



Control Number: 46333



Item Number: 120

Addendum StartPage: 0

SOAH DOCKET NO. 473-17-2285. **RECEIVED**  
PUC DOCKET NO. 46333

2017 MAR -1 PM 1:12  
**BEFORE THE STATE OFFICE**  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**APPLICATION OF PK-RE  
DEVELOPMENT COMPANY, INC.,  
D/B/A GREENSHORES UTILITY  
SERVICES AND D/B/A OAK SHORES  
WATER SYSTEM FOR AUTHORITY  
TO CHANGE RATES AND TARIFFS IN  
TRAVIS COUNTY**

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**OF  
ADMINISTRATIVE HEARINGS**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO PK-RE DEVELOPMENT COMPANY, INC. D/B/A  
GREENSHORES UTILITY SERVICES, AND  
D/B/A OAK SHORES WATER SYSTEM (PK-RE)  
QUESTION NOS. STAFF 1-1 THROUGH 1-51**

Pursuant to 16 Tex. Admin. Code Ann. § 22.144 (TAC), the Staff of the Public Utility Commission of Texas (Staff) requests that PK-RE Development Company, Inc., d/b/a Greenshores Utility Services and d/b/a Oak Shores Water System (PK-RE) 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.

120

**Dated: March 1, 2017**

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney



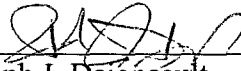
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Ralph J. Daigneault  
State Bar No. 24040755  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7348  
(512) 936-7268 (facsimile)

**SOAH DOCKET NO. 473-17-2285.WS  
PUC DOCKET NO. 46333**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on March 1, 2017, in accordance with 16 TAC § 22.74.



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Ralph J. Daigneault

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO PK-RE DEVELOPMENT COMPANY, INC. D/B/A  
GREENSHORES UTILITY SERVICES, AND  
D/B/A OAK SHORES WATER SYSTEM (PK-RE)  
QUESTION NOS. STAFF 1-1 THROUGH 1-51**

**DEFINITIONS**

- A. "PK-RE" or "Company" refers to the PK-RE Development Company, Inc., d/b/a Greenshores Utility Services and d/b/a Oak Shores Water System and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.
- B. "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.

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO PK-RE DEVELOPMENT COMPANY, INC. D/B/A  
GREENSHORES UTILITY SERVICES, AND  
D/B/A OAK SHORES WATER SYSTEM (PK-RE)  
QUESTION NOS. STAFF 1-1 THROUGH 1-51**

**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.

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO PK-RE DEVELOPMENT COMPANY, INC. D/B/A  
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D/B/A OAK SHORES WATER SYSTEM (PK-RE)  
QUESTION NOS. STAFF 1-1 THROUGH 1-51**

**WATER**

- Staff 1-1 Reference the application, page 15, schedule II-3(a) Purchased water or other pass through expenses. Provide the following:
- a. The most recent LCRA contract for purchased water;
  - b. LCRA rate per acre-ft;
  - c. Calculation used to determine the price per unit was \$0.7987.
- Staff 1-2 Reference the application, schedule II-4 Purchased power. Provide electric bills for the years ending:
- a. December 31, 2014; and
  - b. December 31, 2015.
- Staff 1-3 Provide the number of customers for the years ending:
- a. December 31, 2013; and
  - b. December 31, 2014.
- Staff 1-4 Provide total water, in gallons, sold for the years ending:
- a. December 31, 2013; and
  - b. December 31, 2014.
- Staff 1-5 Reference the application, schedule II-5 other related volume expenses. Provide a breakdown of chemicals, including cost, used for the years ending:
- a. December 31, 2013;
  - b. December 31, 2014; and
  - c. December 31, 2015.
- Staff 1-6 Reference the application, schedule II-8 Contract work. Provide the contract for the contract services, including all fees and monthly rate.
- Staff 1-7 Reference the application, schedule II-8 Contract work. Provide invoices for the contract work for years ending:
- a. December 31, 2014; and
  - b. December 31, 2015.

