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**PUC DOCKET NO. 45720
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PUBLIC UTILITY COMMISSION
OF THE STATE OF TEXAS

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

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BEFORE THE STATE OFFICE

ADMINISTRATIVE HEARINGS

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

COMES NOW, Rio Concho Aviation, Inc. ("Rio Concho") and files its Response to Commission Staff's First Request for Information – Question Nos. Staff 1-1 through Staff 1-22

Respectfully submitted,

By: _____

John J. Carlton


John J. Carlton
The Carlton Law Firm P.L.L.C.
2705 Bee Cave Road, Suite 200
Austin, Texas 78746
(512) 614-0901
Fax (512) 900-2855
State Bar No. 03817600

ATTORNEY FOR RIO CONCHO AVIATION,
INC.

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CERTIFICATE OF SERVICE

I hereby certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested to all parties on this the 8th day of June, 2016.



John Carlton

**REQUEST FOR INFORMATION
QUESTION NOS. STAFF 1-1 THROUGH 1-22**

Staff - 1-1. Please provide the general ledger for the test year ending December 31, 2015.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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.

Response: Rio Concho objects to this request as it is partially related to the financial records that pre-date the test year used to establish the rates and the records of those years are irrelevant for this proceeding.

Notwithstanding the foregoing objection, responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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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.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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%.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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.

Response: **Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.**

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)).

Response: **Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.**

Staff - 1-9. Please provide the dollar amount of all transportation expenses included on Schedule 1-1 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.

Response: **Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.**

Staff - 1-10. Please provide the following with regard to mileage reimbursement included in Schedule 1-1 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 1-1 of the application.

Response: **Rio Concho has no responsive documents because no mileage reimbursement was included in Schedule 1-1.**

Staff - 1-11. Please provide any calculations or allocations used for determining transportation expenses, Schedule 1-1 of the application.

Response: **Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.**

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.

Response: **Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.**

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.

Response: **Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.**

Staff - 1-14. Please provide copies of insurance policies and invoices for any insurance expense in the proposed cost of service in the application.

Response: **Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.**

Staff - 1-15. Please provide copies of paid invoices for property tax expense included in the proposed cost of service in the application.

Response: **Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.**

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.

Response: Rio Concho objects to this request as it is partially related to the financial records that pre-date the test year used to establish the rates and the records of those years are irrelevant for this proceeding.

Notwithstanding the foregoing objection, responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

Staff - 1-17. Please provide the supporting documents or loan agreements/contracts for the notes payable included on Schedule III-6 of the application.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

Staff - 1-22. Please provide the following:

- a) total number oftaps 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.

Response: Responsive and non-privileged documents will be produced in accordance with the PUC procedures for Confidential Filings.

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VERIFICATION

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BEFORE ME, the undersigned authority, on this day personally appeared Barbie Brunson, who being by me duly sworn, on oath stated that she is an authorized representative of Rio Concho Aviation, Inc.; that she has read the above and foregoing Response to Commission Staff's First Request for Information and that the answers are true and correct.

Barbie Brunson
Barbie Brunson

SUBSCRIBED AND SWORN TO BEFORE ME on the 8th day of June, 2016 to
certify which, witness my hand and official seal.


Notary Public, State of Texas

