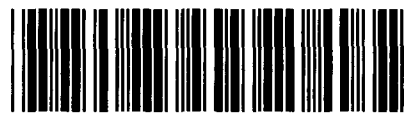




Control Number: 48640



Item Number: 136

Addendum StartPage: 0

**SOAH DOCKET NO. 473-19-4089.WS
PUC DOCKET NO. 48640**

**APPLICATION OF W. E. VLASEK
FOR AUTHORITY TO CHANGE
RATES**

§
§
§

**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**

**COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION
TO W. E. VLASEK
QUESTION NOS. STAFF RFI 8-1 THROUGH 8-126**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) requests that W.E. Vlasek, 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: January 2, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Thomas S. Hunter
Division Director

Heath D. Armstrong
Managing Attorney



Eleanor D'Ambrosio
State Bar No. 24097559
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7021
(512) 936-7268 (facsimile)
Eleanor.Dambrosio@puc.texas.gov

**SOAH DOCKET NO. 473-19-4089.WS
PUC DOCKET NO. 48640**

I certify that a copy of this document will be served on all parties of record on January 2, 2020, in accordance with 16 TAC § 22.74.


Eleanor D'Ambrosio

**SOAH DOCKET NO. 473-19-4089.WS
PUC DOCKET NO. 48640**

**COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION
TO W. E. VLASEK
QUESTION NOS. STAFF RFI 8-1 THROUGH 8-126**

DEFINITIONS

- A. "W.E. Vlasek," or "you" refers to W.E. Vlasek 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 exist and these documents will be provided.

**SOAH DOCKET NO. 473-19-4089.WS
PUC DOCKET NO. 48640**

**COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION
TO W. E. VLASEK
QUESTION NOS. STAFF RFI 8-1 THROUGH 8-126**

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(h)(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.

**SOAH DOCKET NO. 473-19-4089.WS
PUC DOCKET NO. 48640**

**COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION
TO W. E. VLASEK
QUESTION NOS. STAFF RFI 8-1 THROUGH 8-126**

Staff 8-1 Please admit or deny that the prices Vlasek Pump Company (VPC) charges to unaffiliated customers are set at a level high enough to recover overhead costs such as payroll, office supplies, office mortgage payments, etc. If deny, please explain why these costs are not included in the prices charged to unaffiliated customers.

Other Plant Maintenance

Staff 8-2 Reference the Direct Testimony of Bret Fenner at Exhibit B. Please provide a third-party invoice for the \$703 payments made to PMI for the "Lake Fence" for Canyon Springs water system.

Staff 8-3 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a total of \$15,469 for Other Plant Maintenance during the test year for Canyon Springs and the Rebuttal Testimony of Bret Fenner at Exhibit 7. Please admit or deny that the expense for Other Plant Maintenance (per the invoices provided in Exhibit 7) for Canyon Springs is \$5,276.20 (128.19+104.33+280.07+930.40+437.50+375+187.50+264.26+170.80+205.17+287.89+1133.46+288.38+483.25).

Staff 8-4 Reference the Direct Testimony of Bret Fenner at Exhibit B. Please admit or deny that VPC Invoice No. 128267 for \$1,896.97 charged to Canyon Springs was not included in Exhibit 7 of Mr. Fenner's Rebuttal Testimony.

Staff 8-5 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$1,124.15 payment to Walter Hailey for "Equipment Repairs" for Canyon Springs and a reference to Invoice No. 127823. Please admit or deny that Vlasek has not provided Invoice No. 127823. If deny, please attach Invoice No. 127823 to your response.

Staff 8-6 Reference the Direct Testimony of Bret Fenner at Exhibit B showing an \$85 payment to VPC for "Water System" for Shalako Estates and a reference to Invoice No. 128201 and the Rebuttal Testimony of Bret Fenner at Exhibit 7 (bates page 184).

- a. Please admit or deny that Invoice No. 128201 is for mowing.
- b. If the answer to subpart a is admit, please admit or deny that mowing expenses are included in the expense amount claimed for Contract Work.

