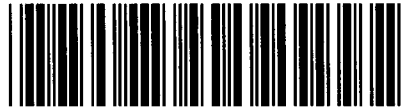




Control Number: 46674



Item Number: 298

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

§  
§  
§

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

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

The Office of Public Utility Counsel (OPUC) files and submits this Third 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.

**SOAH DOCKET NO. 473-17-2457.WS**  
**PUC Docket No. 46674**  
**OPUC's Third Request for Information to**  
**Suburban Utility Company, Inc.**

- 3-1. Referencing the "Allocation of Cost Category Expenses" (July 2015-June 2016) provided with the application, please explain and provide all supporting workpapers and documentation specific to the capitalized Maintenance & Repair – other amount of \$28,060. Please indicate where these capitalized amounts can be found within Schedule III-2 or Attachment B to the application. Please provide invoices supporting these items.
- 3-2. Specific to Attachment 1-4 to Suburban's response to OPUC's First Request for Information, for each ESI ID Meter Number listed on the provided bills from ConEdison Solutions, please indicate which subdivision is served by each respective meter.
- 3-3. Specific to Attachment 1-8 to Suburban's response to OPUC's First Request for Information, please provide the timesheets of the employees of MBC Water Systems, Inc. which correspond to the invoices provided.
- 3-4. Specific to MBC Water Systems, please provide a listing which shows the unit price, by hour, associated with all categories of labor, equipment, and materials provided to Suburban specific to Calendar Year 2014, 2015, and 2016.
- 3-5. Specific to Attachment 1-8 to Suburban's response to OPUC's First Request for Information, please provide all supporting invoices or receipts for construction or materials included on invoices from MBC Water Systems, Inc.
- 3-6. Specific to Attachment 1-8 to Suburban's response to OPUC's First Request for Information, please confirm or deny that the invoices listed below are associated with the Castlewood Subdivision. If denied, please provide an explanation.
  - a. Invoice No. 20150927-1, dated September 27; 2015, Total Amount of \$1,780.07
  - b. Invoice No. 20160505-1, dated May 5, 2016, Total Amount of \$1,153.75
  - c. T&K Electric Invoice, dated 2-5-16, Total Amount of \$86.60
- 3-7. Specific to the requested test year professional fee amount of \$27,314, provide the specific amount of professional services incurred specific to each docket listed below:
  - a. Current Application and PUC Docket No. 46674
  - b. PUC Docket No. 42859
  - c. PUC Docket No. 43342
  - d. PUC Docket No. 44762
  - e. Other matters not listed above. Please indicate docket numbers where applicable or provide description of services.
- 3-8. Specific to Attachment 1-19 to Suburban's response to OPUC's First Request for Information, please confirm or deny that the invoices from DSHS Central Lab and labelled "Castlewood Subdivision (092015)" are associated with the Castlewood Subdivision. If denied, please provide an explanation.

**SOAH DOCKET NO. 473-17-2457.WS**  
**PUC Docket No. 46674**  
**OPUC's Third Request for Information to**  
**Suburban Utility Company, Inc.**

- 3-9.** Specific to Attachment 1-19 to Suburban's response to OPUC's First Request for Information, please confirm or deny that the invoice from the Texas Commission on Environmental Quality and labelled "Castlewood Subdivision; Account 91010111" is associated with the Castlewood Subdivision. If denied, please provide an explanation.
- 3-10.** Referencing the Professional Services Agreement between MBC Water Systems and Suburban water, please provide support for and workpapers behind the development of the unit costs included in Exhibit A.
- 3-11.** Referencing Attachment A to the application, please provide an explanation and any supporting documentation for the payment of \$4,350 on 12/28/2015 to Mike Martin and the payment of \$4,350 on 12/28/2015 to Mitch Martin.
- 3-12.** Please provide the total management compensation paid during the Test Year to Mike Martin by the following:
- a. Community Utility Company
  - b. Consumers Water, Inc.
  - c. Patton Village Water Co, Inc.
  - d. Stone Hedge Utility Co.
- 3-13.** Please provide the total management compensation paid during the Test Year to Mitch Martin by the following:
- a. Community Utility Company
  - b. Consumers Water, Inc.
  - c. Patton Village Water Co, Inc.
  - d. Stone Hedge Utility Co.
- 3-14.** Please indicate in which account category in Attachment A the expenses associated with new customer taps are booked. For each new customer tap performed during the test year, please provide the following and include supporting documentation:
- a. Date on which tap fee was paid by customer;
  - b. The subdivision name and address at which the new tap was installed;
  - c. Line-item expense associated with each new tap installed.
- 3-15.** Please indicate the person(s) and company(ies) responsible for the management and policies of the following:
- a. MBC Water Systems
  - b. Suburban Utility Company
  - c. Community Utility Company
  - d. Consumers Water Inc.
  - e. Patton Village Water Co., Inc.
  - f. Stone Hedge Utility Co

**SOAH DOCKET NO. 473-17-2457.WS**  
**PUC Docket No. 46674**  
**OPUC's Third Request for Information to**  
**Suburban Utility Company, Inc.**

- 3-16.** Please provide the names of the officers of the following:
- a. MBC Water Systems
  - b. Suburban Utility Company
  - c. Community Utility Company
  - d. Consumers Water Inc.
  - e. Patton Village Water Co., Inc.
  - f. Stone Hedge Utility Co
- 3-17.** Referencing Suburban's response to OPUC RFI 1-31, please indicate why Suburban has not filed Federal Income Taxes specific to Tax Year 2015? Please also state whether Suburban has requested an extension and on what date Suburban intends to file its Federal Income Taxes for 2015?
- 3-18.** Specific to Attachment 1-24 to Suburban's response to OPUC's First Request for Information, please explain and provide supporting documentation regarding the "2011 TWDB DWSRF Proj" referenced in the May 15, 2013 invoice from Southwest Engineers. Please provide any financing agreements between MBC Water Systems and the Texas Water Development Board (TWDB) and debt amortization schedules associated with the associated financing.
- 3-19.** Specific to Attachment 1-55 to Suburban's response to OPUC's First Request for Information, on the General Ledger dated December 31, 2015, Page 9, and on the General Ledger dated June 30, 2016, Page 6, please provide an explanation and supporting documentation regarding the listed "TCEQ Water Assess. Fees Loan"?
- 3-20.** Please provide the loan application and any and all supporting materials provided to Spirit of Texas Bank specific to the Loan Request discussed in Attachment D to the application.
- 3-21.** Please provide any and all correspondence between MBC Water Systems, Inc. and/or Mitch or Mike Martin and Spirit of Texas Bank specific to the Loan Request discussed in Attachment D to the application.
- 3-22.** Referencing Attachment D to the application, has Suburban acquired any other bids specific to the improvements proposed to be covered by the Customer Surcharge? If yes, please provide copies of those bids. If not, please indicate why Suburban feels additional bids are unnecessary.
- 3-23.** Please provide the monthly numbers of connections during the Test Year, by meter size, for Castlewood, Beaumont Place, Cypress Bend, and Reservoir Acres.

Dated: February 16, 2017

Respectfully submitted,

Tonya Baer  
Public Counsel  
State Bar No. 24026771




Christiaan Siano  
Assistant Public Counsel  
State Bar No. 24051335

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**CERTIFICATE OF SERVICE**  
SOAH DOCKET NO. 473-17-2457.WS  
PUC Docket No. 46674

I certify that today, February 16, 2017, a true copy of the Office of Public Utility Counsel's Third 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.

  
Cassandra Quinn