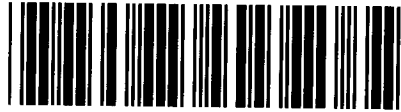




Control Number: 44010



Item Number: 13

Addendum StartPage: 0

SOAH DOCKET NO. 473-15-2123.WS
PUC DOCKET NO. 44010

RECEIVED
2015 FEB 13 AM 10:01
PUBLIC UTILITY COMMISSION
FILING CLERK

PETITION OF RATEPAYERS OF THE	§	BEFORE THE STATE OFFICES
RIVER PLACE WATER AND	§	
WASTEWATER SYSTEMS	§	OF
APPEALING THE RETAIL WATER	§	
AND WASTEWATER RATES OF THE	§	
CITY OF AUSTIN	§	ADMINISTRATIVE HEARINGS

COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION TO
THE CITY OF AUSTIN
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-31

The Commission Staff of the Public Utility Commission of Texas (Staff) requests that the City of Austin provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

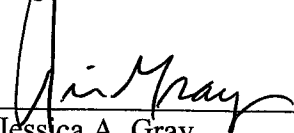
Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

DATE: February 13, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Shelah J. Cisneros
Managing Attorney
Legal Division



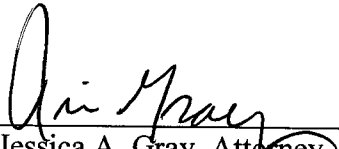
Jessica A. Gray
Attorney-Legal Division
State Bar No. 24079236
(512) 936-7228

Thomas L. Tynes
Attorney-Legal Division
State Bar No. 24085629
(512) 936-7297
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

**SOAH DOCKET NO. 473-15-2123.WS
PUC DOCKET NO. 44010**

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 13th day of February, 2015 in accordance with Public Utility Commission of Texas Procedural Rule 22.74.



Jessica A. Gray, Attorney

**SOAH DOCKET NO. 473-14-5142.WS
PUC DOCKET NO. 42863**

**COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION TO
THE CITY OF AUSTIN
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-31**

DEFINITIONS

- A. **"City of Austin", "the City", or "you"** refers to the City of Austin and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
- B. **"Document"** includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do not exist and these documents will be provided.

INSTRUCTIONS

- 1) Pursuant to P.U.C. PROC. R. 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.

- 4) Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to P.U.C. PROC. R. 22.144(g)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.
- 9) Please provide all responses for water and wastewater services, respectively.

REQUESTS FOR INFORMATION

According to the Texas Water Code §13.043(e), "The commission may consider only the information that was available to the governing body at the time the governing body made its decision and evidence of reasonable expenses incurred by the retail public utility in the appeal process." The responses should be limited to the information available to the City of Austin (City) at the time the City made the rate increase decision.

- Staff 1-1** Please state whether the City completed a cost of service study for the water rate increases for the retail water and wastewater customers of the River Place Water and Wastewater Systems, effective on October 1, 2014 and November 1, 2014, prior to that date.
- Staff 1-2** Please provide copies of any rate studies and other related documentation that was used in determining the rates which were effective on October 1, 2014 and November 1, 2014. Please also provide models used in native format with original formulas intact along with any documented support of the models used. All calculations should be referenced and explained.
- Staff 1-3** Please provide the cost of service using a singular methodology, such as the cash needs method defined in the AWWA M-1 Manual, which is typically used by municipal utilities. For any variations from the methodology used, include a thorough explanation for such variation(s).

- Staff 1-4** Please state the test year the City used to set the appealed rates and indicate whether it is historical, budgeted or other.
- Staff 1-5** If not provided in the previous request, please provide a Statement of Revenue and Expenses, and changes in fund balance, for the water utility only for the 12-month test period including any rate study which the City utilized in establishing the rates which were effective on October 1, 2014 and November 1, 2014.
- Staff 1-6** Please provide Statements of Revenue and Expenses, and changes in fund balance for the City for the 12-month test period and two years prior with a comparison of budget to actual.
- Staff 1-7** Please provide the total number of gallons pumped and billed from the River Place Water And Wastewater System during the 12- month test period.
- Staff 1-8** Please provide the number of water and wastewater customers and meter sizes during the 12-month test period for the River Place Water and Wastewater System.
- Staff 1-9** Please provide a summary of all customers served by the City of Austin as of October 1, 2014 by customer class (inside city, outside city, retail, wholesale, water, wastewater.
- Staff 1-10** Please provide a detailed list of other income (i.e., tap fees, late fees, reconnect fees, etc.) for the 12-month test period, and one year prior to the test period.
- Staff 1-11** Please provide copies of bond covenants, loan documents, and payment schedules including principal and interest payments included in the cost of service used to set the rates in this case. Please also provide a list of the assets installed with the bond money and a narrative on how the assets benefit the River Place Water and Wastewater systems.
- Staff 1-12** Provide a debt service schedule for the Water and Wastewater fund for the 12-month test period and the two years prior to the test period.
- Staff 1-13** Please provide a monthly summary of tax or revenues collected from the retail water and wastewater customers of the River Place Water and Wastewater Systems to pay for any capital improvement or operations and maintenance and/or any cost of service, if any.
- Staff 1-14** Please provide the City's water and wastewater capital improvement plan that was in effect at the time the City made the decision to increase the River Place Water and Wastewater Systems rates in enough detail to reflect improvements affecting the appellant's cost of service.
- Staff 1-15** Please provide the amount of capital expenditures included in the water and wastewater fund as an expenditure of the City of Austin for the three years prior