Staff 8-7 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a total of \$6,651 for Other Plant Maintenance during the test year for Shalako Estates and

the Rebuttal Testimony of Bret Fenner at Exhibit 7. Please admit or deny that the expense for Other Plant Maintenance (per the invoices provided in Exhibit 7 less the \$467.50 shown on Invoice No. 128201) for Shalako Estates is \$7,791.50 (2815.31+548.70+170+505.89+630+173.03+75+125+195.75+375+2077.82).

Staff 8-8 Reference the Direct Testimony of Bret Fenner at Exhibit B at VPC Invoice No. 128004 charging \$85 to Mary Meade for mowing. Please admit or deny that mowing expenses are included in the expense amount claimed for Contract Work.

Staff 8-9 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a total of \$1,905 for Other Plant Maintenance during the test year for Mary Meade and the Rebuttal Testimony of Bret Fenner at Exhibit 7. Please admit or deny that the expense for Other Plant Maintenance (per the invoices provided in Exhibit 7 less the \$85 shown on Invoice No. 128004) for Mary Meade is \$1,805.18 (796.85+751.36+131.97+236).

Staff 8-10 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a total of \$7,185 for Other Plant Maintenance during the test year for Rustic Hills and the Rebuttal Testimony of Bret Fenner at Exhibit 7. Please admit or deny that the expense for Other Plant Maintenance (per the invoices provided in Exhibit 7) for Rustic Hills is \$5,836.70 (375+1247.99+612.50+1048.08+566.47+85+675.48+451.18+300+475).

Staff 8-11 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 7 showing VPC Invoice No. 127244 charging \$319.80 to Village West for "CUSI 04/2016" and reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 355 – 356).

- a. Please admit or deny that April 2016 is outside of the test year.
- b. Please admit or deny that the CUSI Invoice provided in Exhibit No. 9 (bates page 355) shows an allocation of \$140.86 to Village West.
- c. Please admit or deny that the CUSI Invoice provided in Exhibit No. 9 (bates page 355) shows an allocation of \$140.51 to Village West.

Staff 8-12 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 7 showing VPC Invoice No. 127275 charging \$98 to Village West for "Chlorine – 10% (per gallon)." Please admit or deny that the amount claimed for the cost of chlorine was included in Other Volume Related Expenses.

Staff 8-13 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a total of \$4,303 for Other Plant Maintenance during the test year for Village West and the Rebuttal Testimony of Bret Fenner at Exhibit 7. Please admit or deny that the expense for Other Plant Maintenance (per the invoices provided in Exhibit 7 less the amounts shown on Invoice Nos. 127244 and 127275) for Village West is \$1,494.29 (135+225.88+125+85+69.39+282.29+62.50+125+259.23+125).

Contract Work

- Staff 8-14 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 5 (bates pages 116 - 138). Please admit or deny that the expenses for “Water Well Maintenance and Testing” paid to T&G Construction are shared expenses with VPC. If deny, please explain why this is not a shared expense with VPC.
- Staff 8-15 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 5 (bates pages 116 - 138). Please admit or deny the following:
- The payment to T&G Construction was \$2,500 per month from January through August 2017;
 - The payment to T&G Construction was \$2,900 per month from September through December 2017;
 - Going forward, the monthly payment to T&G Construction will be \$2,900 per month.
 - The \$2,900 per month is paid in two monthly installments of \$1,450 each.
- Staff 8-16 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 5 (bates pages 116 - 138). Please admit or deny that each monthly installment of \$1,450 paid to T&G Construction is allocated among VPC and Vlasek’s five water systems as follows: Canyon Springs \$395, Shalako Estates \$130, Mary Meade \$200, Rustic Hills \$130, and Village West \$130. If deny, please provide the allocation and explain the basis for the allocation.
- Staff 8-17 Please admit or deny that, going forward, the total yearly expense for “Water Well Maintenance and Testing” paid to T&G Construction should be \$9,480 $[(395*2)*12]$ for Canyon Springs. If deny, please provide the yearly expense and the third-party invoices or other documentation supporting that expense.
- Staff 8-18 Please admit or deny that, going forward, the total yearly expense for “Water Well Maintenance and Testing” paid to T&G Construction should be \$3,120 $[(130*2)*12]$ for Shalako Estates. If deny, please provide the yearly expense and the third-party invoices or other documentation supporting that expense.
- Staff 8-19 Please admit or deny that, going forward, the total yearly expense for “Water Well Maintenance and Testing” paid to T&G Construction should be \$4,800 $[(200*2)*12]$ for Mary Meade. If deny, please provide the yearly expense and the third-party invoices or other documentation supporting that expense.
- Staff 8-20 Please admit or deny that, going forward, the total yearly expense for “Water Well Maintenance and Testing” paid to T&G Construction should be \$3,120 $[(130*2)*12]$ for Rustic Hills. If deny, please provide the yearly expense and the third-party invoices or other documentation supporting that expense.
- Staff 8-21 Please admit or deny that, going forward, the total yearly expense for “Water Well Maintenance and Testing” paid to T&G Construction should be \$3,120

