

Control Number: 46333



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

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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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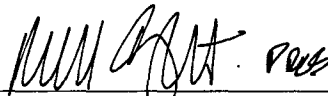
BEFORE THE STATE OFFICE
PUBLIC UTILITY COMMISSION
FILING CLERK
OF
ADMINISTRATIVE HEARINGS

**PK-RE DEVELOPMENT COMPANY'S RESPONSE
TO COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION**

PK-RE Development Company d/b/a Oak Shores Water System ("PK-RE") files this Response to the Fourth Request for Information ("RFI") filed by Public Utility Commission ("Commission") Staff. The discovery request was received by PK-RE on May 19, 2017, and parties reached an agreement to extend the due date to June 12, 2017. Therefore, these responses are timely filed. Pursuant to 16 Tex. Admin. Code § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

Respectfully submitted,

PK-RE Development Company, Inc. dba
Oak Shores Water System
Hill Country Galleria, Bldg. B
13301 Galleria Circle, Suite B175
Bee Cave, Texas 78738

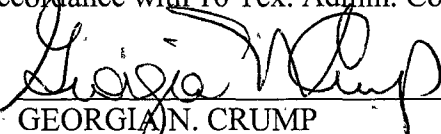


RUSSELL EPPRIGHT, President
Hill Country Galleria, Bldg. B
13301 Galleria Circle, Suite B175
Bee Cave, Texas 78738
(512) 347-1530

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CERTIFICATE OF SERVICE

I hereby certify that on June 12, 2017, true and correct copy of the foregoing document has been served on all parties of record in accordance with 16 Tex. Admin. Code § 22.74.



GEORGIA N. CRUMP

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PK-RE's RESPONSES TO
COMMISSION STAFF'S FOURTH REI

STAFF 4-1 Provide the general ledger for the test year ending December 31, 2015.

Response

See Attachment Staff 4-1, provided on CD (Bates # PK-RE 003024-003071).

Prepared by: Russell Eppright

Sponsored by: Russell Eppright

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PK-RE's RESPONSES TO
COMMISSION STAFF'S FOURTH RFI

STAFF 4-2 Reference response to Staff RFI 1-20 and 1-46. Provide the documents listed in this response in this docket.

Response

The responsive documents are confidential. PK-RE will produce the documents once a protective order has been issued in this docket.

Prepared by: Russell Eppright
Sponsored by: Russell Eppright

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**PK-RE's RESPONSES TO
COMMISSION STAFF'S FOURTH RFI**

STAFF 4-3 Reference response to Staff RFI 1-5, 1-7, 1-29, and 1-32. Provide the following bills from Brenntag:

- a. 4/30/2015 invoice for Ammonium Sulfate in the amount of \$465.12;
- b. 8/31/2015 invoice for Chlorine in the amount of \$323.69;
- c. 9/1/2015 invoice for Ammonium Sulfate in the amount of \$466.36;
- d. 10/20/2015 invoice for Ammonium Sulfate and Chlorine in the amount of \$783.74;
- e. 10/19/2015 invoice for Chlorine in the amount of \$284.04; and
- f. 12/30/2015 invoice for Ammonium Sulfate and Chlorine in the amount of \$1,475.08.

Response

See Attachment 4-3, provided on CD (Bates # PK-RE 003072-003080):

Prepared by: Russell Eppright
Sponsored by: Russell Eppright

**PK-RE's RESPONSES TO
COMMISSION STAFF'S FOURTH RFI**

STAFF 4-4 Reference response to Staff RFI 1-7 and 1-32. Provide the following:

- a. Invoices for sampling in the months of August 2015 through December 2015; and
- b. Explanation why some samplings fees are charged 15% extra, and some sampling fees are at the invoiced amount.

Response

- a. Sampling for August 2015 is reflected in AWR's invoice for that month. The sampling for September 2015 is reflected in AWR's invoice for that month, attached as Staff 4-5. There is a lag in invoicing due to the switch in vendors in October. Sampling is reflected in Spicewood's invoices for Mid-October, November, and December 2015. Spicewood paid directly for the sampling in those months and PK-RE reimbursed the company.
- b. PK-RE believes that both Spicewood and AWR Services, Inc.'s invoices included a 15% fee for sampling fees per their contracts.

Prepared by: Russell Eppright

Sponsored by: Russell Eppright

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**PK-RE's RESPONSES TO
COMMISSION STAFF'S FOURTH RFI**

STAFF 4-5 Reference response to Staff RFI 1-7 and 1-32. Provide the following:

- a. An explanation for switching from AWR Services, Inc.;
- b. The differences in base services from AWR Services, Inc. and Spicewood Utility Services; and
- c. If any other service company estimates were reviewed for reasonable pricing;
- d. Invoice for March from AWR Services; and
- e. Invoice for September from AWR Services (or Spicewood Utility Services if they were the operator in September).

Response

- a. In September 2015, Russell Parker (one of the owners of PK-RE) took over management of the utility, and the current service provider, AWR Services, Inc., decided at that time to terminate its services. Mr. Parker hired Spicewood Utility Services to replace AWR Services. However, because in Mr. Eppright's opinion Spicewood Utility Services was not sufficiently qualified to meet compliance requirements for the utility, Mr. Eppright decided to hire Crossroads after talking to qualified references from AWR and other utility business individuals.
- b. AWR's contract was a different pay structure than Spicewood. Both contracts have been provided in response to Staff RFI 3-7.
- c. When changing from Spicewood, other operators were considered but Crossroads seemed to be the best fit for the quality of services being provided and the ability of Crossroads to keep the utility in compliance. The fees charged by Crossroads were determined to be reasonable and in keeping with what other companies charge for similar level and quality of services.
- d. AWR did not provide an invoice for March 2015. Those costs were charged in the April 2015 invoice.
- e. See Attachment Staff 4-5, provided on CD (Bates # PK-RE 003081-003085).

Prepared by: Russell Eppright
Sponsored by: Russell Eppright

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**PK-RE's RESPONSES TO
COMMISSION STAFF'S FOURTH RFI**

STAFF 4-6 Reference the response to Staff RFI 1-7 and 1-32, Bates page PK-RE 001319. Advise the amount reimbursed by the customer for fixing their customer service line.

Response

AWR attempted to get reimbursed for the work from Austin Wood Recycling, the party that created the damage to the customer service line, but PK-RE could not locate a payment made by Austin Wood Recycling. PK-RE will supplement this RFI if possible.

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PK-RE's RESPONSES TO
COMMISSION STAFF'S FOURTH RFI

STAFF 4-7 Reference the response to Staff 1-7 and 1-32 (Invoices for 2015); invoices from Home Depot Commercial Account. List the items that have been put in use, and which (if any) items are still in inventory.

Response

PK-RE does not have a Home Depot Commercial Account. These were items purchased by AWR on their account and used for repairs on PK-RE's system and are presumably still in service in PK-RE's system.

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**PK-RE's RESPONSES TO
COMMISSION STAFF'S FOURTH RFI**

STAFF 4-8 Reference the Direct Testimony of Georgia N. Crump, page 4, lines 11-13.
Provide the March 24, 2016 letter agreement.

Response

See Attachment 4-8, provided on CD (Bates # PK-RE-003086-003087).

Prepared by: Russell Eppright
Sponsored by: Russell Eppright

SOAH Docket No. 473-17-2285.WS

PUC Docket No. 46333

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

June 12, 2017

PK-RE Documents Responsive to Staff's 4th RFI

PK-RE 003024-003087