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SOAH DOCKET NO. 473-18-0193.WS  
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APPLICATION OF THE COMMONS § BEFORE THE STATE OFFICE  
WATER SUPPLY, INC. FOR § OF FILING CLERK  
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO  
THE COMMONS WATER SUPPLY, INC.  
QUESTION NOS. STAFF 3-1 THROUGH STAFF 3-19

Pursuant to 16 Texas Administrative Code § 22.144 (TAC), the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) requests that The Commons Water Supply, Inc. (The Commons), 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.

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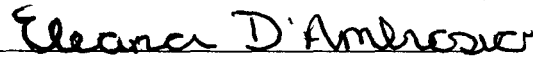
Dated: November 13, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney



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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on November 13, 2017, in accordance with 16 TAC § 22.74.

  
Eleanor D'Ambrosio

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**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO  
THE COMMONS WATER SUPPLY, INC.  
QUESTION NOS. STAFF 3-1 THROUGH STAFF 3-19**

**DEFINITIONS**

- 1) "The Commons," "the Company," or "you" refers to The Commons Water Supply, Inc. 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 exist and these documents will be provided.

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QUESTION NOS. STAFF 3-1 THROUGH STAFF 3-19**

**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.

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QUESTION NOS. STAFF 3-1 THROUGH STAFF 3-19**

- STAFF 3-1** Provide detailed invoices for all rate case expenses incurred to date in conjunction with this application. Requested information should include, but is not limited to, the name of the person providing the service, a complete description of the service provided, the date the service was provided, the total number of hours spent on each service by date, and the billing rate for the person or entity providing the service. Any expenses passed through should be supported by an invoice and/or detailed calculations, with a description of the reason the expense is being passed through. Any meeting expense included as a rate case expense should be supported by a list of the persons in attendance, the date of the meeting, and the specific reason for the meeting. Please update and supplement the response to this request on a monthly basis.
- STAFF 3-2** The original cost of some of the items provided in Invoice # IG-2312-3F is not the same as the original cost included on the depreciation schedule submitted with the application. For example, GST – 150,000 gal original cost in the depreciation schedule is \$163,000 (July 1, 1998), and another GST – 150,000 gal original cost is \$75,000 (July 1, 1998). The same can be said of booster pumps and pressure tanks. Please provide an explanation clarifying the discrepancy between the invoices and the depreciation schedule.
- STAFF 3-3** What item does Invoice # IG-2312-3F represent?
- STAFF 3-4** What item does Invoice # IG-2312-2 represent?
- STAFF 3-5** What item does Invoice # IG-2312-1 represent?
- STAFF 3-6** Reference Schedule II-4. Please provide receipts and invoices supporting the \$52,238.00 expense for Purchased Power.
- STAFF 3-7** Reference Schedule II-5. Please provide receipts and invoices supporting the \$120,880.00 expense for Other Volume Related Expenses.
- STAFF 3-8** Reference Schedule II-7. Please provide receipts and invoices supporting the \$53,785.00 expense for Materials.

- STAFF 3-9** Reference Schedule II-6, Line 2. Please provide receipts, invoices, employment contracts, and any other documentation supporting the \$60,000.00 expense for Office Salaries.
- STAFF 3-10** Reference Schedule II-6, Line 3. Please provide receipts, invoices, employment contracts, and any other documentation supporting the \$90,000.00 expense for Management Salaries.
- STAFF 3-11** Reference Schedule II-14. Please provide receipts and invoices supporting the \$5,798.00 expense for Office Supplies & Expenses.
- STAFF 3-12** Reference Schedule II-16. Please provide receipts and invoices supporting the \$1,547.00 expense for insurance.
- STAFF 3-13** Please provide the 2016 Annual Report for the Commons Water Supply, and explain why the annual report was not filed with the commission by the June 1, 2017 deadline.
- STAFF 3-14** Provide a list of affiliated entities as defined by Tex. Water Code § 13.002(2).
- a. For any expenses and/or capital costs shared or allocated with any other affiliated entity, provide all calculations for allocations and cost sharing.
  - b. Provide a copy of the allocation manual or other written policy used to allocate or share expenses and/or capital costs between affiliates.
  - c. Provide the income statements and balance sheets for all affiliated entities for the test year and the one year prior to the test year.
  - d. Provide all studies, comparisons, schedules or other documents supporting the assertion that all costs included in the application subject to Tex. Water Code § 13.185(e) addressing affiliates meet standards set forth therein.
- STAFF 3-15** Please provide actual copies of the federal tax returns submitted to the Internal Revenue Service for the years 2015 and 2016 that included the results of operations for Commons Water Supply, Inc. Please include all supporting schedules.
- STAFF 3-16** If The Commons has included normalized federal income tax in this application, or a previous rate/tariff change application filed at the agency with jurisdiction over rate regulation in Texas at the time the previous application was filed, provide a calculation for accumulated deferred federal income tax.

- STAFF 3-17** Please provide the monthly billing register, including usage, for each customer for the test year.
- STAFF 3-18** Please provide a written explanation of the basis for the new gallonage tier included in requested rate design.
- STAFF 3-19** Please provide any documentation supporting the rates requested in Attachment C of the application.