



Control Number: 44809



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**SOAH DOCKET NO. 473-16-1848.WS  
PUC DOCKET NO. 44809**

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**APPLICATION OF QUADVEST, LP § BEFORE THE STATE OFFICE  
FOR A RATE/TARIFF CHANGE § OF  
§ ADMINISTRATIVE HEARINGS**

**COMMISSION STAFF'S THIRD  
REQUEST FOR INFORMATION AND REQUEST  
FOR ADMISSION TO QUADVEST, LP  
QUESTION NOS. STAFF 3-1 THROUGH STAFF 3-15**

Pursuant to 16 TAC § 22.144 of the Commission's Procedural Rules, the Staff of the Public Utility Commission of Texas (Staff) requests that Quadvest, LP 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.

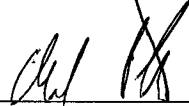
Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

Dated: April 6, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director-Legal Division

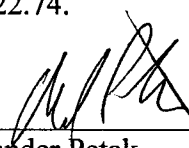
Karen S. Hubbard  
Managing Attorney - Legal Division



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Attorney-Legal Division  
State Bar No. 24088216  
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State Bar No. 24048366  
(512) 936-7377  
(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 6, 2016, in accordance with 16 Tex. Admin. Code § 22.74.



Alexander Petak

**DOCKET NO. 44809**

**COMMISSION STAFF'S THIRD REDACTED  
REQUEST FOR INFORMATION AND REQUEST  
FOR ADMISSION TO QUADVEST, LP  
QUESTION NOS. STAFF 3-1 THROUGH STAFF 3-15**

**DEFINITIONS**

- 1) "Quadvest", "the Company" or "you" refers to Quadvest, LP and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons. "The City" refers to the City of Copperas Cove and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.
- 2) "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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**COMMISSION STAFF'S THIRD REDACTED  
REQUEST FOR INFORMATION AND REQUEST  
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QUESTION NOS. STAFF 3-1 THROUGH STAFF 3-15**

**INSTRUCTIONS**

- 1) Pursuant to 16 TAC § 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 16 TAC § 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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**COMMISSION STAFF'S THIRD REDACTED  
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QUESTION NOS. STAFF 3-1 THROUGH STAFF 3-15**

- Staff 3-1** With regard to BATES page 8 of Chuck Loy's testimony, lines 10-15, please answer the following:
- a) Please provide copies of the specific documents referenced on lines 7-10;
  - b) Please provide a copy of all financial information referred to on line 11, if not already provided;
  - c) Please provide a copy of the affiliate cost allocation study and all assumptions and related documents supporting the study;
- Staff 3-2** With regard to BATES pages 8, line 24 and page 9 lines 1-2 of Chuck Loy's testimony, please explain what sewer work papers provided you are referring to.
- Staff 3-3** With regard to vehicle expenses included in the cost of service, please provide the following:
- a) Any and all justification for the company vehicle allowances, vehicle allowances, cell phone, cell phone allowances, and other (vistage, fuel, etc.)
  - b) Please define the term "vistage" and indicate a list of expenses it includes.
  - c) Please provide further detail on each type of expense included in the column "Other (vistage, fuel, etc.)
  - d) Basis for paying for mileage driven, including amount per mile paid for mileage, and whether or not miles include commuting from and to work;
  - e) Basis for paying for a company vehicle, including company policies, etc. and the benefit received by the customer for paying for each vehicle.
  - f) Provide the make, model, and year of each company vehicle and indicate which employee uses that vehicle.
- Staff 3-4** Provide documentation including invoices, name of the recipient of the services, type of services, specific business reasons for expense, and explain why the expense is necessary for water and wastewater service in Texas for every medical expense included in the cost of service excluding health insurance expense. Also indicate what category the expense is included in the rate filing application.
- Staff 3-5** Provide documentation including invoices, name of the recipient of the services, type of services, specific business reasons for expense, and explain why the expense is necessary for water and wastewater service in Texas for every "meals and entertainment" expense included in the cost of service excluding health insurance expense. Also indicate what category the expense is included in the rate filing application.

- Staff 3-6** Provide income statements and balance sheets for all of the applicant's affiliated entities for the test year and two years prior to the test year.
- Staff 3-7** Please provide an explanation of why gross revenues for affiliates and gross property, plant and equipment were not used for allocations between affiliates.
- Staff 3-8** Provide a list of all employees who have resigned or been fired from Quadvest after the test year including the name of the employee, annual salary and benefits in effect for the employee when terminated, whether or not the employee was replaced, and the annual salary and benefits of the employee replacing that employee.
- Staff 3-9** For any expense amount for the test year that exceeds \$1,000 as listed in the general ledger under "Source Name" as a bank or credit card, including but not limited to as "Bank of America, American Express, or Visa-Business-Whitney Bank", provide documentation including invoices, recipient of the services, type of services, specific business reasons for expense, and explain why the expense is necessary for water and wastewater service in Texas. Also indicate what category the expense is included in the rate filing application. Please only respond for amounts included in the applicant's cost of service.
- Staff 3-10** For all amounts over \$2,000 included in repairs & maintenance, account number 6516-2, of the general ledger (please respond only for amounts included in the applicant's cost of service):
- a) Please provide invoices for the expense;
  - b) Indicate which water or wastewater system the expense for which the expense was incurred;
  - c) Indicate whether or not the repair will last more than one year;
  - d) Indicate whether or not the repair extended or could be expected to extend the useful life of the asset repaired.
- Staff 3-11** Provide receipts for all charitable contributions included in test year expenses (cost of service) for amounts over \$1,000. Also include the name of any employee of the applicant who directly or indirectly benefited from the contribution, if any.
- Staff 3-12** Provide documentation including invoices, name of the traveler, specific business reasons for expense, and explain why the expense is necessary for water and wastewater service in Texas for every "Travel" expense, general ledger account #6660, included in the cost of service. Also indicate what category the expense is included in the rate filing application.

- Staff 3-13** Reference Bates page 135-149 of the application attachments:
- a) With regard to the “market rental survey of an office; office/warehouse; and ground lease” prepared by Whitney & Associates, please indicate if any comparison of leasehold improvement or upkeep expenses were included for any leases included in the evaluation.
  - b) Please provide a complete list of all leasehold improvements and repairs and maintenance expenses directly and indirectly performed on the assets leased which have been included in the cost of service. Include the account category in the application that the expense is reported in for the test year.
- Staff 3-14** Reference Bates page 9 of the application, Developer Contributions – Water:
- a) Provide a list of any developer contributions that were not included on this this and the reasons for excluding them.
  - b) Provide the basis for amortization of the developer contributions, including any calculations.
- Staff 3-15** Provide the applicant’s financial statements including income statement, balance sheet, and statement of cash flows for the year January 1, 2015 through December 31, 2015.