

Control Number: 46333



Item Number: 127

Addendum StartPage: 0

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

RECEIVED

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

§
§
§
§
§
§
§

BEFORE THE STATE BAR OFFICE

2017 MAR 16 PM 1:23
PUBLIC UTILITY COMMISSION
FILING CLERK

OF

ADMINISTRATIVE HEARINGS

COMMISSION STAFF'S SECOND 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 2-1 THROUGH 2-12

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.

137

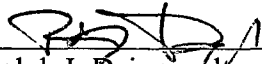
Dated: March 16, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney



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 16, 2017, in accordance with 16 TAC § 22.74.



Ralph J. Daigneault

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

**COMMISSION STAFF'S SECOND 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 2-1 THROUGH 2-12**

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.

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

**COMMISSION STAFF'S SECOND 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 2-1 THROUGH 2-12**

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

**COMMISSION STAFF'S SECOND 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 2-1 THROUGH 2-12**

- Staff 2-1 Please provide all federal tax returns for PK-RE Development, Inc. and all affiliates who sold lots in the subdivisions served by the water and/or wastewater system from 2004 to the present. Include tax returns which reflect revenues and expenses for the development and the water and wastewater systems.
- Staff 2-2 Did PK-RE Development, Inc. or an affiliate expense any of the costs for the water and wastewater plant reflected in the application against sales of lots served by the water and/or wastewater plants on a tax return? Please provide a full list of assets expensed by NARUC chart of accounts number, name of plant item, and cost expensed.
- Staff 2-3 Please provide a reconciliation by individual plant item/component for water and sewer separately, if applicable, between rate cases filed by PK-RE Development, Inc. as follows: Texas Commission on Environmental Quality (TCEQ) application number 35402-G (Water), TCEQ application numbers 37438-R and 37439-R, and the plant totals and individual items claimed in this case.
- Staff 2-4 Please explain why the current application contains items installed in 2004 which were not reported on the plant schedule for TCEQ application number 35402-G (Water) as follows:
1. Trench cut of \$46,694
 2. Main line engineering and legal of \$116,348
 3. 350,000 gallon GST Engineering & Legal-Greenshores of \$91,688
 4. New Water main of \$38,070
- Staff 2-5 Please provide paid invoices and work orders for all plant items listed on the water and wastewater depreciation schedules supporting the original cost of such assets by NARUC account number.
- Staff 2-6 Please provide an itemized list of all plant in service in this application that was expensed on any tax return for federal income tax purposes. The list should include the NARUC account in which the item is claimed in this application, the name of the item, the amount expensed on the tax return, the year installed, the year expensed, and the amount claimed on the application for the item.
- Staff 2-7 Provide all financial statements, (income statements, balance sheets) for PK-RE from 2004 to current.

- Staff 2-8 Provide general ledgers for PK-RE in Microsoft Excel format for the test year and one year prior to the test year.
- Staff 2-9 Provide the general journal including all adjusting journal entries used to develop the financial statements for PK-RE for the year and one year prior to the test year.
- Staff 2-10 Provide the amount of accumulated deferred federal income tax for the end of the test year and one year prior resulting from any accelerated depreciation taken for federal income tax purposes for the water and sewer assets and any other source. Provide all relevant calculations and source documents to support this number.
- Staff 2-11 Provide a list of all affiliated interests as defined by Texas Water Code §13.002(2).
- Staff 2-12 Are all the subdivisions prospectively to be served by PK-RE currently built out? If not, please provide the number of vacant lots by subdivision that will receive water and/or wastewater service from PK-RE in the future using the plant currently being claimed in this application.