- Staff 1-8 Reference the application, schedule II-8 Contract work. Provide schedule II-8(b) Large items for the years ending:
- a. December 31, 2013; and
  - b. December 31, 2014.
- Staff 1-9 Reference the application, schedule II-10 Other maintenance. Provide a breakdown of repairs made, including the amount for each repair/maintenance item, for the test year (year ending December 31, 2015).
- Staff 1-10 Reference the application, schedule II-12 Bad Debts. Provide an explanation why bad debts were not included in 2013, 2014, or 2015.
- Staff 1-11 Reference the application, schedule II-14 Office supplies. Provide a breakdown of miscellaneous expenses, including the cost of each item, for the test year (year ending December 31, 2015).
- Staff 1-12 Reference the application, schedule II-15 Professional services. Provide an explanation how the legal fees of \$422.19 included in professional services is related to water service.
- Staff 1-13 Reference the application, schedule II-15 Professional services. Provide a breakdown of "other" professional services in the amount of \$469.10.
- Staff 1-14 Reference the application, schedule II-16 Insurance. Provide insurance invoice from Alteris Insurance.
- Staff 1-15 Reference the application, schedule II-18 Regulatory expense. Provide the following for the franchise fees listed:
- a. Name of the company to which the company pays franchise fees; and
  - b. Invoices.
- Staff 1-16 Reference the application, schedule II-18 Regulatory expense. Provide a breakdown, including cost, for the "other" regulatory fees of \$4,987.43.
- Staff 1-17 Reference the application, schedule II-19 Miscellaneous. Provide an explanation of bank fees included in miscellaneous expenses of \$128.59.
- Staff 1-18 Reference the application, schedule II-19 Miscellaneous. Provide bills for the following listed miscellaneous expenses:
- a. Telephone of \$6,474.20;
  - b. Waste Removal of \$512.48; and
  - c. Natural gas of \$154.32.

- Staff 1-19 Reference the application, schedule III-1 requested return. Provide an explanation how the following were calculated:
- a. Equity amount of \$2,237,659; and
  - b. Long-term Debt amount of \$1,950,360.
- Staff 1-20 Reference the application, schedule III-6 Long-term debt/notes payable. Provide the following:
- a. SBA Loan agreement, including the interest rate of 5.89%;
  - b. Omni Bank loan agreement, including the interest rate of 7.77%;
- Staff 1-21 Reference the application, schedule III-6 Long-term debt/notes payable; N/P Russel Epright. Provide the following:
- a. Explanation how and when Russel Epright gets paid back for his loan, or amortization schedule for this entry;
  - b. Loan agreement with Russel Epright, including interest rate;
  - c. What the funds were used for; and
  - d. Explanation if Russel Epright's N/P is equity.
- Staff 1-22 Reference the application, schedule III-6 Long-term debt/notes payable; N/P Rusty Parker. Provide the following:
- a. Explanation how and when Rusty Parker gets paid back for his loan, or amortization schedule for this entry;
  - b. Loan agreement with Rusty Parker, including interest rate;
  - c. What the funds were used for; and
  - d. Explanation if Rusty Parker's N/P is equity.
- Staff 1-23 Provide the number of customers billed during the 2015 test year.
- Staff 1-24 Provide the number of Living Unit Equivalencies (LUE) for the 2015 test year.
- Staff 1-25 Provide copies of "Schedule III" in excel format. Itemize all assets water and sewer. Include all the following items for each line item:
- a. NARUC Account Number
  - b. Item Description
  - c. Date of Installation (MM/DD/YYYY)
  - d. Service Life (Years)
  - e. Original Cost when Installed (\$)
  - f. Customer CIAC amount
  - g. Economic Life (Total Days in Service)



## SEWER

- Staff 1-26 Reference the application, schedule II-4 Purchased power. Provide electric bills for the years ending:
- December 31, 2014; and
  - December 31, 2015.
- Staff 1-27 Provide the number of customers for the years ending:
- December 31, 2013; and
  - December 31, 2014.
- Staff 1-28 Provide total gallons treated for the years ending:
- December 31, 2013; and
  - December 31, 2014.
- Staff 1-29 Reference the application, schedule II-5 other related volume expenses. Provide a breakdown of chemicals, including cost, used for the years ending:
- December 31, 2013;
  - December 31, 2014; and
  - December 31, 2015.
- Staff 1-30 Reference the application, schedule II-5 other related volume expenses. Provide the following regarding sludge hauling:
- Number of times a year sludge is hauled; and
  - Number of years between sludge hauling.
- Staff 1-31 Reference the application, schedule II-8 Contract work. Provide the contract for the contract services, including all fees and monthly rate.
- Staff 1-32 Reference the application, schedule II-8 Contract work. Provide invoices for the contract work for years ending:
- December 31, 2014; and
  - December 31, 2015.
- Staff 1-33 Reference the application, schedule II-8 Contract work. Provide schedule II-8(b) Large items for the years ending:
- December 31, 2013; and
  - December 31, 2014.
- Staff 1-34 Reference the application, schedule II-10 Other plant maintenance. Provide a breakdown of repairs made, including the amount for each repair/maintenance item, for the test year (year ending December 31, 2015).
- Staff 1-35 Reference the application, schedule II-12 Bad Debts. Provide an explanation why bad debts were not included in 2013, 2014, or 2015.

