



Control Number: 45414



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SOAH DOCKET NO. 473-17-4051
DOCKET NO. 45414

RECEIVED

REVIEW OF THE RATES OF
SHARYLAND UTILITY COMPANY

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PUBLIC UTILITY COMMISSION

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OF TEXAS

PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S TWENTY-SECOND REQUEST FOR INFORMATION
TO SHARYLAND UTILITIES L.P. (SHARYLAND)
QUESTION NOS. STAFF 22-1 THROUGH 22-16

Pursuant to 16 Tex. Admin. Code Ann. § 22.144 (TAC), the Staff of the Public Utility Commission of Texas (Staff) requests that Sharyland Utilities L.P. (Sharyland) 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.

323

Dated: January 13, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney



Jacob Lawler

State Bar No. 24076502

Jason Haas

State Bar No. 24032386

Michael Crnich

State Bar No. 24059626

Erika N. Garcia

State Bar No. 24092077

(512) 936-7295

(512) 936-7268 (facsimile)

1701 N. Congress Avenue

P.O. Box 13326

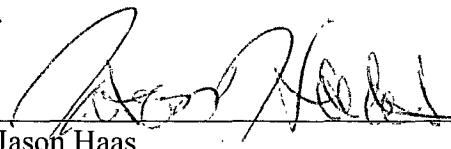
Austin, Texas 78711-3326

jacob.lawler@puc.texas.gov

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on January 13, 2017 in accordance with 16 TAC § 22.74.



Jason Haas

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**COMMISSION STAFF'S TWENTY-SECOND REQUEST FOR INFORMATION
TO SHARYLAND UTILITIES L.P. (SHARYLAND
QUESTION NOS. STAFF 22-1 THROUGH 22-16**

DEFINITIONS

- A. "Sharyland", "you" refers to Sharyland Utilities L.P., Sharyland Distribution & Transmission Services, L.L.C (SDTS) 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 22-1 THROUGH 22-16**

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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TO SHARYLAND UTILITIES L.P. (SHARYLAND
QUESTION NOS. STAFF 22-1 THROUGH 22-16**

- Staff 22-1 As required in the Transmission & Distribution Investor-Owned Utilities Rate Filing Package For Cost-Of-Service Determination (RFP), general instruction 11, please provide, to the maximum extent possible, the functionalization of intangible plant based on directly assigning the costs of software, hardware, and other assets that are used to support a specific function to that function. As set out in the RFP, Schedule F, please allocate any remaining intangible plant on the basis of directly assigned plant. Please include an explanation of the methodology the Company followed in preparing its response, and provide the supporting workpapers.
- Staff 22-2 As required in the RFP, Schedule F, please provide a functionalization of the Company's general plant, not directly assigned, based on the square footage in the Company's administrative offices occupied by staff that support each function. Please include an explanation of the methodology the Company followed in preparing its response and provide the supporting workpapers.
- Staff 22-3 As required in the RFP, general instruction 11, please provide a functionalization of communication equipment based on directly assigning the costs of communication equipment that is used to support a specific function to that function. Please allocate any remaining communications equipment on the basis of directly assigned communications equipment. Please include an explanation of the methodology the Company followed in preparing its response, and provide the supporting workpapers.
- Staff 22-4 Please provide a comprehensive narrative explanation of the methodology the Company followed to directly assign the requested amounts for FERC account 923, outside services, to the functions. Please provide all the supporting workpapers and explain how the amounts listed in WP II-D-2 were determined.
- Staff 22-5 Please provide a comprehensive narrative of the Company's justification for its request to directly assign the portion of FERC account 923 to the transmission function and how the percentage was determined.
- Staff 22-6 Please explain the Company's methodology followed to develop the TOTREV TCOS functionalization factor. Please include discussion how this functionalization factor changes, if at all, in response to changes in the Company's transmission cost of service (TCOS). Please include a discussion regarding the development of the TCOS figure in cell X62 of worksheet II-F Data

in the Company's electronic RFP, and provide the supporting workpapers. Please also explain the change in this functionalization factor between the original application and the re-filing.

- Staff 22-7 Please explain the methodology the Company followed to identify the portion of materials and supplies that are associated with a function, and provide the workpapers that show the implementation of the methodology in developing the amounts in Schedule II-B-8. Please explain why the Company has requested to assign the portion of the total to the transmission function and how that percentage was determined.
- Staff 22-8 Please explain how the Company developed the TOTREV functionalization factor and provide the supporting workpapers. Please explain how and why the functionalization data changed between the original application and the re-filing.
- Staff 22-9 Please explain the change in the Company's methodology to develop weighted customer counts for the purpose of class cost allocation in its re-filed application and provide the supporting workpaper.
- Staff 22-10 How is the City of Farmersville's load on Sharyland's distribution system treated (1) by ERCOT in reporting 4CP load data annually in the matrix docket, (2) by Sharyland in developing the jurisdictional allocation of ERCOT transmission payments, if any, and (3) by Sharyland in developing its requested TCRF revenue requirement? Please explain.
- Staff 22-11 Please confirm that the 4CPs proposed by the Company to allocate ERCOT transmission payments among the classes are the class demands coincident with ERCOT 4CP demand and not some other measure of demand. If not confirmed, please explain why class demand coincident with ERCOT peak demands is not the proposed 4CP class allocation basis.
- Staff 22-12 Please provide the workpapers that support the Company's requested TCRF revenue requirement. Please discuss if the Company would consider it to be reasonable to update the TCRF revenue requirement to reflect WTS rate changes that occurred after the Company's re-filing date, or will occur in the near term. If yes, what would the Company propose as a reasonable cutoff date for updates? Please explain.
- Staff 22-13 Please provide the at-source Test Year demands of the TCRF classes (including IDR-metered and other customer groups within the generic rate classes broken out separately) coincident with the ERCOT system peak demands in June, July, August, and September. Please also provide the same information for 2016, if available.
- Staff 22-14 Please provide the proposed Test Year TCRF billing units for each TCRF class (including IDR-metered and other customer groups within the generic rate classes

broken out separately). Please also provide the same information for 2016, if available. For any billing units that are estimated, please explain the estimation methodology and provide the supporting workpapers.

- Staff 22-15 Please refer to the Company's response to Staff RFI 15-1, import peak of 150 on October 28th, 2015. Please explain the purpose of this transaction. Also, please clarify the units (e.g., megawatts).
- Staff 22-16 For each distribution system asset that is involved in providing service to City of Farmersville, please identify the year that the asset was placed into service.