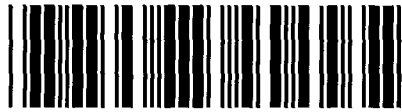


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RECEIVED

PUBLIC UTILITY COMMISSION

2017 MAY 22

OF TEXAS
PUBLIC UTILITY COMMISSION
FILING CLERK

APPLICATION OF AQUA WATER §
SUPPLY CORPORATION AND §
FAYETTE WATER SUPPLY §
CORPORATION FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN BASTROP COUNTY §

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO FAYETTE WATER SUPPLY CORPORATION (FAYETTE WSC)
QUESTIONS NO. STAFF 1-1 THROUGH STAFF 1-7**

Pursuant to 16 Tex. Admin. Code (TAC) § 22.144, the Staff of the Public Utility Commission of Texas (Staff) requests that the Fayette Water Supply Corporation (Fayette WSC), 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.

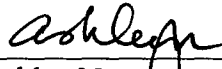
Dated: May 22, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney



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DOCKET NO. 47027

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on May 22, 2017, in accordance with 16 TAC § 22.74.



Ashley Nwonuma

DOCKET NO. 47110

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO FAYETTE WATER SUPPLY CORPORATION (FAYETTE WSC)
QUESTIONS NO. STAFF 1-1 THROUGH STAFF 1-7**

DEFINITIONS

- 1) "Fayette WSC," "you," or "Company" refer to the Fayette Water Supply Corporation and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.
- 2) "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. 47110

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO FAYETTE WATER SUPPLY CORPORATION (FAYETTE WSC)
QUESTIONS NO. STAFF 1-1 THROUGH STAFF 1-7**

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. 47110

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO FAYETTE WATER SUPPLY CORPORATION (FAYETTE WSC)
QUESTIONS NO. STAFF 1-1 THROUGH STAFF 1-7**

Acronyms referred to within this Request for Information (RFI):

- a. RFI – Request for Information
- b. CCN – Certificate of Convenience and Necessity
- c. PUC – Public Utility Commission of Texas
- d. TCEQ – Texas Commission on Environmental Quality

Special Instructions:

For each of the following questions, if an “*” is noted, please submit the data file in electronic Microsoft Excel file format via disk. The file should be formatted as follows:

1. No password protection,
2. No hidden tabs,
3. Formulas for each cell with calculations,
4. References to source data for data pulled,
5. Links to referred spreadsheets or cells,
6. File name of source data files referred to in 4 and 5 above; and
7. Provide electronic Microsoft Excel spreadsheet files for any linked spreadsheets in the same format as outlined in steps 1-6 above.
8. All MS Excel files can be submitted on the same disk per RFI.

Please provide the following information:

A. Financial Information:

Staff 1-1 Refer to page 6 of the application, question 11 (D)(E) and provide the following information:

- a. Clarify how many residents are currently without service and requesting service.
- b. Provide a projection including the next five years of existing and new taps needed to serve the requested area. Refer to the application's "Projected Income Statement," as an example on how to comprehensively format the data.
- c. Clarify if construction of new facilities or distribution lines will be necessary to provide service to these future customers noted in question 1.a. or 1.b. above.
- d. Refer to Note 14 of page 13 of Exhibit 16D of the application refers to the Independent Auditor's Report for the years ending December 31, 2014 and 2015. Are any of the three new contracts for construction related to

the facilities that will be serving the requested service area or are they related to the correction of the TCEQ compliance issues?

- Staff 1-2** If construction is necessary to provide service to future customers, provide the following information. Proof of submission of plans and specifications to the TCEQ must be provided as required under 16 TAC § 24.105 (a)(14):
- a. Construction plans and specifications submittal letter to the TCEQ;
 - b. Approval of construction plans and specifications from the TCEQ;
 - c. Construction costs in total, per phase, and broken down by line item;
 - d. Construction timeline;
 - e. If construction is phased, also provide a construction timeline with respect to each phase;
- Staff 1-3** Clarify how construction for servicing future customers or construction addressing the TCEQ compliance issues, and if applicable each phase of construction, is funded, i.e., debt, cash, loan, grants, or a combination thereof.
- Staff 1-4** If a loan is part of the funding for construction for new customers or construction addressing the TCEQ compliance issues, please submit documentation with loan terms as part of the application as required under 16 TAC §24.11 (e)(5).
- Staff 1-5** If debt is part of the funding for construction for new customers or construction addressing the TCEQ compliance issues, please clarify the following with respect to each type of construction:
- a. When debt will or when debt was issued;
 - b. How much will be or has been issued; and
 - c. Provide answers to questions 5.a. and 5.b. with respect to total construction and phased construction.
 - d. If debt has already been issued, please clarify if the debt is included in the long term debt recognized in the Independent Auditor's Report for the years ending December 31, 2014 and 2015.
- Staff 1-6** If a grant is part of the funding for construction for new customers or construction addressing the TCEQ compliance issues, please submit a copy of the grant with grant terms.
- Staff 1-7** Refer to the application's attachment Exhibit 16E. Line 2 (costing \$70,000) and 10 (cost not specifically indicated) under additional projects needed are noted as compliance related projects. Clarify concisely all projects, costs, timelines, etc. within Exhibit 16E are related to correction of the TCEQ compliance issues.