Schedule I-1, Column F, Line 4
5.	601.1	701.1	Employee labor					Schedule I-1, Column F, Line 5
6.	620	720	Materials and Supplies					Schedule I-1, Column F, Line 6
7.	631-636	731-736	Contract work					Schedule I-1, Column F, Line 7
8.	650	750	Transportation expenses					Schedule I-1, Column F, Line 8
9.	664	764	Other plant maintenance					Schedule I-1, Column F, Line 9
10.	601.2	702.2	Office salaries					Schedule I-1, Column F, Line 10
11.	603	703	Management salaries					Schedule I-1, Column F, Line 11
12.	604	704	Employee pensions & benefits					Schedule I-1, Column F, Line 12
13.	615.8	715.8	Purchased power - G&A					Schedule I-1, Column F, Line 13
14.	670	770	Bad debt expense					Schedule I-1, Column F, Line 14
15.	676	776	Office services & rentals					Schedule I-1, Column F, Line 15
16.	677	777	Office supplies & expenses					Schedule I-1, Column F, Line 16
17.	656-659	756-759	Insurance					Schedule I-1, Column F, Line 17
18.	667	767	Regulatory expense (other)					Schedule I-1, Column F, Line 18
19.	675	775	Miscellaneous expenses					Schedule I-1, Column F, Line 19
20.								Schedule I-1, Column F, Line 20
21.	403		Depreciation					Schedule I-1, Column F, Line 22
22.	408		Taxes Other Than Income					Schedule I-1, Column F, Line 23
23.	409/410		Income Tax Expense					Schedule I-1, Column F, Line 24
24.			TOTAL EXPENSES					Add Lines 1-23
25.			REQUESTED RETURN					Schedule I-1, Column F, Line 28
26.			TOTAL REVENUE REQUIREMENT					Line 24 plus Line 25
27.			LESS: OTHER REVENUES					Schedule I-1, Column F, Line 30 Line 26 less Line 27 (if line 27 is negative, add the two lines)
28.			REVENUE for RATE DESIGN					

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
VI-2 Flat Rate Calculation
 FOR THE TEST YEAR ENDED: _____

	A	B	C
Line No.	Description	Reference	Amount
1.	Expenses	Schedule VI-1, Column C, Line 28	
2.	Connection Count	Schedule I-3(b), Column E, Line 5	
3.	Billing Cycles per Year (Monthly Billing Cycle)		12
4.	Flat Rate (Line 1/Line 2/Line 3)		

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
VI-3 Rate Calculation for Single Tier Gallonage Charge for All Usage
 FOR THE TEST YEAR ENDED: _____

	A	B	C
Line No.	Description	Reference	Amount
1.	Fixed Expenses	Schedule VI-1, Column C, Line 28	
2.	Test Year End Meter Equivalencies	Schedule I-3(a), Column H, Line 9	
3.	Billing Cycles per Year (Monthly Billing Cycle)		
4.	Minimum Monthly Charge (Line 1/Line 2/Line 3)		
Line No.	Description	Reference	Amount
5.	Variable Expenses	Schedule VI-1, Column D, Line 28	
6.	Total Test Year Gallons Billed	Schedule II-1(a), Column C, Line 4	
7.	Volumetric Rate (Charge per 1,000 gallons) (Line 5/(Line 6/1000))		

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
VI-4 Multi-Tiered Rate Calculation
 FOR THE TEST YEAR ENDED: _____

	A	B	C
Line No.	Description	Reference	Amount
1.	Fixed Expenses	Schedule VI-1, Column C, Line 28	
2.	Test Year End Meter Equivalencies	Schedule I-3(a), Column H, Line 9	
3.	Billing Cycles per Year (Monthly Billing Cycle)		
4.	Minimum Monthly Charge (Line 1/Line 2/Line 3)		

	A	B	C	D
Multi-Tiered Rates				
Line No.	Gallage Tier (Gallons)	Revenue (\$)	Gallons Billed (Gallons)	Rate per 1,000 Gallons
5.	Variable Expenses	VI-1, Col. D, Line 28	Must be provided by Utility	
	<i>Example: 0-3,000</i>			
	<i>3,001-5,000 +</i>			
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.	Volumetric Rate (Charge per 1,000 gallons)			

