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APPLICATION OF AQUA TEXAS, §
INC. D/B/A AQUA TEXAS TO AMEND §
CERTIFICATES OF CONVENIENCE §
AND NECESSITY IN MONTGOMERY §
COUNTY §

2016 MAR - 9 AM 8:19
PUBLIC UTILITY COMMISSION
OF TEXAS CLERK

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO AQUA TEXAS, INC.
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

Pursuant to 16 Tex. Admin. Code § 22.144 (TAC) of the Commission's Procedural Rules, the Staff of the Public Utility Commission of Texas (Staff) requests that Aqua Texas, Inc. 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.

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Dated: March 9, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director-Legal Division

Stephen Mack
Managing Attorney-Legal Division

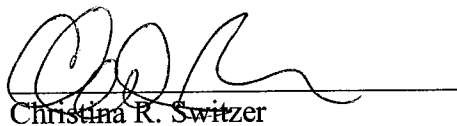


Christina R. Switzer
Attorney-Legal Division
State Bar No. 24066171
(512) 936-7216
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on March 9, 2016, in accordance with 16 Tex. Admin. Code § 22.74.


Christina R. Switzer

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO AQUA TEXAS, INC.
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

DEFINITIONS

- 1) "Aqua Texas", "the Company" or "you" refers to Aqua Texas Inc. 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.
- 3) "Developer" refers to Pulte Homes of Texas, L.P. and any affiliates as well as any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO AQUA TEXAS, INC.
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

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 FIRST REQUEST FOR INFORMATION
TO AQUA TEXAS, INC.
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

- Staff 1-1** In reference to Aqua Texas' letter to Commission Staff dated August 24, 2015:
- a) Please provide updated projections for the system based on a 5 year timeframe in a Microsoft Excel Format that also includes (1) monthly operating/maintenance expenses and net income for water and sewer in a Microsoft Excel format and (2) the cost calculation totals to be paid by Aqua Texas and the Developer once all reimbursement occurs.
 - b) Please provide a basis, such as a rate study or other justification, for the projected water rate amount of \$64.20 per connection and projected sewer rate of \$63.80 per connection.
 - c) Please explain why "Develop Reimb By Aqua" amounts, totaling \$450,000 (from 3-17 thru 12-17) are also included in the Aqua Texas Capital Outlay cost row for water but not for sewer or any of the other months regarding "Develop Reimb By Aqua" water cost.
- Staff 1-2** Please provide documentation demonstrating sufficient cash is available to cover any projected operations and maintenance shortages in the first five years of operations. Please note whether an affiliated interest intends to provide a written guarantee of coverage of temporary cash shortages.
- Staff 1-3** Please provide an electronic copy of all agreements between Aqua and the Developer related to developing and serving the requested area.