



Control Number: 44236



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DOCKET NO. 44236

APPLICATION OF CUSTOM WATER §
COMPANY, LLC FOR A RATE/TARIFF §
CHANGE §

PUBLIC UTILITY COMMISSION

2015 APR 7 9:01:08
PUBLIC UTILITY COMMISSION
OF TEXAS FILING CLERK

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO CUSTOM WATER COMPANY (CUSTOM WATER)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-22**

Pursuant to § 22.144 of the Commission's Procedural Rules, the Staff of the Public Utility Commission of Texas (Staff) requests that Custom Water Company, LLC (Custom Water) by and through its attorneys of record, 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.

Dated: April 7, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director-Legal Division

Shelah J. Cisneros
Managing Attorney-Legal Division



Katherine Lengieza Gross
Attorney-Legal Division
State Bar No. 24065610
(512) 936-7277
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 7, 2015, in accordance with P.U.C. Procedural Rule 22.74.



Katherine Lengieza Gross

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DEFINITIONS

- A. **"Custom Water", "the Company" or "you"** refers to the Custom Water Company, LLC 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.

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QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-22**

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.

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- Staff 1-1** Reference the filing, page 10. Provide the calculation, including supporting documentation, of the claimed Equity amount of \$39,773.
- Staff 1-2** Reference the filing, page 10. Provide the calculation, including supporting documentation, of the claimed 10% return on equity.
- Staff 1-3** Reference the filing, page 11 regarding the loan from U.S. Bank. Provide the term sheet, or loan agreement, including the stated interest rate of 1.50% and amortization schedule.
- Staff 1-4** Reference the filing, page 11 regarding the loan from Kubota. Provide the term sheet, or loan agreement, showing the Amount Outstanding, and a 0% interest rate.
- Staff 1-5** Provide the General Ledger for the Test year 9/1/2013 – 8/31/2014.
- Staff 1-6** Provide the General Ledger for the Known and Measurable period 9/1/2014 – present.
- Staff 1-7** Provide the Balance Sheet as of:
A. 8/31/2013;
B. 8/31/2014; and
C. 4/30/2015.
- Staff 1-8** Provide the Profit and Loss Statement for:
A. 9/1/2013-8/31/2014; and
B. 9/1/2014-4/30/2015.
- Staff 1-9** Provide copies of income taxes filed with the Internal Revenue Service, including copies of W-2s and 1099s, for years ending:
A. 12/2013; and
B. 12/2014.
- Staff 1-10** Provide a list of assets (wells, storage tanks, pressure tanks, distribution system, office equipment, vehicles, etc.) with installation dates or service dates.
- Staff 1-11** Provide copies of work orders.

- Staff 1-12** Provide copies of invoices of the 1% regulatory assessment fees paid to TCEQ during the test year, including classification for the regulatory assessment fees account.
- Staff 1-13** For each employee or contract laborer of the utility, please provide the following:
- A. Name of the employee or contract laborer;
 - B. Hire date;
 - C. Termination date;
 - D. Rate per hour during the 12 month test year;
 - E. Ending rate per hour within the 12 months after the test year; and
 - F. Detailed description, along with the hours worked per week, for the contract laborer's or employee's duties.
- Staff 1-14** Reference the filing, page 13 regarding Known and Measurable Changes. Provide copies of invoices and supporting documentation for the cost of service.
- Staff 1-15** Reference the filing, page 13 regarding Miscellaneous Expenses of \$66,224. Provide a breakdown, including copies of invoices and supporting documentation.
- Staff 1-16** Reference the filing, page 13 regarding Rate Case Expense of \$18,000. Provide copies of invoices.
- Staff 1-17** If Custom Water is affiliated with any other utility or company, provide the following:
- A. The name of the affiliated company; and
 - B. Percentage of allocation of shared expenses.
- Staff 1-18** Provide monthly summary of gallons billed and pumped during the test year.
- Staff 1-19** Provide the monthly operating reports for the test year.
- Staff 1-20** Provide invoices and documentation supporting the depreciation schedule.
- Staff 1-21** Select and provide five customer bills showing meter consumption.
- Staff 1-22** Provide the amount of other income/revenues billed to customers during the test year for tap fees, reconnect fees, late charges, etc.