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE VI-5 Surcharge Calculation FOR THE TEST YEAR ENDED: _____
--

VI-5(a): FLAT RATE SURCHARGE CALCULATION

	A	B	C
Line No.	Description	Reference	Amount
1.	Rate Case Expense or Other Surcharged Expense	Schedule II-11, Column D, Line 19	
2.	Connection Count	Schedule I-3(a), Column E, Line 9 + Schedule I-3(b), Column E, Line 5	
3.	Enter the number of months for surcharge to be collected (example: 1 year = 12 months, 2 years = 24 months, etc.)		
4.	Surcharge Calculation (Line 1/Line 2/Line 3)		

VI-5(b): METER EQUIVALENTS SURCHARGE CALCULATION

	A	B	C
Line No.	Description	Reference	Amount
1.	Rate Case Expense or Other Surcharged Expense	Schedule II-11, Column D, Line 19	
2.	Connection Count	Schedule I-3(a), Column H, Line 9	
3.	Enter the number of months for surcharge to be collected (example: 1 year = 12 months, 2 years = 24 months, etc.)		
4.	Surcharge Calculation (Line 1/Line 2/Line 3)		

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

Instructions for Section VII

Complete schedules per instructions found in the reference column.

Use schedules in this section to calculate the proposed rates and total revenue to include in notice to customers. Only use the needed schedule depending on which schedule rates were calculated with.

For **VI-2 Flat Rate Calc** use **VII-1 Revenue Flat Rate**.

For **VI-3 1 Tier Gallonage Rate Calc** use **VII-2 Revenue Generated 1 Tier**.

For **VI-4 Multi-Tier Rate Calc** use **VII-3 Revenue Gen Multi-Tier**.

For **VI-5(a) Flat Rate Surcharge Calc** use **VII-4(a) Revenue Generated for Flat Rate Surcharge**.

For **VI-5(b) Meter Equivalents Surcharge Calc** use **VII-4(b) Revenue Generated for Meter Equivalents Surcharge**.

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
VII-1 Revenue Generated for Flat Rate
 FOR THE TEST YEAR ENDED: _____

	A	B	C	D	E
Line No.		Existing Rates	Proposed Rates	Reference (unless otherwise noted reference is for both Column C & D)	Items to Notice
1.	Rate for a Flat Rate Unit			Column C, Line 1 = Schedule VI-2, Column C, Line 4	Column B & C
2.	No. of Meters			Schedule I-3(b), Column E, Line 5	
3.	Total Revenue Generated			Line 1 multiplied by Line 2	
4.	Revenue Requirement in Application			Schedule I-1, Column F, Line 31	
5.	Over / (Under) Recovery			Line 3 minus Line 4	Column B
6.	Percentage of (Under) Recovery			Line 5 divided by Line 4 multiplied by 100 for percentage. If entering in excel do not multiply by 100, enter number as a decimal.	Column B

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
VII-2 Revenue Generated for Single Tier Gallonage Charge for All Usage
 FOR THE TEST YEAR ENDED: _____