[(130*2)*12] for Village West. If deny, please provide the yearly expense and the third-party invoices or other documentation supporting that expense.

- Staff 8-22 Please admit or deny that VPC charges Vlasek \$85 per hour for mowing, weed eating, etc. If deny, please provide the rate charged for mowing and related services.
- Staff 8-23 Please admit or deny that VPC provides mowing, weed eating, etc. services to its other customers. If admit, please provide the rate charged for these services.
- Staff 8-24 Please provide the rate (hourly, per meter, etc.) VPC charges Vlasek for meter reading.
- Staff 8-25 Please admit or deny that VPC provides meter reading services to its other customers. If admit, please provide the rate charged for these services.
- Staff 8-26 Reference the Direct Testimony of Bret Fenner at Exhibit B showing total test year expenses for meter reading as follows: Canyon Springs \$3,825; Shalako Estates \$3,102.50; Mary Meade \$3,251.25; Rustic Hills, \$3,166.25; and Village West, \$3,102.50. Please admit or deny that, using these totals and the connection counts shown below, the cost per connection per month for meter reading is as follows:
- a. Canyon Springs - \$1.53 (209 connections)
 - b. Shalako Estates - \$6.31 (41 connections)
 - c. Mary Meade - \$4.04 (67 connections)
 - d. Rustic Hills - \$7.13 (37 connections)
 - e. Village West - \$7.60 (34 connections)
- Staff 8-27 If deny, please provide the cost per connection per month for each system, explain how monthly cost per connection was calculated, and provide the equation used.
- Staff 8-28 Reference Staff RFI No. 8-26. Please explain why the cost per connection per month for meter reading varies so widely among Vlasek's five water systems.

Transportation Expense

- Staff 8-29 Please provide the total number of service vehicles used to provide service to Vlasek's customers and identify how many of those service vehicles are also used to provide services to VPC's customers.
- Staff 8-30 Please admit or deny that repair and maintenance costs for the service vehicles shared by Vlasek and VPC are allocated 51% to Vlasek and 49% to VPC.
- Staff 8-31 Reference the Direct Testimony of Bret Fenner at Exhibit B showing an \$818 expense for "Auto Repairs/Maint. for the full year 2017" for each of Vlasek's five water systems and reference the Rebuttal Testimony of Bret Fenner at Exhibit 6. Please admit or deny that there are no third-party invoices (invoices from an

entity other than VPC) showing the maintenance and repairs that comprise this expense. If deny, please attach the third-party invoices to your response to this question.

Staff 8-32 Please admit or deny that the fuel costs for the service vehicles shared by Vlasek and VPC are allocated 51% to Vlasek and 49% to VPC.

Staff 8-33 Please admit or deny that the rates VPC charges to its unaffiliated customers are set at a level high enough to recover fuel costs. If deny, please explain why VPC does not incorporate the cost of fuel when setting the rates it charges to unaffiliated customers for its services.