- Staff 1-36 Reference the application, schedule II-14 Office supplies. Provide a breakdown of miscellaneous expenses, including the cost of each item, for the test year (year ending December 31, 2015).
- Staff 1-37 Reference the application, schedule II-15 Professional services. Provide an explanation how the legal fees of \$422.19 included in professional services is related to water service, and how they are different from the legal fees of \$422.19 included in the water cost of service/revenue requirement.
- Staff 1-38 Reference the application, schedule II-15 Professional services. Provide a breakdown of "other" professional services in the amount of \$469.10, and how they are different from the "other" professional services of \$469.10 in the water cost of service/revenue requirement.
- Staff 1-39 Reference the application, schedule II-16 Insurance. Provide insurance invoice from Alteris Insurance.
- Staff 1-40 Reference the application, schedule II-18 Regulatory expense. Provide the following for the franchise fees listed:
  - a. Name of the company to which the company pays franchise fees; and
  - b. Invoices.
- Staff 1-41 Reference the application, schedule II-18 Regulatory expense. Provide a breakdown, including cost, for the "other" regulatory fees of \$2,331.91.
- Staff 1-42 Reference the application, schedule II-19 Miscellaneous. Provide an explanation of bank fees included in miscellaneous expenses of \$77.00.
- Staff 1-43 Reference the application, schedule II-19 Miscellaneous. Provide bills for the following listed miscellaneous expenses for the test year (year ended December 31, 2015):
  - a. Telephone of \$3,876.77;
  - b. Waste Removal of \$306.87; and
  - c. Natural gas of \$92.41.
- Staff 1-44 Reference the application, schedule III-1 requested return. Provide an explanation how the following were calculated:
  - a. Equity amount of \$912,604; and
  - b. Long-term Debt amount of \$795,432.
- Staff 1-45 Reference the application, schedule III-1 requested return. Provide an explanation why the debt and equity amounts differ from schedule III-1 requested return for water.

- Staff 1-46 Reference the application, schedule III-6 Long-term debt/notes payable. Provide the following:
- a. SBA Loan agreement, including the interest rate of 5.89%;
  - b. Omni Bank loan agreement, including the interest rate of 7.77%;
- Staff 1-47 Reference the application, schedule III-6 Long-term debt/notes payable; N/P Russel Epright. Provide the following:
- a. Explanation how and when Russel Epright gets paid back for his loan, or amortization schedule for this entry;
  - b. Loan agreement with Russel Epright, including interest rate;
  - c. What the funds were used for; and
  - d. Explanation if Russel Epright's N/P is equity.
- Staff 1-48 Reference the application, schedule III-6 Long-term debt/notes payable; N/P Rusty Parker. Provide the following:
- a. Explanation how and when Rusty Parker gets paid back for his loan, or amortization schedule for this entry;
  - b. Loan agreement with Rusty Parker, including interest rate;
  - c. What the funds were used for; and
  - d. Explanation if Rusty Parker's N/P is equity.
- Staff 1-49 Provide the number of customers billed during the 2015 test year.
- Staff 1-50 Provide the number of Living Unit Equivalencies (LUE) for the 2015 test year.
- Staff 1-51 Provide copies of "Schedule III" in excel format. Itemize all assets water and sewer. Include all the following items for each line item:
- a. NARUC Account Number
  - b. Item Description
  - c. Date of Installation (MM/DD/YYYY)
  - d. Service Life (Years)
  - e. Original Cost when Installed (\$)
  - f. Customer CIAC amount
  - g. Economic Life (Total Days in Service)