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APPLICATION OF THE COMMONS §
WATER SUPPLY, INC. FOR §
AUTHORITY TO CHANGE RATES §

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

COMMONS WATER SUPPLY, INC.'S LIST OF ISSUES

The Commons Water Supply, Inc. ("Commons") files this List of Issues in response to the Public Utility Commission's ("Commission") Order of Referral in the above-referenced proceeding and, in support thereof, respectfully shows the following:

Commons has identified the following issues to be addressed in this proceeding:

1. What are the just and reasonable rates for the utility that are sufficient, equitable, and consistent in application to each customer class and that are not unreasonably preferential, prejudicial, or discriminatory as required by Texas Water Code (TWC) § 13.182?
2. What revenue requirement will give the utility a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses while preserving the financial integrity of the utility? TWC § 13.183(a) and 16 TAC § 24.32(a).
3. What is the reasonable and necessary cost of providing water service calculated in accordance with 16 TAC § 24.31?
4. What adjustments, if any, should be made to the utility's proposed test-year data? TWC § 13.185(d)(1) and 16 TAC § 24.31(b).
5. What is the appropriate debt-to-equity capital structure of the utility?
6. What is the appropriate overall rate of return, return on equity, and cost of debt for the utility? 16 TAC § 24.31(c)(1).
7. What are the reasonable and necessary components of the utility's invested capital? 16 TAC § 24.31(c)(2).
8. What is the original cost of the property used and useful in providing water service to the public at the time the property was dedicated to public use? TWC § 13.185(b) and 16 TAC § 24.31(c)(2)(A) and (B).
9. What is the proper amount, if any, of accumulated depreciation on the utility's water and sewer property?

10. Is the utility seeking the inclusion of construction work in progress? If so, what is the amount sought and for what facilities? Additionally, has the utility proven that the inclusion is necessary to the financial integrity of the utility and that major projects under construction have been efficiently and prudently planned and managed? TWC § 13.185(b) and 16 TAC § 24.31(c)(3)(B).
11. What is the reasonable and necessary working capital allowance for the utility? 16 TAC § 24.31(c)(2)(C).
12. Does the utility have any debt, and, if so, what is the cost of that debt?
13. What are the utility's reasonable and necessary operations and maintenance expenses? 16 TAC § 24.31(b)(1)(A).
14. Were any payments made to an affiliate for expenses? If so, do those payments meet the requirements of TWC § 13.185(e)?
15. What are the utility's reasonable and necessary administrative and general expenses?
16. What is the reasonable and necessary depreciation expense? For each class of property, what are the proper and adequate depreciation rates (including service lives and salvage values) and methods for depreciation? TWC § 13.185(j) and 16 TAC § 24.31(b)(1)(B).
17. What is the reasonable and necessary amount for assessment and taxes, other than federal income taxes? 16 TAC § 24.31(b)(1)(C).
18. What is the reasonable and necessary amount for the utility's federal income tax expense? 16 TAC § 24.31(b)(1)(D) and, if applicable, TWC § 13.185(f).
19. What is the appropriate allocation of the revenue requirement among rate classes?
20. What is the appropriate rate design for each rate class?
21. What are the utility's reasonable and necessary expenses incurred in this rate proceeding? How should the utility recover its reasonable expenses incurred in this proceeding?
22. If a refund or surcharge results from this proceeding, how and over what period of time should that be made? TWC § 13.187.

WHEREFORE, PREMISES CONSIDERED, Commons respectfully requests the Commission adopt the above List of Issues and grant all other relief, legal and equitable, to which it is justly entitled.

Respectfully submitted,

COZEN O'CONNOR

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**ATTORNEY FOR THE COMMONS
WATER SUPPLY, INC.**

CERTIFICATE OF SERVICE

I, Tammy Shea, certify that a copy of this document was served on all parties of record in this proceeding on September 26, 2017, by regular mail, facsimile transmission, e-mail or hand-delivery.

Tammy Shea
Tammy Wavle-Shea *by permission of*