Staff 8-34 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 6. Please provide legible copies of bates pages 140 – 142.

Staff 8-35 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a summary of expenses for Canyon Springs and reference the Rebuttal Testimony of Bret Fenner at Exhibit 6 (140 and 143-144). For each expense listed below, please admit or deny that these are expenses related to the service vehicles shared by Vlasek and VPC.

- a. Spears Mobile Home - \$350
- b. Car Quest - \$301.33
- c. Discount Tire - \$551

Staff 8-36 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a summary of expenses for Canyon Springs and reference the Rebuttal Testimony of Bret Fenner at Exhibit 6. For each expense listed below, please admit or deny that these are expenses should be allocated to all five water systems and not just Canyon Springs. If deny, please explain why these costs benefit Canyon Springs only.

- a. Spears Mobile Home - \$350
- b. Car Quest - \$301.33
- c. Discount Tire - \$551

Staff 8-37 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a summary of expenses for Canyon Springs and reference the Rebuttal Testimony of Bret Fenner at Exhibit 6. For each expense listed below, please admit or deny that Vlasek has not provided a third-party invoice supporting the expense. If deny, please attach the third-party invoices to your response to this question.

- a. Terry's Automotive - \$504.10
- b. Reimbursement to Jorge Jimenez for truck tires - \$300

Other Volume Related Expense (Chemicals)

Staff 8-38 Please admit or deny that the cost of purchasing chlorine is allocated 51% to Vlasek and 49% to VPC. If deny, please explain why this is not a shared expense with VPC.

- Staff 8-39 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$982.16 expense for “Chlorine for the full year 2017” for each of Vlasek’s five water systems and reference the Rebuttal Testimony of Bret Fenner at Exhibit 3. Please admit or deny that there are no third-party invoices (invoices from an entity other than VPC) showing the purchase of chlorine during the test year. If deny, please attach the third-party invoices to your response to this question.
- Staff 8-40 Reference the Direct Testimony of Bret Fenner at Exhibit B showing an \$982.16 expense for “Chlorine for the full year 2017” for each of Vlasek’s five water systems and reference the Rebuttal Testimony of Bret Fenner at Exhibit 3. Please admit or deny that there are no third-party invoices (invoices from an entity other than VPC) showing the purchase of chlorine during the year ending December 31, 2018. If deny, please attach the third-party invoices to your response to this question.
- Staff 8-41 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 3 (bates page 107). Please admit or deny that the \$699.40 invoice from SCP was allocated as follows: Mary Meade \$139.80, Rustic Hills \$139.80, Village West \$139.80, and VPC \$280. If deny, please explain how this expense was allocated and the basis for the allocation and provide the documentation supporting the allocation.
- Staff 8-42 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 3 (bates page 108). Please admit or deny that the \$1,598 invoice from NAPCO was allocated evenly among all five systems at \$319.60 per system. If deny, please explain how this expense was allocated and the basis for the allocation and provide the documentation supporting the allocation.
- Staff 8-43 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$459.40 expense for “Supplies – Poly Phosphates” for each of Vlasek’s five water systems and reference the Rebuttal Testimony of Bret Fenner at Exhibit 3. Please admit or deny that this expense for Canyon Springs and Shalako Estates should be \$319.60 (459.40 – 139.80).

Office Power

- Staff 8-44 Please admit or deny that VPC and Vlasek share an office space. If admit, please provide the address of the shared office space.
- Staff 8-45 Please admit or deny that the cost of electricity for the shared office space is allocated 51% to Vlasek and 49% to VPC. If deny, please explain why this is not a shared expense with VPC.
- Staff 8-46 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 3 (bates pages 330 – 342). Please admit or deny that the electricity expense for each service address listed below should not be included in the revenue requirement for any of

Vlasek's water systems. If deny, please explain why the expense should be included in the revenue requirement and how the expense should be allocated among the five systems, and identify the NARUC account in which the expense is properly recorded.

