

Control Number: 46069



Item Number: 20

Addendum StartPage: 0

DOCKET NO. 46069

RECEIVED

APPLICATION OF NITSCH & SON §
UTILITY COMPANY, INC. FOR A §
RATE/TARIFF CHANGE §

PUBLIC UTILITY COMMISSION
2016 JUL 29 PM 1:50
OF TEXAS
PUBLIC UTILITY COMMISSION
FILING CLERK

**COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION TO NITSCH & SON UTILITY COMPANY, INC.
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-26**

Pursuant to 16 Tex. Admin. Code (TAC) § 22.144, the Staff of the Public Utility Commission of Texas (Staff) requests that Nitsch & Son Utility Company, 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.

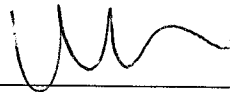
Dated: July 26, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney



Michael Crnich
State Bar No. 24059626
Vera Dygert
State Bar No. 24094634
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326
(512) 936-7230
(512) 936-7268 (facsimile)

Docket No. 46069

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on July 26, 2016, in accordance with 16 Tex. Admin. Code § 22.74.



Vera Dygert

DOCKET NO. 46069

**COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION TO NITSCH & SON UTILITY COMPANY, INC.
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-26**

DEFINITIONS

- 1) "Nitsch", "the Company" or "you" refers to the Nitsch & Son Utility Company, 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.

DOCKET NO. 46069

**COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION TO NITSCH & SON UTILITY COMPANY, INC.
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-26**

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.

DOCKET NO. 46069

**COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION TO NITSCH & SON UTILITY COMPANY, INC.
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-26**

- Staff 1-1 Please provide all calculations for the noticed pass-through fee of \$1.04 included on the applicant's notice.
- Staff 1-2 Please provide official notice from the City of Houston regarding their current GRP fee amount.
- Staff 1-3 Please provide proof of the quantity of groundwater pumped by Nitsch for the requested GRP fee.
- Staff 1-4 Please provide the approved contract with City of Houston documenting the fees charged by City of Houston to the applicant, including the applicable percent of total requirement for the requested GRP fee.
- Staff 1-5 Please provide proof of gallons sold by Nitsch and water loss in the form of a billing register summary for the billing period used in the calculation of the requested GRP fee amount.
- Staff 1-6 Please provide a copy of the most recent water and wastewater approved tariff rate pages.
- Staff 1-7 Please provide paid, detailed invoices and supporting documentation for the rate case surcharge expense.
- Staff 1-8 Please provide a balance sheet containing separate balances for water and wastewater similar to the income statements provided for January 2015 thru December 2015.
- Staff 1-9 Provide the subsidiary ledger (detailed general ledger) of water revenues and expenses for the test year and two years prior to the test year.
- Staff 1-10 Provide the subsidiary ledger (detailed general ledger) of wastewater revenues and expenses for the test year and two years prior to the test year.
- Staff 1-11 Provide a balance sheet and income statements for the test year and two years prior to the test year.

- Staff 1-12 Provide separate water and wastewater balance sheets and income statements for test year and two years prior to the test year.
- Staff 1-13 Provide copies of W-2 forms and 1099 forms for salaries and contract labor in the test year, respectively.*
- Staff 1-14 Provide the amount of regulatory assessment fee paid to Texas Commission on Environmental Quality. If included in the Statement of Revenue and Expense, please indicate the expense category/account in which the assessment is included.
- Staff 1-15 Provide contracts or other evidence supporting known and measurable charges for water and wastewater.
- Staff 1-16 Provide justification that the salaries and contract labor expense levels are reasonable and necessary expenses for providing water sewer service subject to this application as claimed. Please include specific duties and responsibilities of employees and contracted labor personnel.
- Staff 1-17 Provide a breakdown, including total revenues collected for the test year, of revenues collected for base charges and gallonage charges for sewer service, late fees, connection fees, and any other revenues listed by type separately for water and wastewater.
- Staff 1-18 If the general ledgers provided to not match the details on the income statements and balance sheets provided, provide a full explanation of the differences, including account references and amounts.
- Staff 1-19 Provide a reconciliation between the general ledger specific accounts and each line item on Schedule I-1, Revenue Requirement Summary, page 6 of the workpapers for the application.
- Staff 1-20 Provide the applicant's chart of accounts.
- Staff 1-21 Please provide a list of any amounts collected to pay for any capital improvements or operations and maintenance and/or any cost of service item to provide water or wastewater service.
- Staff 1-22 Please provide the methodology and all calculations used to allocate the federal income tax expense amount to water and wastewater resulting in the federal tax amount \$43,486 for water and \$63,103 wastewater.

- Staff 1-23 Please provide paid invoices and receipts for all large items encompassing more than 10% of each test year expense account balance and more than \$1,000 for each water and wastewater expense account for the test year 2015. For example, Schedule I-1, Revenue Requirement Summary contains line 2, sludge removal expense of \$16,770. Provide invoices for any billing for this expense that exceeds \$1,677.
- Staff 1-24 Please provide a copy of Nitsch & Son Utility Company, Inc.'s tax returns for the test year 2015 and the prior 2 years.*
- Staff 1-25 Provide invoices and documentation supporting all insurance cost.
- Staff 1-26 Provide documentation and methodologies for all costs allocated between water and wastewater.

Please provide any voluminous data electronically especially the general ledgers and financial statements in excel format.

Note: The items marked with an asterisk "" above should be submitted as confidential filings with the PUC. Please follow the instructions for filing confidential documents when you file these items or any other documents with confidential information.

Please see our website for filing rules and procedures:
(<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>)