



Control Number: 46674



Item Number: 240

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APPLICATION OF SUBURBAN
UTILITY COMPANY, INC. FOR
AUTHORITY TO CHANGE RATES

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PUBLIC UTILITY COMMISSION
OF TEXAS

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**OFFICE OF PUBLIC UTILITY COUNSEL'S
SECOND REQUEST FOR INFORMATION TO
SUBURBAN UTILITY COMPANY, INC.**

The Office of Public Utility Counsel (OPUC) files and submits this Second Request for Information to Suburban Utility Company, Inc. (Suburban) in the captioned proceeding.

Under Commission Procedural Rules 22.141-.145, 16 Tex. Admin. Code Ch. 22, OPUC requests that Suburban, as defined herein, provide the following information and answer the following questions under oath. Please answer the questions and sub-questions in the order in which they are listed and in sufficient detail to provide a complete and accurate answer to the question.

Definitions

As used in this introduction and in these questions,

- (1) "Suburban", the "Company", and "Applicant" refer to Suburban Utility Company, Inc. and its affiliates;
- (2) "You", "yours" and "your" refer to Suburban Utility Company, Inc. (as defined above), including its directors, officers, employees, consultants, agents, and attorneys.
- (3) "Document" and "documents" mean any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tapes, film, electronic facsimile, computer storage device or any other media, including, but not limited to, electronic mail (e-mail), memoranda, notes, analyses, minutes, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers, observations, commercial practice manuals, reports and summaries

of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form.

Instructions

1. The Definitions, Instructions, and Claim of Privilege set out in this Request for Information apply to these questions.
2. In answering these questions, furnish all information that is available to you, including information in the possession of your agents, employees, and representatives, all others from whom you may freely obtain it, and your attorneys and their investigators.
3. Please answer each question based upon your knowledge, information, or belief, and any answer that is based upon information or belief should state that it is given on that basis.
4. If you have possession, custody, or control (as defined by Tex. R. Civ. P. 192.7(b)) of the originals of these documents requested, please produce the originals or a complete copy of the originals and all copies that are different in any way from the original, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of the originals of the documents requested, please produce copies of the documents, however made, in your possession, custody, or control. If any document requested is not in your possession or subject to your control, please explain why not, and give the present location and custodian of any copy or summary of the document.
6. If any question appears confusing, please request clarification from the undersigned counsel.
7. In providing your responses, **please start each response on a separate page** and type, at the top of the page, the question that is being answered.
8. **As part of the response to each question, please state, at the bottom of the answer, the name and job position of each person who participated in any way, other than providing clerical assistance, in the preparing of the answer.** If the question has sub-parts, please identify the person or persons by sub-part. **Please also state the name of the witness in this docket who will sponsor the answer to the question and who can vouch for the truth of the answer.** If the question has sub-parts, please identify the witness or witnesses by sub-part.

9. Rather than waiting to provide all of the responses at the same time, please provide individual responses as each becomes available.
10. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer between the time of your original response and the time of the hearings, then you should submit, under oath, a supplemental response to your earlier answer.
11. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please call the undersigned counsel as soon as possible in order to discuss the situation and to try to resolve the problem. Likewise, if you object to any of the questions on the grounds that the question seeks confidential information, or on any other grounds, please call the undersigned counsel as soon as possible.
12. If the response to any question is voluminous, please provide separately an index to the materials contained in the response.
13. If the information requested is included in previously furnished exhibits, workpapers, or responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.
14. To the extent that a question asks for the production of copyrighted material, it is sufficient to provide a listing of such material, indicating the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

Claim of Privilege

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, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed.