to the 12-month test period in this case.

- Staff 1-16** Please indicate which of the capital expenditures in the previous request, if any, were paid for using long-term debt or included in the proposed issuance of any debt instrument.
- Staff 1-17** Please provide monthly operations reports for the 12-month test period.
- Staff 1-18** Please provide any analyses with regard to recommended increases needed to support the City's bond ratings, including rate agency comments, if any.
- Staff 1-19** Please provide all documents pertaining to required improvements to meet drinking water standards or water quality standards and any related estimates available to the City at the time the rates which were effective on October 1, 2014 and November 1, 2014 were approved.
- Staff 1-20** Please provide all documents that the City relied upon to determine the rate increase approved at the time the decision was made.
- Staff 1-21** Please provide all documents and computations supporting allocations of expenditures and costs to retail water and wastewater customers of the River Place Water and Wastewater Systems for the 12-month test period. Please provide detailed information on allocations of expenses, capital costs, and debt service to the cost of service used to determine the appealed rates in this case. The information should include the type of expense, the allocation factor(s), the justification for the allocation factor, and whether or not the allocation factor is consistently used between time periods and other entities or customer groups receiving water or wastewater service from the City.
- Staff 1-22** Please provide any City Council approvals of transfers to the general fund, or payments in lieu of taxes for the 12-month test period.
- Staff 1-23** Please provide specific justification for any amounts transferred to the City's general fund, payments in lieu of taxes, or overhead or administrative allocations that are included in the cost of service used to determine the appealed rates in this case.
- Staff 1-24** Please state whether or not the River Place Water and Wastewater Systems are metered. If so, please provide information on the number of meters and usage for the 12-month test period. If the River Place Water and Wastewater Systems are not metered, please state how the allocation of usage between retail water and wastewater customers of the River Place Water and Wastewater Systems and other City customers is determined.
- Staff 1-25** Please provide minutes of the meeting held by the board when approving the rate changes which were effective on October 1, 2014 and November 1, 2014, if

applicable, or documents reflecting final approval to increase the water and wastewater rates.

- Staff 1-26** Please provide any work papers supporting the water and wastewater rate changes which were effective on October 1, 2014 and November 1, 2014, including fully working versions of the work papers in electronic (MS EXCEL or compatible) format.
- Staff 1-27** Please provide copies of all analyses, studies, or reports the City or its representative has performed or directed to be performed regarding the quantifiable benefits the City expects to realize by the water and wastewater rate changes.
- Staff 1-28** Please provide the City's line loss, and any line loss studies, for the 12-month test period.
- Staff 1-29** Please provide a copy of any current contracts between City of Austin and River Place Water and Wastewater systems.
- Staff 1-30** Please provide the usage for each month and the customer count for each usage block for the 12-month test period. Please provide this information in native Excel format.
- Staff 1-31** If the City has included any expenses in the cost of service used to set the rates appealed in this case designated as the following categories, please explain the benefits to the River Place Water and Wastewater Systems derived from this fund and why this expense is reasonable to include in the cost of providing service to the River Place Water and Wastewater customers:
- a. Sustainability fund;
 - b. Revenue Stability Reserve Fund;
 - c. Economic Incentive Reserve Fund;
 - d. Costs for Public Improvement District;
 - e. Economic Incentives Reserve Fund;
 - f. PARD CIP – Swimming Pools;
 - g. Environmental Remediation Fund;
 - h. Land Management;
 - i. Reicher Ranch;
 - j. Balcones Canyonland Preserve;
 - k. WTP4 Capital;
 - l. WTP4 O&M;

m. Austin Energy.

Note: The items marked with an asterisk "" above should be submitted as confidential filings with the PUC. Please follow the instructions for filing confidential documents when filing these items.

Please provide all documents responding to RFI Nos. Staff 1-2, Staff 1-6, Staff 1-21, Staff 1-26, Staff 1-27, and Staff 1-30 in electronic format Microsoft Excel Spreadsheets.