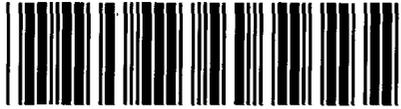


Control Number: 45720



Item Number: 77

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

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BEFORE THE STATE OFFICE
ADMINISTRATIVE HEARINGS

2016 AUG 21 PM 2:12
PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
TO RIO CONCHO AVIATION, INC.
QUESTION NOS. STAFF 4-1 THROUGH STAFF 4-18

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 78714-3326.

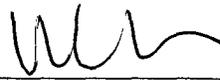
Dated: August 31, 2016

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
Vera Dygert
State Bar No. 24094634
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Austin, Texas 78714-3326
(512) 936-7265
(512) 936-7268 (facsimile)

**SOAH DOCKET NO. 474-16-3831.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 August 31, 2016, in accordance with 16 TAC § 22.74.



Vera Dygert

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

**COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
TO RIO CONCHO AVIATION, INC.
QUESTION NOS. STAFF 4-1 THROUGH STAFF 4-18**

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
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**COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
TO RIO CONCHO AVIATION, INC.
QUESTION NOS. STAFF 4-1 THROUGH STAFF 4-18**

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 FOURTH REQUEST FOR INFORMATION
TO RIO CONCHO AVIATION, INC.
QUESTION NOS. STAFF 4-1 THROUGH STAFF 4-18**

- Staff 4-1** Please provide all detailed invoices for rate case expenses for which Rio Concho intends to request recovery. Please include hours spent, hourly rate, description of work performed, and the name of the person providing the services. Please also include invoices and descriptive backup documentation for any expenses charged on the invoices.
- Staff 4-2** Admit or deny: Kevin Brunson responded to one emergency/back up call after hours during the test year; namely, the 4/9/15 complaint discussed in Rio Concho's response to Staff RFI 3-4. If denied, please provide any documentation to indicate the number of emergency/back up calls that Kevin Brunson responded to during the test year. Please include the date of the call, a description of the nature of the emergency, time spent correcting the problem, and whether or not Mr. Brunson traveled to the utility for the emergency. Please provide copies of any invoices for any items used in such repairs.
- Staff 4-3** Please provide any documentation to indicate the number of emergency/back up calls that Kevin Brunson responded to for the year prior to the test year. Please include the date of the call, a description of the nature of the emergency, time spent correcting the problem, and whether or not Mr. Brunson traveled to the utility for the emergency. Please provide copies of any invoices for any items used in such repairs.
- Staff 4-4** Please reference Barbie Brunson's direct testimony and answer the following questions:
- a) Page 9, lines 1 through 7: Please provide all documentation supporting Ms. Brunson's statement: "He (Mr. Brunson) provides strategic direction on all aspects of the system to ensure its long term viability and the most effective methods to deliver our water service."
 - b) Page 9, lines 1 through 7: Please provide all documentation supporting the statement, "Most recently, he provided an assessment of peak period demand usage in response to customer complaints of reduced water pressure during high demand periods." Please include dates of the assessment, a copy of the written assessment, if any, and copies of all documents used in preparing the assessment.
 - c) Page 10, line 20: Please provide a copy of the detailed record of activities Ms. Brunson referred to.
 - d) Page 18, line 15 and lines 17 through 18: Please provide all documentation that supports or resulted from the research referred to in the statement "I

- researched the health benefits provided by other utilities, and the majority of those utilities provide health insurance benefits for their employees.
- e) Page 21, lines 2 through 3: Please provide all documentation, including dates of correspondence, company name, person's name who was contacted, and specific quotes, if any, supporting the statement "I have also spoken with several other companies about this type of service and their costs are similar to what we are paying Kevin."
 - f) Page 25, line 18: Please specifically identify in the cost of service included in the rate filing package where "the water system is allocated 60% of the monthly payment, or \$447.11."
 - g) Please include the page number, line number, and account number in the application where the note payment is included.
 - h) Page 26, lines 6 through 10: Please provide any documentation supporting the statement "Most utilities our size have at least one vehicle for official business...." Please include the utility name, number of connections, type of vehicle, percentage of time used in the utility's business, and whether or not a mileage rate or allocation is used for charging vehicle expenses.
 - i) Page 28, lines 15 through 16: Please provide documentation supporting the statement that Rio Concho could obtain a loan "for somewhere between 7.58% and 17.7% for 24-month note."

