



Control Number: 46674



Item Number: 297

Addendum StartPage: 0

SOAH DOCKET NO. 473-17-2457.WS
PUC DOCKET NO. 46674

RECEIVED

2017 FEB 16 AM 10:51

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

§
§
§

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

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO SUBURBAN UTILITY COMPANY, INC. (SUBURBAN)
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-27

Pursuant to 16 Tex. Admin. Code Ann. § 22.144 (TAC), the Staff of the Public Utility Commission of Texas (Staff) requests that the Suburban Utility Company, Inc. (Suburban) 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.

297

Dated: February 16, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney



A. J. Smullen
State Bar No. 24083881
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7289
(512) 936-7268 (facsimile)
AJ.Smullen@puc.texas.gov

**SOAH DOCKET NO. 473-17-2457.WS
DOCKET NO. 46674**

CERTIFICATE OF SERVICE

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



A. J. Smullen

SOAH DOCKET NO. 473-17-2457.WS
PUC DOCKET NO. 46674

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO SUBURBAN UTILITY COMPANY, INC. (SUBURBAN)
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-27**

DEFINITIONS

- A. "Suburban", "Company", or "you" refers to the Suburban Utility Company, Inc. 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. 473-17-2457.WS
PUC DOCKET NO. 46674**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO SUBURBAN UTILITY COMPANY, INC. (SUBURBAN)
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-27**

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. 473-17-2457.WS
PUC DOCKET NO. 46674

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO SUBURBAN UTILITY COMPANY, INC. (SUBURBAN)
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-27**

- STAFF 2-1 Please provide copies (hard copy and electronic file) of the general ledger for the test year (July 1, 2015 – June 30, 2016) and for the period including the known and measurable changes (July 1, 2016 – June 30, 2017, as the future months become available); and copies of the detailed chart of accounts with account codes and/or numbers, account names, and sub-accounts for Suburban Utility Company, Inc. (“Suburban”).
- STAFF 2-2 For the years 2015 and 2016, please provide copies of the complete audited financial statements including auditor’s reports and all notes for Suburban Utility Company, Inc., Consumers Water Inc., Community Utility, and MBC Water, including but not limited to balance sheets, profit and loss statements, and statements of cash flow. If audited financial statements are not available, provide the unaudited financial statements.
- STAFF 2-3 Please provide any additional internal or external audit reports produced since the beginning of 2015 regarding Suburban’s water operations, if any. If audit reports are not available, please provide copies of any additional internal or external reports prepared by the management for Suburban’s water operations.
- STAFF 2-4 Please provide the number of full time and part time employees that worked for the Suburban during the test year and for the period covering known and measurable changes (one year after the test year).
- STAFF 2-5 Please provide the number of personnel who provided services for compensation to Suburban on a contractual basis for the test year and one year after the test year.
- STAFF 2-6 Please provide a list of all employees of Suburban or any affiliate who received salaries, bonuses, allowances, benefits and other remuneration that were included in the cost of service either through direct billed or allocated contract expenses or salary expense. Please provide the following information:
- a) Name;
 - b) Position and detailed job description;
 - c) Date hired and date of termination, if applicable;
 - d) Rate per month or per hour and/or annual salary; and

e) Total number of hours and percentage of time worked per week for each affiliate including Suburban.

- STAFF 2-7 Please provide the number of full time and/or part time employees of any affiliate, by company, who provided services for compensation paid by any affiliate for Suburban Utility Company, Consumers Water Inc., Community Utility, and MBC Water for 2015 and 2016.
- STAFF 2-8 Please provide names of employees of any affiliate that work for Suburban and one or more of the affiliated companies. Provide name, position, and detailed job description, and total compensation allocated or direct billed to each affiliated company.
- STAFF 2-9 Please provide copy of study, work papers, or research that show the salaries, allowances, medical insurance benefits, pension/retirement benefits, and other remuneration paid to employees of any affiliate are reasonable.
- STAFF 2-10 Please provide schedule of all items, expenses, or cost of service that were allocated and/or direct billed to or from Suburban by any affiliated company.
- STAFF 2-11 Please provide the percentage and amount allocated from the affiliated companies that were included in this rate change application.
- STAFF 2-12 Please provide a copy of the cost allocation manual, study or basis of allocation of costs from the affiliated companies, if any.
- STAFF 2-13 Please provide the allocation schedule of Consumers Water Inc., Community Utility, and MBC Water's cost of service/expenses allocated to affiliated companies for the test year, but not limited to Suburban. Provide breakdown of costs distributed to the affiliated companies.
- STAFF 2-14 Please identify the accounting method (cash, accrual, or other) used to record income and expenses in accordance with GAAP and the NARUC.
- STAFF 2-15 Please provide list of Suburban's employees covered by pension benefits, medical health insurance, and health or company benefits, if any.
- STAFF 2-16 Please provide copies of all contracts with its affiliates, if any, and any other contracts with other companies or service providers.
- STAFF 2-17 Please provide copies, including written descriptions of the transactions represented by general journal entries made during the test year including any entries that created prior period adjustments as defined by GAAP.

- STAFF 2-18 Please provide copies of invoices and other documents to support the following expenses claimed in the application:
- a) Purchased water
 - b) Power expense-production only
 - c) Other volume related expenses
 - d) Materials
 - e) Contract work
 - f) Management salaries
 - g) Office supplies & expenses
 - h) Professional services
 - i) Regulatory expenses
 - j) Miscellaneous expenses
 - k) Taxes other than income tax
- STAFF 2-19 Please provide copies of detailed invoices or other documents to support rate case expenses claimed in this application. The invoices should include all detailed invoices for expenses claimed such as travel, food, and lodging.
- STAFF 2-20 Please provide a break-down or schedule of other revenues by subdivision including Castlewood Subdivision for the test year.
- STAFF 2-21 Please provide the amount of regulatory assessment fees paid to the Texas Commission on Environmental Quality (TCEQ) for the calendar years 2014, 2015, and 2016. Please provide supporting documentation for the amounts paid.
- STAFF 2-22 If Suburban made payments to affiliated companies through inter-office transfers, credit or debit memos, please provide copies of the supporting documents, and/or journal entries to support the transfers or the due to / due from accounts.
- STAFF 2-23 Please provide copies of IRS Forms W-2 and W-3 from all affiliates and/or Suburban to support salaries and wages and any contractual charges that pay for affiliate salaries and wages included in the test year and IRS Form 1099-Misc for all affiliates to support contract labor or contract services expenses included in the test year.
- STAFF 2-24 Please provide copies of income tax returns filed with the IRS for tax years 2014, 2015, and 2016 for Suburban and all affiliates.
- STAFF 2-25 Please provide copies of *individual* Organizational Structure for Suburban and all affiliates.

- STAFF 2-26 Please provide copies of a *combined* Organizational Structure for all the affiliates (Suburban, Consumers, Community, and MBC Water).
- STAFF 2-27 Refer to the “System Totals Reports” filed as Attachment 1-27 in response to OPUC’s first RFIs and RFAs. Please explain what “Number of Unread (Turned On) Meters” means.