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

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BEFORE THE STATE OFFICE

2016 AUG 11 PM 12:01
PUBLIC UTILITY COMMISSION
FILING CLERK

ADMINISTRATIVE HEARINGS

**RIO CONCHO AVIATION, INC.'S
FIRST REQUEST FOR INFORMATION TO COMMISSION STAFF
QUESTION NOS. RIO CONCHO 1-1 THROUGH 1-43.**

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

Respectfully submitted,

By: 

John J. Carlton


John J. Carlton
The Carlton Law Firm P.L.L.C.
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(512) 614-0901
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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 11th day of August, 2016.

A handwritten signature in black ink, appearing to read 'J. Carlton', is written over a horizontal line.

John Carlton

**RIO CONCHO AVIATION, INC.'S
FIRST REQUEST FOR INFORMATION TO COMMISSION STAFF
QUESTION NOS. RIO CONCHO 1-1 THROUGH 1-43**

DEFINITIONS

- 1) "Commission Staff," "Staff" or "you" refers to the Public Utility Commission 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.

INSTRUCTIONS

- 1) Pursuant to 16 TAC § 22.144(c)(2), Rio Concho 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) Rio Concho requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

**RIO CONCHO AVIATION, INC.'S
FIRST REQUEST FOR INFORMATION TO COMMISSION STAFF
QUESTION NOS. RIO CONCHO 1-1 THROUGH 1-43**

RIO CONCHO RFI 1-1. Please admit or deny that a water utility may include costs that it incurs for after-hours and emergency calls as part of the revenue requirement.

RIO CONCHO RFI 1-2. If you admitted that a water utility may include costs that it incurs for after-hours and emergency calls as part of the revenue requirement, please explain in detail the factors consider by you to determine whether such costs for after-hours and emergency calls were just and reasonable and properly included in the revenue requirement.

RIO CONCHO RFI 1-3. If you denied that a water utility may include costs that it incurs for after-hours and emergency calls as part of the revenue requirement, please explain in detail why such costs for after-hours and emergency calls are not just and reasonable and not properly included in the revenue requirement.

RIO CONCHO RFI 1-4. Please admit or deny that a water utility may recover costs in its revenue requirement for a vehicle that it owns and uses to provide utility services to its customers.

RIO CONCHO RFI 1-5. If you admitted that a water utility may recover costs in its revenue requirement for a vehicle that it owns and uses to provide utility services to its customers, please explain in detail the factors consider by you to determine which costs for such vehicle are just and reasonable and properly included in the revenue requirement.

RIO CONCHO RFI 1-6. If you denied that a water utility may recover costs in its revenue requirement for a vehicle that it owns and uses to provide utility services to its customers, please explain in detail why the costs for such vehicle are not just and reasonable and not properly included in the revenue requirement.

RIO CONCHO RFI 1-7. Please admit or deny that there are water utilities in Texas, whose rates have been approved by the Commission, that own vehicles for which the capital, depreciation, operating and maintenance costs are included in the revenue requirement.

RIO CONCHO RFI 1-8. Please explain in detail the factors considered in determining whether a utility that owns a vehicle used for utility operation is allowed to claim the value of that vehicle in the utility's rate base.

RIO CONCHO RFI 1-9. Please explain in detail the factors considered in determining whether a utility that owns a vehicle used for utility operation is allowed to claim the expenses incurred in operating and maintaining that vehicle as part of the revenue requirement.

RIO CONCHO RFI 1-10. Please explain in detail the factors considered in determining whether a utility that owns a vehicle used for utility operation is allowed to claim the vehicle's annual depreciation, calculated according to the Commission's schedules and instructions, as part of the revenue requirement.

RIO CONCHO RFI 1-11. Please provide any documents related to your opinion regarding the treatment of a vehicle's capital, depreciation, operating and maintenance costs as part of the revenue requirement.

RIO CONCHO RFI 1-12. Please admit or deny that a water utility may provide retirement benefits to its employees and recover such costs as part of its revenue requirement.

RIO CONCHO RFI 1-13. If you admitted that a water utility may provide retirement benefits to its employees and recover such costs as part of its revenue requirement, please explain in detail the factors considered by you to determine which costs for those benefits are just and reasonable and properly included in the revenue requirement.

RIO CONCHO RFI 1-14. If you denied that a water utility may provide retirement benefits to its employees and recover such costs as part of its revenue requirement, please explain in detail why costs for those benefits are not just and reasonable and properly included in the revenue requirement.

RIO CONCHO RFI 1-15. Please provide any documents related to your opinion regarding the treatment of retirement benefits as part of the revenue requirement.

RIO CONCHO RFI 1-16. Please admit or deny that there are water utilities in Texas, whose rates have been approved by the Commission, that provide retirement benefits to their employees and recover such costs as part of their revenue requirement.

RIO CONCHO RFI 1-17. Please explain in detail your opinion regarding the inclusion of Rio Concho's claimed retirement benefits as part of the revenue requirement.

RIO CONCHO RFI 1-18. Please provide any documents that support your opinion regarding the inclusion of the Rio Concho's claimed retirement benefits as part of the revenue requirement.

