



Control Number: 46069



Item Number: 25

Addendum StartPage: 0

DOCKET NO. 46069

RECEIVED

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

PUBLIC UTILITY COMMISSION

2016 SEP 16 PM 2:15

OF TEXAS  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S SECOND REQUEST FOR  
INFORMATION TO NITSCH & SON UTILITY COMPANY, INC.  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-19**

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.

25

Dated: September 16, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney



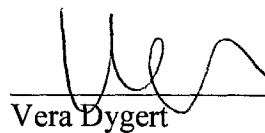
---

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 September 16, 2016, in accordance with 16 TAC § 22.74.



---

Vera Dygert

**DOCKET NO. 46069**

**COMMISSION STAFF'S SECOND REQUEST FOR  
INFORMATION TO NITSCH & SON UTILITY COMPANY, INC.  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-19**

**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 SECOND REQUEST FOR  
INFORMATION TO NITSCH & SON UTILITY COMPANY, INC.  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-19**

**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 SECOND REQUEST FOR  
INFORMATION TO NITSCH & SON UTILITY COMPANY, INC.  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-19**

- Staff 2-1 Please provide the City of Houston's GRP paid invoices for January, September, and December of fiscal year 2015 and the corresponding canceled checks.
- Staff 2-2 Please reference the application number or docket number that corresponds with the services billed for each invoice provided in Nitsch's Objections and Responses to Commission Staff's First RFIs (Nitsch's Response) to Commission Staff's First Request for Information (Staff's First RFI) 1-7.
- Staff 2-3 Please indicate the amount of money paid for services in regards to the City of Houston's rate application for each invoice provided in Nitsch's Response to Staff's First RFI 1-7.
- Staff 2-4 Please provide a copy of each policy or contract documenting the purpose and cost amount as well as a reconciliation of each of the policy or contract costs to the total test year amount totals reported on page 21 a of Nitsch's application, bates number 27.
- Staff 2-5 Please provide a copy of the insurance policy for each of the insurance cost adjustments and paid 2016 invoices as well as a reconciliation for the total adjustments amounts for account 704/784 amounts listed on page 21 a of Nitsch's application, bates number 27, based on the monthly cost.
- Staff 2-6 Please provide a copy of all 2016 water and sewer utility bills that Nitsch paid from January 2016 thru June 2016.
- Staff 2-7 Please provide documentation indicating how each of the following addresses that are referenced in Nitsch's Response, bates numbers 277-284 and 303-309, relate to the utility's cost of providing retail water and sewer service. Please explain what business activity or services are provided at each address. If the property is shared between business and residence, please indicate what square footage is allocated to business and what square footage is allocated to residence.
- 607 Candler Dr., Houston, Texas 77037
  - 401 E. Mitchell Rd., Houston, Texas 77037
  - 203 ½ E Mitchell Rd., Houston, Texas 77037
  - 311 1/2 Doverfield Dr., Houston, Texas 77037
  - 104 W. Canino Rd., Houston, Texas 77037
  - 401 1/3 Mitchell Rd., Houston, Texas 77037
  - 8115 Northline Dr., Houston, Texas 77037
  - 222 E. Carby Rd., Houston, Texas 77037
  - 8131 Northline 77037, LT2 BLK 2, Durkee Manor SEC 3

- 8131 Northline 77037, LT17 BLK 5, Durkee Manor SEC 2
- 222 Carby Rd 77037, LT 6 BLK 1, Durkee Manor
- 8130 Northline Dr., 77037, LT3 BLK 2, Durkee Manor SEC 3
- Karen St., 77037, TR 6F-1, R E Morse
- 8031 Werner St., 77037 LT13 BLK A, Assumption Heights Sec 1
- 8131 Northline 77037, LT1 BLK 2, Durkee Manor SEC 3
- 8131 Northline Dr., 77037, Business Personal Property