- a. FM 1849 Cemetery Pump
- b. 657 Hwy 39 Office

Staff 8-47 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 3 (bates pages 330 – 342). Please admit or deny that the total electricity expense for the 199 Cedar Springs Rd. and 199 Cedar Springs Rd. WHSE service addresses (per the invoices in the Exhibit) is \$1,158.46. If deny, please provide the total electricity expense for these two service addresses along with a monthly breakdown of the charges comprising the total.

Staff 8-48 Please admit or deny that the total electricity expense for the 199 Cedar Springs Rd. and 199 Cedar Springs Rd. WHSE service addresses should be allocated among Vlasek's five water systems as follows: Canyon Springs 25%, Shalako Estates 5%, Mary Meade 8%, Rustic Hills 5%, and Village West 8%.

Materials Expense

Staff 8-49 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$299.99 expense for Village West for "Tools & Shop Equipment" and reference the Rebuttal Testimony of Bret Fenner at Exhibit 4 (bates page 110). Please admit or deny that the correct amount for the 2 HP Hand Carry Compressor is \$249.99 as shown in Exhibit 4.

Office Supplies

Staff 8-50 Reference the Rebuttal Testimony of Bret Fenner at bates page 5 stating that the test year cost for Clerical Services for Canyon Springs was \$12,368 and reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 244 – 251). Please admit or deny that the correct amount for Clerical Services for Canyon Springs (per the information provided in Exhibit 9) is \$13,964.27 (754.75+1105+1463.75+919+1015.54+1349.04+1097.42+1057.58+1483.58+1129.57+975.27+1613.87). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.

Staff 8-51 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$2,877.87 total test year expense for "Clerical Outsource" for Rustic Hills and reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 244 – 251). Please admit or deny that the correct amount for "Clerical Outsource" for Rustic Hills (per the information provided in Exhibit 9) is \$2,792.87 (150.95+221+292.75+183.80+203.10+269.82+219.48+211.51+296.72+225.91+195.06+322.77). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.

- Staff 8-52 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 355-356). Please admit or deny that the total paid to Continental Utility Solutions during the test year (per the invoices provided in Exhibit 9) was \$3,004.09 (1599+1405.09). If deny, please provide the correct total, explain how the total was calculated, provide the equation used, and provide the third-party invoices supporting the total.
- Staff 8-53 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 355-356). Please admit or deny that the \$3,004.09 paid to Continental Utility Solutions during the test year was allocated as follows: Canyon Springs 60%, Shalako Estates 10%, Mary Meade 10%, Rustic Hills 10%, and Village West 10%.
- Staff 8-54 Please explain why the \$3,004.09 paid to Continental Utility Solutions is not a shared expense with VPC.
- Staff 8-55 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$102.28 expense for "Office Supplies" for the test year for Canyon Springs and reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates page 357). Please admit or deny that this \$102.82 expense paid to Cartridge World should be allocated to all five water systems. If deny, please explain why this expense is unique to the Canyon Springs water system
- Staff 8-56 If the answer to the preceding question is admit, please explain how the \$102.82 should be allocated among the five water systems and the basis for the allocation.
- Staff 8-57 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$50 expense for "Office Cleaning" for the test year for Canyon Springs. Please admit or deny that Vlasek has not provided third-party invoices (invoices from an entity other than VPC) supporting this expense. If deny, please attach the third-party invoices to your response to this question.
- Staff 8-58 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$615 expense per water system for "QB Premier 2017" or "Computer Software." Please admit or deny that Vlasek has not provided third-party invoices (invoices from an entity other than VPC) supporting this expense. If deny, please attach the third-party invoices to your response to this question.
- Staff 8-59 Reference the Direct Testimony of Bret Fenner at Exhibit B showing aa \$850.17 expense per water system for "Office Supplies for the full year 2017." Please admit or deny that Vlasek has not provided third-party invoices (invoices from an entity other than VPC) supporting this expense. If deny, please attach the third-party invoices to your response to this question.
- Staff 8-60 Please admit or deny that VPC accepts credit card payments from customers.

