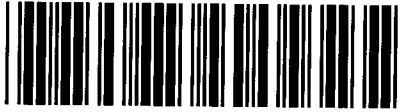


Control Number: 45720



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Addendum StartPage: 0

SOAH DOCKET NO. 473-16-3831.WS  
PUC DOCKET NO. 45720

RECEIVED

APPLICATION OF RIO CONCHO  
AVIATION, INC. FOR A  
RATE/TARIFF CHANGE

§  
§  
§  
§

BEFORE THE STATE OF TEXAS

2016 MAY 19 AM 10:49  
OF  
PUBLIC UTILITY COMMISSION  
FILING CLERK

ADMINISTRATIVE HEARINGS

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO RIO CONCHO AVIATION, INC.  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-22

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 the Rio Concho Aviation, 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.

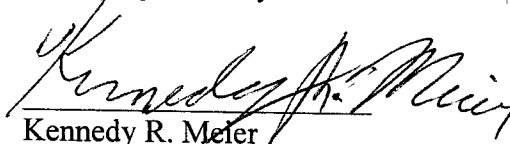
Dated: May 19, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney

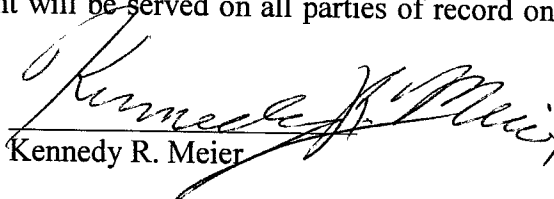


Kennedy R. Meier  
State Bar No. 24092819  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7265  
(512) 936-7268 (facsimile)

**SOAH DOCKET NO. 473-16-3831.WS  
PUC DOCKET NO. 45720**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on May 19, 2016, in accordance with 16 TAC § 22.74.



Kennedy R. Meier

**SOAH DOCKET NO. 473-16-3831.WS  
PUC DOCKET NO. 45720**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO RIO CONCHO AVIATION, INC.  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-22**

**DEFINITIONS**

- 1) "Rio Concho," "the Company" or "you" refers to the Rio Concho Aviation, 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.

**SOAH DOCKET NO. 473-16-3831.WS  
PUC DOCKET NO. 45720**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO RIO CONCHO AVIATION, INC.  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-22**

**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.

**SOAH DOCKET NO. 473-16-3831.WS**  
**PUC DOCKET NO. 45720**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO RIO CONCHO AVIATION, INC.  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-22**

- Staff 1-1** Please provide the general ledger for the test year ending December 31, 2015.
- Staff 1-2** Please provide a reconciliation between Schedule I-1, Revenue Requirement Summary, on page 6 of the supporting schedules of the application and the general ledger.
- Staff 1-3** Please provide copies of the federal income tax forms on which the utility operations were reported and filed with the Internal Revenue Service (IRS) service for 2013, 2014, and 2015.
- Staff 1-4** Please provide copies of federal forms W-2 and/or forms 1099 for salaries and contract services, if any, for the test year. Please use the confidential filing process available through the Public Utility Commission's Central Records for confidential information including tax returns, wages and other confidential information.
- Staff 1-5** Please provide copies of detailed invoices and supporting documentation, including explanations and calculations for the test year and adjusted expenses included in Schedule I-1 of the application as follows:
- a) volume-related expenses, line 3, in the amount of \$1,620;
  - b) employee labor, line 5, in the amount of \$41,568;
  - c) contract labor, line 7, in the amount of \$26,987 and \$28,457;
  - d) transportation expenses, line 8, in the amount of \$3,283 and \$3,971;
  - e) employee pensions and benefits, line 13, in the amount of \$6,360 and \$13,788;
  - f) office services & rentals, line 16, in the amount of \$6000;
  - g) office supplies and expenses, line 17, in the amount of \$7,462;
  - h) professional services, line 18, in the amount of \$719 and \$1,919;
  - i) insurance, line 19, in the amount of \$2,542;
  - j) regulatory (rate case) expense, line 21, in the amounts of \$227 and \$1,794 (responses to this request should be ongoing throughout the proceedings if an evidentiary hearing is required in the proceedings);
  - k) miscellaneous expense, line 22, in the amount of \$7,459; and,
  - l) taxes other than income, line 26, in the amount of \$4,660 and \$5,053.