Line No.	A	B	C	D	E	F
Line No.		Meter Ratios	Existing Rates	Proposed Rates	Reference (unless otherwise noted reference is for both Column C & D)	Items to Notice
	RATES					
	Minimum Monthly Charge					
1.	5/8"	1.0			Column D, Line 1 = Schedule VI-3, Column C, Line 4	Column C & D
2.	3/4"	1.5			Column D, Line 2 = Column D, Line 1 multiplied by Column B, Line 2	Column C & D
3.	1"	2.5			Column D, Line 3 = Column D, Line 1 multiplied by Column B, Line 3	Column C & D
4.	1 1/2"	5.0			Column D, Line 4 = Column D, Line 1 multiplied by Column B, Line 4	Column C & D
5.	2"	8.0			Column D, Line 5 = Column D, Line 1 multiplied by Column B, Line 5	Column C & D
6.	3"	15.0			Column D, Line 6 = Column D, Line 1 multiplied by Column B, Line 6	Column C & D
7.	Other				Must be provided by Utility, if applicable	Column C & D
	Volumetric Charge per tier					
8.	All Usage				Column D, Line 8 = Schedule VI-3, Column C, Line 7	Column C & D
	No. of Meters					
9.	5/8"				Schedule I-3(a), Column E, Line 1	
10.	3/4"				Schedule I-3(a), Column E, Line 2	
11.	1"				Schedule I-3(a), Column E, Line 3	
12.	1 1/2"				Schedule I-3(a), Column E, Line 4	
13.	2"				Schedule I-3(a), Column E, Line 5	
14.	3"				Schedule I-3(a), Column E, Line 6	
15.	Other				Schedule I-3(a), Column E, Line 7	
16.	Total Gallons Billed				Add Lines 9-15	
17.	All Usage				Schedule II-1(a), Column C, Line 4	
	REVENUE					
	Minimum Monthly Charge					
18.	5/8"				Line 1 multiplied by Line 9 multiplied by 12	
19.	3/4"				Line 2 multiplied by Line 10 multiplied by 12	
20.	1"				Line 3 multiplied by Line 11 multiplied by 12	
21.	1 1/2"				Line 4 multiplied by Line 12 multiplied by 12	
22.	2"				Line 5 multiplied by Line 13 multiplied by 12	
23.	3"				Line 6 multiplied by Line 14 multiplied by 12	
24.	Other				Line 7 multiplied by Line 15 multiplied by 12	
25.	Total revenue generated by minimum monthly charges				Add Lines 18-24	
	Volumetric Revenue					
26.	Total revenue generated by Volumetric Usage				Line 8 multiplied by (Line 17/1000)	
27.	Total Revenue Generated				Line 25 plus Line 26	
28.	Revenue Requirement in Application				Schedule I-1, Column F, Line 31	
29.	Over / (Under) Recovery				Line 27 minus Line 28	Column C
30.	Percentage of (Under) Recovery				Line 29 divided by Line 28 multiplied by 100 for percentage. If entering in excel do not multiply by 100, enter number as a decimal.	Column C

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
VII-3 Revenue Generated for Multi-Tier Gallonage Charges
 FOR THE TEST YEAR ENDED: _____

Line No.	A	B Meter Ratios	C Existing Rates	D Proposed Rates	E Reference (unless otherwise noted reference is for both Column C & D)	F Items to Notice
	RATES					
	Minimum Monthly Charge					
1.	5/8"	1.0			Column D, Line 1 = Schedule VI-4, Column C, Line 4	Column C & D
2.	3/4"	1.5			Column D, Line 2 = Column D, Line 1 multiplied by Column B, Line 2	Column C & D
3.	1"	2.5			Column D, Line 3 = Column D, Line 1 multiplied by Column B, Line 3	Column C & D
4.	1 1/2"	5.0			Column D, Line 4 = Column D, Line 1 multiplied by Column B, Line 4	Column C & D
5.	2"	8.0			Column D, Line 5 = Column D, Line 1 multiplied by Column B, Line 5	Column C & D
6.	3"	15.0			Column D, Line 6 = Column D, Line 1 multiplied by Column B, Line 6	Column C & D
7.	Other				Must be provided by Utility, if applicable	Column C & D
	Volumetric Charge per tier					
	<i>Example: 0-3,000</i>					
	<i>3,001-5,000 +</i>					
8.					Column D, Line 8 = Schedule VI-4, Column C, Line 6	Column C & D
9.					Column D, Line 9 = Schedule VI-4, Column C, Line 7	Column C & D
10.					Column D, Line 10 = Schedule VI-4, Column C, Line 8	Column C & D
11.					Column D, Line 11 = Schedule VI-4, Column C, Line 9	Column C & D
12.					Column D, Line 12 = Schedule VI-4, Column C, Line 10	Column C & D
13.					Column D, Line 13 = Schedule VI-4, Column C, Line 11	Column C & D
14.					Column D, Line 14 = Schedule VI-4, Column C, Line 12	Column C & D
15.					Column D, Line 15 = Schedule VI-4, Column C, Line 13	Column C & D
	No. of Meters					
16.	5/8"				Schedule I-3(a), Column E, Line 1	
17.	3/4"				Schedule I-3(a), Column E, Line 2	
18.	1"				Schedule I-3(a), Column E, Line 3	
19.	1 1/2"				Schedule I-3(a), Column E, Line 4	