RIO CONCHO RFI 1-19. Please admit or deny that a water utility may provide key employee insurance for its employees and recover such costs as part of its revenue requirement.

RIO CONCHO RFI 1-20. If you admitted that a water utility may provide key employee insurance for its employees and recover such costs as part of its revenue requirement, please explain in detail the factors considered by you to determine which costs for that insurance were just and reasonable.

RIO CONCHO RFI 1-21. If you denied that a water utility may provide key employee insurance for its employees and recover such costs as part of its revenue requirement, please explain in detail why costs for that insurance are not just and reasonable and properly included in the revenue requirement.

RIO CONCHO RFI 1-22. Please provide any documents related to your opinion regarding the treatment of key employee insurance as part of the revenue requirement.

RIO CONCHO RFI 1-23. Please admit or deny that there are water utilities in Texas, whose rates have been approved by the Commission, that provide key employee insurance for their employees and recover such costs as part of their revenue requirement.

RIO CONCHO RFI 1-24. Please explain in detail your opinion regarding the treatment of the Rio Concho's claimed key employee insurance as part of the revenue requirement.

RIO CONCHO RFI 1-25. Please provide any documents that support your opinion regarding the treatment of the Rio Concho's claimed key employee insurance as part of the revenue requirement.

RIO CONCHO RFI 1-26. Please admit or deny that the Commission application form for a rate/tariff change for Class B and C water utilities has instructions for how to calculate return on equity.

RIO CONCHO RFI 1-27. Please admit or deny that the Rio Concho correctly followed the instructions for calculating the rate of return on equity for the application form that it filed with the Commission.

RIO CONCHO RFI 1-28. Please admit or deny that you are recommending a rate of return on equity that is different from the rate that Rio Concho calculated according to the Commission instructions on the application form for a rate/tariff change for Class B and C water utilities.

RIO CONCHO RFI 1-29. If you admitted that you are recommending a rate of return on equity for Rio Concho that is different from the rate that is calculated according to the Commission instructions on the application form for a rate/tariff change for Class B and C water utilities, please explain in detail why your recommendation varies from the application form and its instructions.

RIO CONCHO RFI 1-30. Please provide any documents that support your opinion regarding calculation of a rate of return on equity for Rio Concho that is different from the rate that is calculated according to the Commission instructions on the application form for a rate/tariff change for Class B and C water utilities.

RIO CONCHO RFI 1-31. Please admit or deny that there are water utilities in Texas, whose rates have been approved by the Commission, that have a rate of return on equity that is the same as the rate that is calculated according to the Commission instructions on the application form for a rate/tariff change for Class B and C water utilities.

RIO CONCHO RFI 1-32. Please provide any documents that support your opinion regarding calculation of a rate of return on equity for Rio Concho's application that is different from the rate that is calculated according to the Commission instructions on the application form for a rate/tariff change for Class B and C water utilities.

RIO CONCHO RFI 1-33. Please admit or deny that a water utility may include costs for affiliated transactions as part of the revenue requirement.

RIO CONCHO RFI 1-34. If you admitted that a water utility may include costs for affiliated transactions as part of the revenue requirement, please explain in detail the factors consider by you to determine whether such costs for affiliated transactions were just and reasonable and properly included in the revenue requirement.

RIO CONCHO RFI 1-35. If you denied that a water utility may include costs for affiliated transactions as part of the revenue requirement, please explain in detail why such costs for affiliated transactions are not just and reasonable and not properly included in the revenue requirement.

RIO CONCHO RFI 1-36. Please explain in detail any Commission Staff testifying expert's experience operating and managing a water utility.

RIO CONCHO RFI 1-37. Please identify any water or wastewater utility operator licenses now or previously held by any Commission Staff testifying expert.

RIO CONCHO RFI 1-38. Please identify every consulting expert whose mental impressions or opinions have been reviewed by any Commission Staff testifying expert.

RIO CONCHO RFI 1-39. Please explain in detail the facts known by any consulting expert whose mental impressions or opinions have been reviewed by a Commission Staff testifying expert that relate to or form the basis of the testifying expert's mental impressions and opinions formed or made in connection with Rio Concho's application.

RIO CONCHO RFI 1-40. Please explain in detail the mental impressions and opinions formed or made in connection with Rio Concho's application by any consulting expert whose mental impressions or opinions have been reviewed by a Commission Staff testifying expert that relate to or form the basis of the testifying expert's mental impressions and opinions and any methods used to derive them.

RIO CONCHO RFI 1-41. Please provide a current resume for any consulting expert whose mental impressions or opinions have been reviewed by a Commission Staff testifying expert that relate to or form the basis of the testifying expert's mental impressions and opinions.

RIO CONCHO RFI 1-42. Please produce all documents, tangible things, reports, models, or data compilations that have been provided to, reviewed by, or prepared by or for the consulting expert whose mental impressions or opinions have been reviewed by a Commission Staff testifying expert that relate to or form the basis of the testifying expert's mental impressions and opinions in anticipation of a testifying expert's testimony.

RIO CONCHÓ RFI 1-43. Please explain in detail the experience operating and managing a water utility for any consulting expert whose mental impressions or opinions have been reviewed by a Commission Staff testifying expert that relate to or form the basis of the testifying expert's mental impressions and opinions.