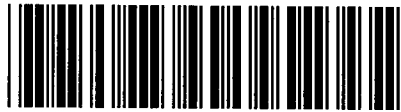




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APPLICATION OF J&S WATER
COMPANY, LLC FOR A
RATE/TARIFF CHANGE

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PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

**COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION TO
J&S WATER COMPANY, LLC
QUESTION NOS. STAFF 4-1 THROUGH STAFF 4-2**

Pursuant to 16 Tex. Admin. Code § 22.144 of the Commission's Procedural Rules, the Staff of the Public Utility Commission of Texas (Staff) requests that J&S Water Company, LLC (J&S) 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.

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Dated: March 24, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director-Legal Division

Karen S. Hubbard
Managing Attorney - Legal Division




Landon J. Lill
State Bar No. 24092700
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P.O. Box 13326
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(512) 936-7228
(512) 936-7268 (facsimile)
Landon.Lill@puc.texas.gov

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on March 24, 2017 in accordance with 16 TAC § 22.74.



Landon J. Lill

DOCKET NO. 46438

**COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION TO
J&S WATER COMPANY, LLC
QUESTION NOS. STAFF 4-1 THROUGH STAFF 4-2**

DEFINITIONS

- A. **“J&S”, “the Company” or “you”** refers to the J&S Water Company, LLC 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 FOURTH REQUEST FOR INFORMATION TO
J&S WATER COMPANY, LLC
QUESTION NOS. STAFF 4-1 THROUGH STAFF 4-2**

INSTRUCTIONS

- 1) Pursuant to 16 Tex. Admin. Code § 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 Tex. Admin. Code § 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 FOURTH REQUEST FOR INFORMATION TO
J&S WATER COMPANY, LLC
QUESTION NOS. STAFF 4-1 THROUGH STAFF 4-2**

Staff 4-1 Provide an explanation of why costs changed substantially from one year to the next (test year) for the categories listed below.

Contract Labor – rose from \$28,412 in 2015 to \$73,007 in 2016. This is a material increase in 2015 costs of 156.9%.

- a. Explain if hourly rates increased, more hours were required and contracted, why the increase for the contracted labor was necessary and reasonable. Explain the reason for the material increase in costs.
- b. Provide a copy of the labor contracts.
- c. Provide a copy of any contracts or invoices supporting the reported costs of 2015 and 2016. (Refer to J&S's responses to RFI 2-1, item no. 179, page 10.)

Materials – Automobile Expense – rose from \$942 in 2015 to \$1,975 in 2016. This is a material increase in 2015 costs of 109.7%.

- a. Explain if a new automobile was purchased, leased, traded-in for a newer model resulting in higher payments, or additional repairs were needed.
- b. Explain the reason for the material increase in costs. (Refer to J&S's response to RFI 2-1, item no. 179, page 3.)
- c. Provide a copy of any contracts or invoices supporting the reported costs of 2015 and 2016.

Materials – Equipment Rental – dropped from \$6,212 to \$1,871. However, the difference reported is \$25,659. Please provide clarification regarding what numbers need to be corrected in the RFI response. (Refer to J&S's response to Staff RFI – 2-1, item no.179, page 3.)

- a. Provide a copy of all equipment rental contracts and invoices supporting the reported costs for 2015 and 2016.

Equipment Insurance – increased from \$4,995 in 2015 to \$12,211 in 2016. This is a material increase of 144.5%.

- a. Explain if rates rose, more equipment was purchased and therefore insured, why the additional insurance was necessary and reasonable. Explain the reason for the material increase in costs.
- b. Provide a copy of the insurance statements outlining annual costs.

Liability Insurance increased from \$3,708 in 2015 to \$6,131 in 2016.

- a. Explain the reason for the increase and why the additional insurance was necessary.

Vehicle Insurance- increased from \$10,519 in 2015 to \$15,683 in 2016.

- a. Explain the reason for the increase in insurance and if there was a new vehicle purchased.

Dues & Subscriptions (Miscellaneous) increased from \$195 in 2015 to \$1,500 in 2016.

- a. Explain the reason for the increase in dues and subscriptions.

Licenses and Permits (Miscellaneous) - increased from \$3,750 in 2015 to \$8,400 in 2016. This is an increase of 124%.

- a. Explain the reason for the cost increase.

Miscellaneous (Miscellaneous) - increased from (\$890) in 2015 to \$3,860 in 2016.

- a. Explain why there is a miscellaneous tab inside the miscellaneous section and why the increase was \$4,750.

Reimbursements (Miscellaneous) - increased from \$3,856 in 2015 to \$11,131 in 2016.

- a. Explain the reason for the increase and provide invoices for these reimbursements.

Travel and Entertainment (Miscellaneous) - increased from \$54 in 2015 to \$20,500 in 2016.

- a. Explain the reason for the \$20,446 increase and provide invoices for these expenses.

Travel (Miscellaneous) – increased from \$4 in 2015 to \$3,000 in 2016.

- a. Explain the increase in travel expenses and provide invoices for these expenses.

Staff 4-2

Describe the services and rates associated with AFTE Financial Services and Michael Lawson, PLLC. (Refer to J&S's response to Staff RFI 1-1. Item no. 181, page 3.)