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
VII-3 Revenue Generated for Multi-Tier Gallonage Charges
 FOR THE TEST YEAR ENDED: _____

	A	B	C	D	E	F
Line No.		Meter Ratios	Existing Rates	Proposed Rates	Reference (unless otherwise noted reference is for both Column C & D)	Items to Notice
20.	2"				Schedule I-3(a), Column E, Line 5	
21.	3"				Schedule I-3(a), Column E, Line 6	
22.	Other				Schedule I-3(a), Column E, Line 7	
23.	Total				Add Lines 16-22	
	Gallons Billed					
24.					Column A, C & D - Must be provided by the Utility	
25.					Column A, C & D - Must be provided by the Utility	
26.					Column A, C & D - Must be provided by the Utility	
27.					Column A, C & D - Must be provided by the Utility	
28.					Column A, C & D - Must be provided by the Utility	
29.					Column A, C & D - Must be provided by the Utility	
30.					Column A, C & D - Must be provided by the Utility	
31.					Column A, C & D - Must be provided by the Utility	
	REVENUE					
	Minimum Monthly Charge					
32.	5/8"				Line 1 multiplied by Line 16 multiplied by 12	
33.	3/4"				Line 2 multiplied by Line 17 multiplied by 12	
34.	1"				Line 3 multiplied by Line 18 multiplied by 12	
35.	1 1/2"				Line 4 multiplied by Line 19 multiplied by 12	
36.	2"				Line 5 multiplied by Line 20 multiplied by 12	
37.	3"				Line 6 multiplied by Line 21 multiplied by 12	
38.	Other				Line 7 multiplied by Line 22 multiplied by 12	

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
VII-3 Revenue Generated for Multi-Tier Gallonage Charges
 FOR THE TEST YEAR ENDED: _____

Line No.	A	B Meter Ratios	C Existing Rates	D Proposed Rates	E Reference (unless otherwise noted reference is for both Column C & D)	F Items to Notice
39.	Total revenue generated by minimum monthly charges				Add Lines 30-38	
	Volumetric Revenue					
40.					Line 8 multiplied by (Line 24/1000)	
41.					Line 9 multiplied by (Line 25/1000)	
42.					Line 10 multiplied by (Line 26/1000)	
43.					Line 11 multiplied by (Line 27/1000)	
44.					Line 12 multiplied by (Line 28/1000)	
45.					Line 13 multiplied by (Line 29/1000)	
46.					Line 14 multiplied by (Line 30/1000)	
47.					Line 15 multiplied by (Line 31/1000)	
48.	Total revenue generated by Volumetric Usage				Add Lines 40-47	
49.	Total Revenue Generated				Line 39 plus Line 48	
50.	Revenue Requirement in Application				Schedule I-1, Column F, Line 31	
51.	Over / (Under) Recovery				Line 49 less Line 50	Column C
52.	Percentage of (Under) Recovery				Line 51 divided by Line 50 multiplied by 100 for percentage. If entering in excel do not multiply by 100, enter number as a decimal.	Column C

UTILITY NAME: _____ SCHEDULES - CLASS B RATE/TARIFF CHANGE VII-4 Surcharge Revenue Calculation FOR THE TEST YEAR ENDED: _____

VII-4(a): REVENUE GENERATED FOR FLAT RATE SURCHARGE

Line No.	A	B	C	D
		Proposed Surcharge Rate	Reference (unless otherwise noted reference is for both Column C & D)	Items to Notice
1.	Surcharge Rate		Column B, Line 1 = Schedule VI-5(a), Column C, Line 4	Column B
2.	No. of Meters		Schedule I-3(a), Column E, Line 9 or Schedule I-3(b), Column E, Line 5	
3.	Total Surcharge Revenue Generated		Line 1 multiplied by Line 2	
4.	Rate Case Expense or Other Surcharged Expense		Schedule II-8, Column D, Line 19	
5.	Over / (Under) Recovery		Line 3 minus Line 4	Column B
6.	Percentage of (Under) Recovery		Line 5 divided by Line 4 multiplied by 100 for percentage. If entering in excel do not multiply by 100, enter number as a decimal.	Column B