- Staff 1-6** For contract laborers and employees, please provide the following:
- a) provide the name and title of the person paid and the total amount paid during the test year;
  - b) provide a detailed description of services provided;
  - c) provide a copy of the contract, if any;
  - d) provide the amount of time spent monthly on recurring monthly tasks;
  - e) state whether or not the person is an owner or affiliate of the business;
  - f) provide beginning and ending dates of the individual's employment;
  - g) provide the monthly or hourly rate charged during the 12-month test year; and,
  - h) please provide a history of payments to each employee or contract laborer for the test year and two years prior to the test year, and an explanation for changes in compensation between years exceeding 10%.
- Staff 1-7** Please provide a list of all affiliated transactions (including transactions with owners of the utility) included on Schedule I-1 of the application. The list should include the following:
- a) name of payee;
  - b) service provided or item purchased; and,
  - c) dollar amount paid.
- Staff 1-8** For the affiliated transactions listed, please provide documentation that the price to Rio Concho is no higher than prices charged by the owner or affiliate to its other affiliates or divisions or to unaffiliated persons for the same item or items (Tex. Water Code Ann. §13.185(e)).
- Staff 1-9** Please provide the dollar amount of all transportation expenses included on Schedule I-1 of the application that pay for commuting to and from the utility. For the purposes of this rate case, commuting miles are miles driven in vehicles from the service provider's home to the place of business.
- Staff 1-10** Please provide the following with regard to mileage reimbursement included in Schedule I-1 of application;
- a. number of miles reimbursed for commuting to and from the utility;
  - b. number of other miles reimbursed; and,
  - c. calculations for dollar amounts included in Schedule I-1 of the application.
- Staff 1-11** Please provide any calculations or allocations used for determining transportation expenses, Schedule I-1 of the application.
- Staff 1-12** Please provide any calculations or allocations used for determining the dollar amount of vehicles included on Schedule III-3 of the application. Please include the year, make and model of the vehicle.

- Staff 1-13** Are any of the items listed on Schedule I-1 and Schedule III-3 of the application available for personal use to the owners of Rio Concho or any affiliate? If yes please provide the following for each item used for personal use:
- a) the name of the owner or affiliated business;
  - b) the location (schedule, page and line number) in the application of the expense;
  - c) the total dollar amount of the expenses prior to allocation and the amount included in the application;
  - d) the basis used (including calculations) to determine the dollar amount to be allocated to the utility and for personal use;
  - e) the reasoning used to justify the allocation; and,
  - f) invoices supporting such expenses.
- Staff 1-14** Please provide copies of insurance policies and invoices for any insurance expense in the proposed cost of service in the application.
- Staff 1-15** Please provide copies of paid invoices for property tax expense included in the proposed cost of service in the application.
- Staff 1-16** Please provide copies of all income statements and balance sheets for any affiliated companies of the utility for 2013, 2014, and 2015. If the applicant's employees perform services for the affiliated companies, please indicate the percentage of allocation of time between the utility and the affiliated companies.
- Staff 1-17** Please provide the supporting documents or loan agreements/contracts for the notes payable included on Schedule III-6 of the application.
- Staff 1-18** Please provide amortization schedules detailing monthly payments separated by principal and interest for each note payable included on Schedule III-6 of the application. Please indicate the purpose for each note payable.
- Staff 1-19** Please provide copies of invoices of the 1% regulatory assessment fee paid to TCEQ during the test year. Please indicate the account name and number in which the fee is recorded and where it is reported in the application.
- Staff 1-20** Please provide monthly operating reports, including monthly summaries of gallons of water purchased (if any), billed, and pumped during the test year.
- Staff 1-21** Please provide copies of invoices and other documentation, such as work orders, that support the items listed on Schedule III-3 of the application.
- Staff 1-22** Please provide the following:
- a. total number of taps installed during the test year and for 2016, along with the dollar amount collected for tap fees;
  - b. dollar amount of late fees collected during the test year; and
  - c. dollar amount of reconnect fees collected during the test year.