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- 2-1. Provide documents in Attachment B in the Application in native, Excel format with all formulas intact and functional.
- 2-2. Referring to Schedule III-3(a) of the application:
 - a. Please provide the docket number of the case in which Suburban's rate base amount was last set and provide a copy of the Proposal for Decision and Final Order in that proceeding.
 - b. Please provide a reconciliation of the rate base figures approved specific to the case referenced in 2a above showing specific asset additions and retirements since the rate base determination and reconcile with the requested rate base in this proceeding
 - c. If Suburban's rate base has never been established by a regulatory body, please provide invoice documentation supporting the original cost of assets outlined in Attachment B to the application.
- 2-3. Please provide an organizational chart showing the relationships between M.B.C. Water Systems Inc., Community Utility Co., Consumers Water, Inc., Patton Village Water, Stonehedge Utility, and Suburban Utility Company. Please indicate the owners of each Company and the percentage ownership.
- 2-4. Please provide audited financial statements specific to Suburban Utility Company and M.B.C. Water Systems, Inc. for 2014, 2015, and 2016.
- 2-5. Please provide copies of any current Management Agreements or Contracts between Suburban Utility Company, Community Utility Co., Consumers Water, Inc., Patton Village Water, Stonehedge Utility, and M.B.C. Water Systems, Inc.
- 2-6. Please provide a copy of District Court Order No. D-1-GN-14-003376.
- 2-7. Please provide all documentation demonstrating the Company's requests for financing both to private banks as well as to the Texas Water Development Board or other Federal or State agencies within the last ten years.
- 2-8. Please provide the "satisfactory financial information" provided to Spirit of Texas Bank and referenced in the E-mail from Judy Olson on September 8, 2016.
- 2-9. Please provide a list of all subdivisions served by Suburban Utility Company.
- 2-10. Please reconcile and provide explanations for all changes between Attachment C in PUC Docket No. 42859 and Attachment B in the current docket. For all cost increases, please provide supporting documentation. For all retirements, please provide date of retirement and net salvage value recorded, if any.

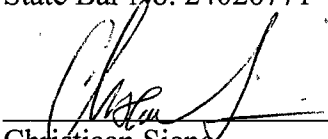
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- 2-11. If the original cost of any assets listed in Attachment B to the Rate Filing were determined based on trending analyses, please provide applicable trending studies and all workpapers supportive thereof.
- 2-12. Specific to Attachment A, Allocation of Cost Category Expense, please provide all monthly invoices supporting the Capitalized Expenses of Southwest Engineers totaling \$167,603. Please provide detailed descriptions of services provided specific to each invoice. If services were specific to a utility system or subdivision, please indicate which system or subdivision was served.
- 2-13. Please provide all TCEQ documentation approving construction of the assets contained in Attachment D, Suburban Utility Company Surcharge Request Data.
- 2-14. Please provide any and all documentation supporting the proposed increase in the Company's Transfer Fee from \$25.00 to \$35.00
- 2-15. Please provide any and all documentation supporting the proposed increase in the Company's Returned Check Charge from \$25.00 to \$30.00
- 2-16. Please provide as of June 30, 2016, by subdivision served, the balance of Customer Deposits held by Suburban. Please explain why said amounts were not listed as a deduction from Schedule III-2.
- 2-17. Specific to the Test Year, please provide the gallons billed at the following consumption levels by subdivision:
 - a. 0 – 20,000 gallons
 - b. 20,001 – 35,000 gallons
 - c. 35,001 – 50,000 gallons
 - d. 50,001 gallons and above

Dated: January 27, 2017

Respectfully submitted,

Tonya Baer
Public Counsel
State Bar No. 24026771



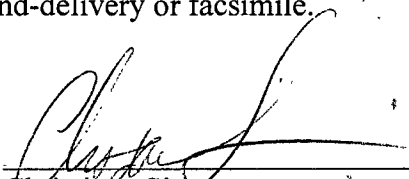
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CERTIFICATE OF SERVICE

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I certify that today, January 27, 2017, a true copy of the Office of Public Utility Counsel's Second Request for Information to Suburban Utility Company, Inc. was served on all parties of record via United States First-Class Mail, hand-delivery or facsimile.



Christiaan Siano