

Control Number: 46958



Item Number: 14

Addendum StartPage: 0

DOCKET NO. 46958

APPLICATION OF DOGWOOD
ESTATES WATER COMPANY FOR A
RATE/TARIFF CHANGE

§
§
§

PUBLIC UTILITY COMMISSION
OF TEXAS
RECEIVED
SEP 11 AM 11:06
PUBLIC UTILITY COMMISSION
FILING CLERK

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO DOGWOOD ESTATES WATER COMPANY (DOGWOOD)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-14**

Pursuant to 16 Tex. Admin. Code Ann. § 22.144 (TAC), the Staff of the Public Utility Commission of Texas (Staff) requests that Dogwood Estates Water Company (Dogwood) 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 78712-3326.

Dated: September 11, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

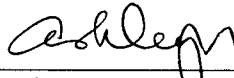


Ashley Nwonuma
State Bar No. 24096650
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7163
(512) 936-7268 (facsimile)
ashley.nwonuma@puc.texas.gov

DOCKET NO. 46958

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on September 11, 2017 in accordance with 16 TAC § 22.74.



Ashley Nwonuma

DOCKET NO. 46958

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO DOGWOOD ESTATES WATER COMPANY (DOGWOOD)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-14**

DEFINITIONS

- A. "Dogwood," "the Company" or "you" refers to the Dogwood Estates Water Company 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.

DOCKET NO. 46958

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO DOGWOOD ESTATES WATER COMPANY (DOGWOOD)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-14**

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.

DOCKET NO. 46958

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO DOGWOOD ESTATES WATER COMPANY (DOGWOOD)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-14**

- Staff 1-1 Provide a Detailed General Ledger for the Test Year period ending December 31, 2016, by transaction, including transaction description, check number, voucher number or journal voucher number, vendor/contractor name in Microsoft Excel or ascii text file format.
- Staff 1-2 Provide a Trial Balance for the Test Year in Microsoft Excel or ASCII text file format.
- Staff 1-3 For Schedule II-7 – Materials, Test Year (TY) expenses of \$21,211 was claimed while \$11,359 was claimed for the Prior Year (PY) resulting in an 86.7% increase in this line item's cost. The difference between TY and PY of \$9,852 was due to that fact that "the utility had to make a number of repairs in the test year." Please provide a schedule of expenses incurred in the test year. For all expenses greater than \$500, please provide a copies of invoices and contracts to support these costs.
- Staff 1-4 For Schedule II-8 – Contract Work expenses, provide copies of existing invoices and contracts to support these costs.
- Staff 1-5 For Schedule II-9 – Transportation, Test Year (TY) expenses of \$9,901 was claimed while \$7,493 was claimed for the Prior Year (PY) resulting in a 32.1% increase in this line item's cost. The difference between TY and PY of \$2,408 appears to be due to a vehicle repair noted as a large item for \$2,432. Please provide total transportation expenses for two additional prior years. Provide supporting documentation for these amounts using a general ledger year-end account balance report.
- Staff 1-6 Provide a copy of the company policy on transportation expenses.
- Staff 1-7 For Schedule II-10 – Plant Maintenance expenses, provide an itemized list of the \$33,710 in claimed expenses and copies of existing invoices and contracts to support these costs. For all costs greater than \$500, please provide a copy of the supporting invoices or contracts.

Staff 1-8 For all employees who received salaries, bonuses, allowances, benefits and other remuneration that were included in the cost of service, 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
- e. Total number of hours and percentage of time worked per week for the utility and total number of hours and percentage of time worked per week for any affiliated companies, if any.
- f. Provide any studies supporting the reasonableness of the remuneration of each employee.

Staff 1-9 For Schedule II-13 – Office Rental expenses increased from \$3,500 to \$6,000 from 2015 and 2016 resulting in a 71.4% increase in this line item's costs. Please answer the following with regard to this expense:

- a. Provide copies of existing invoices and contracts supporting the expense;
- b. Is the entity being paid for office rentals or an affiliate of the utility?
- c. If answer to b. is yes, provide support that the Applicant's affiliate-related transactions meet all of the statutory requirements of Texas Water Code § 13.185(e). Support for each affiliate-related transaction, for each item or class of items, should include supporting documentation that the price to the utility is no higher than prices charged by the supplying affiliate to its other affiliates or divisions for the same item or items, or to unaffiliated persons or corporations. If the affiliate has no other affiliates other than the Applicant, provide support that prices charged are market-going rates.

Staff 1-10 For Schedule II-14 – Office Supplies expenses, provide copies of existing invoices and contracts to support the claimed amount of \$9,992.

Staff 1-11 Provide copies of existing invoices and contracts to support the incurred Professional expenses of \$4,085 reported on Schedule II-15.

Staff 1-12 Provide copies of existing policies to support the incurred Insurance expenses of \$18,912 reported on Schedule II-16.

Staff 1-13 Provide a breakdown of miscellaneous expenses and copies of invoices greater than \$50 for the test year amounting to \$1,047 on Schedule II-19.

Staff 1-14 For any rate case expense claimed in the application, provide copies of all invoices which should include hours billed, name of person providing the services, specific description of services performed, and receipts for any claimed expenses. This request should be updated as additional expenses are incurred on a regular basis.