VII-4(b): REVENUE GENERATED FOR METER EQUIVALENTS SURCHARGE

Line No.	A	B	C	D	E
		Meter Ratios	Proposed Surcharge Rates	Reference (unless otherwise noted reference is for both Column C & D)	Items to Notice
	Surcharge Rate				
1.	5/8"	1.0		Column C, Line 1 = Schedule VI-5(b), Column C, Line 4	Column C
2.	3/4"	1.5		Column C, Line 2 = Column C, Line 1 multiplied by Column B, Line 2	Column C
3.	1"	2.5		Column C, Line 3 = Column C, Line 1 multiplied by Column B, Line 3	Column C
4.	1 1/2"	5.0		Column C, Line 4 = Column C, Line 1 multiplied by Column B, Line 4	Column C
5.	2"	8.0		Column C, Line 5 = Column C, Line 1 multiplied by Column B, Line 5	Column C
6.	3"	15.0		Column C, Line 6 = Column C, Line 1 multiplied by Column B, Line 6	Column C
7.	Other			Must be provided by Utility, if applicable	Column C
	No. of Meters				
8.	5/8"			Schedule I-3(a), Column E, Line 1	
9.	3/4"			Schedule I-3(a), Column E, Line 2	
10.	1"			Schedule I-3(a), Column E, Line 3	
11.	1 1/2"			Schedule I-3(a), Column E, Line 4	

UTILITY NAME: _____
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
VII-4 Surcharge Revenue Calculation
 FOR THE TEST YEAR ENDED: _____

VII-4(b): REVENUE GENERATED FOR METER EQUIVALENTS SURCHARGE

	A	B	C	D	E
Line No.		Meter Ratios	Proposed Surcharge Rates	Reference (unless otherwise noted reference is for both Column C & D)	Items to Notice
	No. of Meters				
12.	2"			Schedule I-3(a), Column E, Line 5	
13.	3"			Schedule I-3(a), Column E, Line 6	
14.	Other			Schedule I-3(a), Column E, Line 7	
15.	Total			Add Lines 8-14	
	SURCHARGE RATE REVENUE				
16.	5/8"			Line 1 multiplied by Line 8 multiplied by 12	
17.	3/4"			Line 2 multiplied by Line 9 multiplied by 12	
18.	1"			Line 3 multiplied by Line 10 multiplied by 12	
19.	1 1/2"			Line 4 multiplied by Line 11 multiplied by 12	
20.	2"			Line 5 multiplied by Line 12 multiplied by 12	
21.	3"			Line 6 multiplied by Line 13 multiplied by 12	
22.	Other			Line 7 multiplied by Line 14 multiplied by 12	
23.	Total revenue generated by surcharge rate			Add Lines 16-22	
24.	Revenue Requirement in Application			Schedule I-1, Column F, Line 31	
25.	Over / (Under) Recovery			Line 23 minus Line 24	Column C
26.	Percentage of (Under) Recovery			Line 25 divided by Line 24 multiplied by 100 for percentage. If entering in excel do not multiply by 100, enter number as a decimal.	Column C

CLASS B RATE/TARIFF CHANGE

UTILITY NAME: _____

CCN No.: _____

DOCKET NUMBER: _____

VERIFICATION OF ACCURACY

OATH

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

STATE OF TEXAS

COUNTY OF _____

_____ makes an oath and says that he/she is _____
(Name of Affiant) (Official Title of Affiant)

of _____
(Exact Legal Title or Name of the Respondent)

The signed officer has reviewed the application.

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

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

He/she swears that all other statements contained in the said rate application are true, and that the said rate application is a correct and complete statement of the business and the above-named respondent during the test year time frame of

_____ to _____

and including any additional time frames aside from the aforementioned test year resulting from rate case requests for information.

Subscribed and sworn to and before me, a _____ in and for the State and County
above-named, this _____ day of _____, 20____, to certify which
my hand and seal of office.

(Signature of Affiant)

My commission expires _____
(Notary Public In And For The State Of Texas)

Print or Type Name of Notary