Staff 4-5

Please reference Randal Manus' direct testimony and answer the following questions:

- a) Page 3, line 21 through Page 4, line 4 and lines 11 through 12: Please provide a list of all small public water systems for which Randal Manus provided service, the period of time such services were provided, and the charges related to such service.
- b) Page 8, lines 10 through 12: Please provide complete work papers and assumptions used to calculate the restated test year revenues of \$116,037 and revenue requirement increase of \$35,979.
- c) Page 12, line 22 through Page 13, line 1: Please define the term "like kind" used in the testimony.
- d) Page 13, lines 9 through 10: Please provide a copy of the "quote to provide only after hours stand-by for \$750.00 per month."
- e) Page 13, lines 12-13: Please provide a copy of the "quote that greatly exceeded the amount of \$300.00."
- f) Page 28, Exhibit RCA-4: Please provide all supporting work papers and updated supporting schedules for any number that changed from the original filing. Please also provide all calculations and explanations for any changes, to the extent such calculations and explanations are not already included in Mr. Manus' direct testimony. Please include, but do not limit the response to,

updated copies of the following schedules: schedules II-15, II-19, III-3, IV(b), V, III-1, and II-3(b).

- Staff 4-6** Please provide the Texas Commission on Environmental Quality (TCEQ) specific minimum requirements with regard to checking the well site and any other minimum operator requirements by TCEQ or any other governmental agency except the Public Utility Commission of Texas.
- Staff 4-7** Please provide a complete listing (names and locations) of all businesses not already included in Ms. Brunson's direct testimony that employ Ms. Brunson or are operated by Ms. Brunson, and the amount of time spent weekly by Ms. Brunson on each business.
- Staff 4-8** Please provide the name of the person or entity who holds title to the vehicle(s) for which depreciation expense is requested in this case.
- Staff 4-9** Please provide totals for contract labor expense, salaries expense, and employee benefits for the years ending 12/31/2014, 12/31/2013, and 12/31/2012.
- Staff 4-10** Please explain in detail the reason for all changes in contract labor expense, salary expense, and employee benefit expense for Rio Concho for the years ending 12/31/2014, 12/31/2013, and 12/31/2012.
- Staff 4-11** Admit or deny: the restaurant and office meters are included in the calculations of the proposed rates, specifically in schedule I-3 of the original application and any amendments due to Randal Manus' testimony.
- Staff 4-12** Please provide a copy, in native format with formulas intact, of all the work papers of Randal Manus which have not previously been provided.
- Staff 4-13** Admit or deny: Randal Manus is not an expert on rate of return, return on rate base, or invested capital.
- Staff 4-14** Admit or deny: Barbie Brunson is not an expert on rate of return, rate base, or invested capital.
- Staff 4-15** Admit or deny: Rio Concho's currently approved tariff has a pass through provision for the Northern Trinity Groundwater Conservation District fee which includes a provision for water loss in the listed calculation.
- Staff 4-16** Please provide documentation that the paving included in Rio Concho's depreciation schedule is part of the water plant.
- Staff 4-17** Admit or deny: the paving listed in Rio Concho's depreciation schedule is used solely by the water utility company. If denied, please provide documentation

indicating what proportion of the paving is used solely by the water utility company.

Staff 4-18 If the paving included in Rio Concho's depreciation schedule is used by businesses or individuals other than the water system, please provide the names of the businesses or individuals, and the percentage use for each.