



Control Number: 45283



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SOAH DOCKET NO. 473-16-1834.WS
PUC DOCKET NO. 45283

RATEPAYERS' APPEAL OF THE
DECISION BY NORTH SAN SABA
WATER SUPPLY CORPORATION TO
CHANGE RATES

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STATE OFFICE OF
ADMINISTRATIVE HEARINGS

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COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO
NORTH SAN SABA WATER SUPPLY CORPORATION
STAFF NO. 3-1 THROUGH NO. 3-28

To: North San Saba Water Supply Corporation, through its counsel of record, Richard T. Miller, Law Office of Richard T. Miller, 414 East Wallace Street, San Saba, Texas 76877

Pursuant to 16 Tex. Admin. Code § 22.144, Commission Staff of the Public Utility Commission of Texas requests that North San Saba Water Supply Corporation provide responses and produce documents in response to Commission Staff's Third Request for Information.

Provide an original and three (3) copies of your responses to:

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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Date: April 4, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division



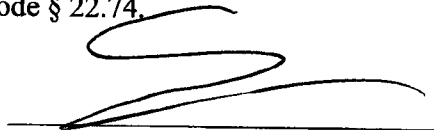
Sam Chang
Attorney, Legal Division
State Bar No. 24078333

(512) 936-7261
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
sam.chang@puc.texas.gov

DOCKET NO. 45283

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 4, 2016, in accordance with 16 Tex. Admin. Code § 22.74.


Sam Chang

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO
NORTH SAN SABA WATER SUPPLY CORPORATION
STAFF NO. 3-1 THROUGH NO. 3-28**

INSTRUCTIONS

1. Responses and any Document production shall be limited to the information available to North San Saba WSC at the time the decision to increase rates.
2. North San Saba WSC's responses to Staff's 3RD RFI shall be provided within the time limit provided by the presiding officer or, if the presiding officer has not provided a time limit, within twenty (20) days.
3. North San Saba WSC's responses to Staff's 3RD RFI shall be in sufficient detail to fully present all of the relevant facts.
4. Each response must be made under oath and identify the person that prepared the response or the person under whose direct supervision the response was prepared. Additionally, each response must also identify the sponsoring witness, if any.
5. Copy the specific question or document request immediately above each response. With respect to the production of documents, indicate the specific document request(s) to which the documents are being produced.
6. North San Saba WSC has a continuing duty to supplement its responses to Staff's 3RD RFI if it acquires information upon the basis of which it knows or should know that the response was incorrect or incomplete when made or though correct or complete when made, is materially incorrect or incomplete. North San Saba WSC shall amend its prior response within five (5) working days of acquiring the information.
7. If any responsive Document, Electronically Stored Information, or tangible item is withheld under any claim of privilege, provide a privilege log identifying each Document for which a privilege is claimed, together with the following information:
 - a. Date of the Document was created;
 - b. Subject matter of the Document; and
 - c. The basis upon which such privilege is claimed.
8. Electronically Stored Information and Documents in an electronic format shall be produced with metadata intact.
9. If the response to any request is voluminous, provide a detailed index of the voluminous material and the means by which Staff may obtain the voluminous material.
10. 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.

11. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
12. The terms “and” and “or” shall be construed as either conjunctive or conjunctive as necessary to make the request inclusive rather than exclusive
13. Documents produced in response to Staff’s 3RD RFI shall be Bates labeled.

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO
NORTH SAN SABA WATER SUPPLY CORPORATION
STAFF NO. 3-1 THROUGH NO. 3-28**

DEFINITIONS

1. "North San Saba WSC" means North San Saba Water Supply Corporation and any entity or person acting or purporting to act on its behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, independent contractors, or other persons.
2. "Commission" means the Public Utility Commission of Texas.
3. "Document" is used in its broadest sense to include, by way of illustration and not limitation, all written or graphic matter of every kind and description, whether printed, produced, or reproduced by any process (visually, magnetically, mechanically, electronically, or by hand); whether a final draft, initial draft, original copy, or reproduction; whether claimed as privileged or otherwise excludable from discovery; and whether or not in your actual or constructive possession, custody, or control. The term includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to Electronically Stored Information, correspondence, e-mails, telegrams, contracts, agreements, notes in any form, memoranda, reports, invoices, ledgers, spreadsheets, data, models, diaries, compilations, voice recording tapes, microfilms, pictures, computer media, workpapers, 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.
4. "Electronically Stored Information" means data that is created, altered, communicated, and stored in digital form.

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO
NORTH SAN SABA WATER SUPPLY CORPORATION
STAFF NO. 3-1 THROUGH NO. 3-28**

