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Public Utility Commission of Texas

Memorandum

2019 OCT 31 PM 4: 01

FILED & CLEAR

TO: Darryl Tietjen, Rate Regulation

FROM: Stephen D. Journeay, Commission Counsel 

DATE: October 31, 2019

RE: Commission Request for Number Run Based on September 12, 2019 Open Meeting Discussion regarding Docket No. 46245, *Application of Double Diamond Utility Company, Inc. for Water and Sewer Rate/Tariff Change*

The purpose of this memorandum is to request clarification from Commission Staff regarding the number run and schedules that were filed on October 2, 2019.

The attachment A, DL-1 workpaper for annual depreciation includes an annual depreciation amount of \$3,820 for grinder pumps in a separate section not attributed to either the White Bluff water system or the White Bluff sewer system. The Commission request for a number run filed on September 18, 2019, specified that the grinder pump costs at issue are attributed to the White Bluff sewer system.

On October 10, 2019, Double Diamond Utility Company, Inc. filed comments regarding the Commission's revised number run filed on October 2, 2019 and asserted that the number run did not include the annual depreciation amount for grinder pumps in the revenue-requirement calculation.

In reviewing the revenue requirement schedule 1 for White Bluff sewer, it does not appear that the \$3,820 annual depreciation amount for grinder pumps (identified in the attachment A, DL-1 workpaper) was included in the total depreciation and amortization expense line.

Please address the following:

- 1) revise the attachment A, DL-1 workpaper to clarify that the annual depreciation for grinder pumps is attributed to the White Bluff sewer system;
- 2) clarify whether the \$3,820 annual depreciation amount was inadvertently omitted or intentionally excluded from the revenue requirement in schedule 1 for White Bluff sewer, and if it was intentionally excluded please state the basis for the exclusion; and
- 3) make corrections to the revenue requirement schedule I for White Bluff sewer, if appropriate.

Please file your response by November 8, 2019 or request additional time to respond, if needed.

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