- Staff 2-8 Please provide 2016 supporting payment documentation for the known and measurable payroll increases as listed on page 15 a of Nitsch's application, bates number 21.
- Staff 2-9 Please provide a list of each permanent staff position at Nitsch, including the name of the employee and the official title of the position or nature of the work.
- Staff 2-10 For each permanent staff position listed in Staff 2-9, please provide the annual payment terms, including but not limited to the rate of pay such as salary or hourly rate and hourly or weekly work requirements.
- Staff 2-11 Please provide a list of assets that were paid with surcharges from customers or from contribution in aid of construction to Nitsch.
- Staff 2-12 Please provide the supporting documentation and calculations for the following amounts reported on Schedule III-9 of the sewer application:
- a) Income Tax Accumulated Depreciation \$958,544,
  - b) Add Section 179 write-offs \$322,421,
  - c) Total Accumulated Depreciation – Tax \$1,280,965
  - d) Book Accumulated Depreciation - \$1,197,070
  - e) The accumulated deferred tax amount of 35% \$29,363.
- Staff 2-13 Please provide the supporting documentation and calculations for the following amounts reported on Schedule III-9 of the water application:
- a) Income Tax Accumulated Depreciation \$958,544,
  - b) Add Section 179 write-offs \$322,421,
  - c) Total Accumulated Depreciation – Tax \$1,280,965
  - d) Book Accumulated Depreciation - \$1,197,070
  - e) The accumulated deferred tax amount of 35% \$29,363.25.
- Staff 2-14 Please provide supporting documentation indicating the mission of the Texas Alliance Water Providers, referenced in Nitsch's Response, bates numbers 253-54, and the purpose of Nitsch's membership with the organization.
- Staff 2-15 Please provide supporting documentation indicating the purpose and terms of the Use Fee paid to S.V.S. for invoice 2301 for \$2,500, referenced in Nitsch's Response, bates number 272.

Staff 2-16 Please provide a copy of the paid invoices, receipts, and any supporting documentation showing what services were provided for each reference number in the chart below.

Account	Account Description	Date	Ref. #	Description	Amount
6030	Accounting and Legal Fees				
		1/26/15	735	BKD - #BK00400120	3,000.00
		1/26/15	735	BKD - #BK00398492	1,500.00
		2/13/15	777	BKD - ACCOUNTING	1,000.00
		3/16/15	816	BKD - ACCOUNTING	2,900.00
		4/7/15	852	BKD - ACCOUNTING	7,500.00
		4/20/15	884	GRAY REED & MCGRAW PC - LEGAL	1,001.40
		5/6/15	909	BKD - accounting	4,000.00
		6/18/15	975	- LEGAL	392.92
		6/26/15	990	BKD - ACCOUNTING	4,000.00
		10/9/15	1169	BKD - ACCOUNTING	4,500.00
		10/28/15	1202	BKD - ACCOUNTING	3,380.00

Account	Account Description	Date	Ref. #	Description	Amount
6130	Dues & Subscriptions				
		1/9/15	719	TEXAS ALLIANCE OF WATER PROVID - 4TH QTR DUES	715.00



Account	Account Description	Date	Ref. #	Description	Amount
6190	Office Supplies				
		13 12/31/15	BKD REV >	To record payments out of cash receipts Page 2 of statment and receipts and Amounts for each charge total for all accounts	11,712 67
		14 12/18/15	1286	UNITED STATES POSTAL SERVICE - PERMIT #216	874 85
		15 1/29/15	754	CHASE CREDIT - OFFICE	1,000 00
		16 1/26/15	740	SAM'S CLUB MC/SYN CB - OFFICE SUPPLIES	1,603 56
		17 2/20/15	786	OFFICE DEPOT - OFFICE SUPPLIES	1,336 65
		18 6/10/15	955	Page 2 of statment and receipts and Amounts for each charge total for all accounts	788 36
		19 9/17/15	1128	SAM'S CLUB MC/SYN CB - OFFICE	1,180 20
		20 11/23/15	1234	Page 2 of statment and receipts and Amounts for each charge total for all accounts	1,213 98
		21 11/23/15	1242		295 81

Account	Account Description	Date	Ref. #	Description	Amount
6060	Bad Debt				
		22 8/12/15	1074	CHASE CREDIT - AUTO	606 30

Account	Account Description	Date	Ref. #	Description	Amount
6040	Auto Truck Tractor Trailer				
		23 10/14/15	1181	CHASE CREDIT - AUTO	445 34

Account	Account Description	Date	Ref. #	Description	Amount
6250	Shop Supplies				
		24 7/14/15	1028	CHASE CREDIT - SHOP	1,406 92
		25 12/31/15	BKD REV >	To record payments out of cash receipts	1,291.25

- Staff 2-17 Please describe and provide supporting documentation showing which professional services were provided by Gray Reed, invoice number 402366, provided in Nitsch's Response, bates number 199.
- Staff 2-18 Please provide complete credit card statements showing the charges for each reference number for each account in the chart in Staff's RFI 2-16 above. Please also state which account each charge on the credit card statement corresponds to.
- Staff 2-19 Please refile legible pages for bates numbers 159-173 of Nitsch's Response.