- STAFF RFI
NO. 3-1** Provide a copy of North San Saba WSC's original loan documents received and approved by the Texas Water Development Board for loan numbers L1000129, LF1000128 and L11054.
- STAFF RFI
NO. 3-2** Provide an explanation and supporting approved agreements for the restrictions on the use of the cash amount of \$80,426 listed as restricted funds in North San Saba WSC's Annual Financial Report for fiscal year 2014 (Note 2).
- STAFF RFI
NO. 3-3** Provide copies of all agreements that require North San Saba WSC to maintain and secure cash reserves and/or debt service coverage ratios for any debt outstanding. Detail the terms of such agreements.
- STAFF RFI
NO. 3-4** Provide a paper copy and/or electronic file in Microsoft Excel format of North San Saba WSC's Quickbooks detailed transaction report for January 2012 through December 2012 for all revenues, expenses, assets, liabilities, and equity accounts that reconcile to North San Saba WSC's Annual Report for fiscal year 2012.
- STAFF RFI
NO. 3-5** Provide a paper copy and/or electronic file in Microsoft Excel format of North San Saba WSC's Quickbooks detailed transaction report for January 2013 through December 2013 for all revenues, expenses, assets, liabilities, and equity accounts that reconcile to North San Saba WSC's Annual Report for fiscal year 2013.
- STAFF RFI
NO. 3-6** Provide a paper copy and/or electronic file in Microsoft Excel format of North San Saba WSC's Quickbooks detailed transaction report for January 2014 through December 2014 for all revenues, expenses, assets, liabilities, and equity accounts that reconcile to North San Saba WSC's Annual Report for fiscal year 2014.
- STAFF RFI
NO. 3-7** Provide a paper copy and/or electronic file of North San Saba WSC's 2012 and 2013 audited financial statements.
- STAFF RFI
NO. 3-8** Provide North San Saba WSC's invoices and receipts for any water system fixed asset capitalized since 2008.
- STAFF RFI
NO. 3-9** Provide a copy of receipts and/or invoices for any water system assets that were expensed as annual capital expenditures during 2012, 2013, and 2014, respectively.

- STAFF RFI
NO. 3-10** Provide an original copy of the executed service contract between North San Saba WSC and Will Broyles.
- STAFF RFI
NO. 3-11** For any person or business that does business with North San Saba WSC and who employs a relative, or is a relative of a North San Saba WSC employee or board member, please provide the following:
- a. A list of the persons or business responsive to this request;
 - b. All dollar amounts paid to each person or business for 2012, 2013, and 2014, respectively;
 - c. All invoices supporting the amounts paid to each person or business for 2012, 2013, and 2014, respectively; and
 - d. Any and all evidence that the amounts paid to such persons or entities are less than or equal to amounts that would be charged to North San Saba WSC by an unrelated party in an arms-length transaction.
- STAFF RFI
NO. 3-12** For fiscal years 2013 and 2014, provide all invoices from Broyles Construction that were approved and paid by North San Saba WSC.
- STAFF RFI
NO. 3-13** State whether any owners or managers of Broyles Construction are board members of North San Saba WSC or are related to board members of North San Saba WSC.
- STAFF RFI
NO. 3-14** Provide supporting Documents and approved general ledger entries and for the Water Line Extension General Journal entry 12/31/2014, KLS, Deposit, - \$29,152.00.
- STAFF RFI
NO. 3-15** Explain the source of revenues in the other income account and water sales account as reported in North San Saba WSC's audited financial statements for fiscal year 2014. Provide supporting Documents for the dollar amounts.
- STAFF RFI
NO. 3-16** Provide supporting Documents used by Roger Whatley to sponsor North San Saba WSC's response to Staff RFI No. 2-4. Provide all calculations for the \$29,000 a month figure.
- STAFF RFI
NO. 3-17** Provide North San Saba WSC's budget for 2015 and the approved board minutes for the board meeting that approved the budget
- STAFF RFI
NO. 3-18** With regard to North San Saba WSC's 2015 budget:

- a. Explain the difference between North San Saba WSC's 2015 budget and its 2014 budget by account;
- b. Explain the reason for such differences; and
- c. Provide all supporting Documents that account for the difference between North San Saba WSC's 2015 budget and its 2014 budget (e.g. price increase documentation, vendor quotes, invoices, etc.).

**STAFF RFI
NO. 3-19**

Provide a sample a North San Saba WSC water customer bills with the old rates and the new rates being appealed.

**STAFF RFI
NO. 3-20**

Provide all of North San Saba WSC's financial statements for fiscal year 2015 that were available when the board of directors approved the rate increase.

**STAFF RFI
NO. 3-21**

Provide a paper copy and/or electronic files in Microsoft Excel format of a reconciliation between North San Saba WSC's Quickbooks detailed transaction by account balance and each line in North San Saba WSC's financial statements for fiscal year 2015 financial statements for all revenues, expenses, assets, liabilities, and equity accounts.

**STAFF RFI
NO. 3-22**

Provide all detailed invoices that support any rate case expenses for which North San Saba WSC intends to request recovery due to this appeal. Invoices should include the name of the person providing the service, hourly billing rates, specific description of services performed during the time billed, and hours billed on each invoice.

**STAFF RFI
NO. 3-23**

Provide all evidence reasonableness regarding the rate case expenses incurred by North San Saba WSC due to this appeal.

**STAFF RFI
NO. 3-24**

Provide a detailed listing of which North San Saba WSC budget expense and revenue accounts correspond to their audited annual financial report expense and revenues account.

**STAFF RFI
NO. 3-25**

Explain the source of revenues for each account in the North San Saba WSC's 2014 budget.

**STAFF RFI
NO. 3-26**

Provide a written and/or electronic copy of the North San Saba WSC's charter and operating rules.

**STAFF RFI
NO. 3-27**

Provide all executed agreements and paid invoices for expense/revenue increases that support known and measureable changes during the time North San Saba WSC's board approved the rate increase.

**STAFF RFI
NO. 3-28**

Provide the supporting financial statements and detailed transaction listing ledger that reconciles to North San Saba WSC's revenue requirement budget/cost amounts reported in Exhibit KG-3 of Ms. Cages testimony