- Staff 8-61 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 343 – 354). Please admit or deny that the credit card processing fees paid to Bluefin are a shared expense with VPC. If deny, please explain why this is not a shared expense and identify which entity should pay these fees.
- Staff 8-62 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$2,492.35 for “CC Processing Fees” for the test year for Canyon Springs. Please admit or deny that this expense should be allocated to all five water systems. If deny, please explain why this expense is unique to the Canyon Springs water system.
- Staff 8-63 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 343 – 354). Please admit or deny that the total credit card processing fees paid to Bluefin during the test year (per the invoices provided in Exhibit 9) were \$2,494.77 (184.63+308.92+187.59+183.69+216.47+175.57+210.97+186.30+241.80+205.79 +196.77+196.27). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-64 Please admit or deny that the total amount of credit card processing fees paid to Bluefin during the test year should be allocated evenly among all five water systems. If deny, please provide the allocation that should be used and explain the basis for the allocation.
- Staff 8-65 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$617.13 for “Bank Service Charges” for the test year for Canyon Springs. Please admit or deny that Vlasek has not provided bank statements supporting these charges. If deny, please attach the bank statements to your response to this question.
- Staff 8-66 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$367.43 expense for “Postage & Delivery for the full year 2017” for each of Vlasek’s five water systems and reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 252 – 258). Please explain how the Postage Account History provided in Exhibit 9 supports the requested amount.
- Staff 8-67 Please admit or deny that the cost of internet service for the office shared by VPC and Vlasek is a shared expense. If deny, please explain why this is not a shared expense and identify which entity should pay for internet service.
- Staff 8-68 If the answer to the preceding question is admit, please admit or deny that the cost of internet for the shared office should be allocated 49% to VPC and 51% to Vlasek. If deny, please provide the allocation to be used and explain the basis of the allocation.
- Staff 8-69 If the answer to the preceding question is admit, please admit or deny that the cost of internet should be allocated among Vlasek’s five water systems as follows:

Canyon Springs 25%, Shalako Estates 5%, Mary Meade 8%, Rustic Hills 5%, and Village West 5%.

- Staff 8-70 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny that the numbers listed below are for internet service. If deny, please explain what type of line it is.
- a. 830-111-0301
 - b. 830-111-5145
 - c. 830-111-2817
- Staff 8-71 If the answer to the preceding question is admit, please explain why Vlasek and VPC need three lines for internet service.
- Staff 8-72 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny the total amount paid to HCTC during the test year for 830-111-0301 (per the invoices provided in Exhibit 9) was \$1,000.56 (83.38×12). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-73 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny the total amount paid to HCTC during the test year for 830-111-5145 (per the invoices provided in Exhibit 9) was \$553.68 (46.14×12). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-74 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny the total amount paid to HCTC during the test year for 830-111-2817 (per the invoices provided in Exhibit 9) was \$1,063.68 (88.64×12). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-75 Please admit or deny that the cost of telephone service for the office shared by VPC and Vlasek is a shared expense. If deny, please explain why this is not a shared expense and identify which entity should pay for internet service.
- Staff 8-76 If the answer to the preceding question is admit, please admit or deny that the cost of telephone service for the shared office should be allocated 49% to VPC and 51% to Vlasek. If deny, please provide the allocation to be used and explain the basis of the allocation.
- Staff 8-77 If the answer to the preceding question is admit, please admit or deny that the cost of telephone service should be allocated among Vlasek's five water systems as follows: Canyon Springs 25%, Shalako Estates 5%, Mary Meade 8%, Rustic Hills 5%, and Village West 5%.

- Staff 8-78 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny that the numbers listed below are for telephone service. If deny, please explain what type of line each number is.
- a. 830-238-7652
 - b. 830-238-3833
 - c. 830-238-4879
 - d. 830-367-1344
 - e. 830-367-1345
 - f. 830-367-1346
 - g. 830-367-1347
 - h. 830-238-4877
- Staff 8-79 If the answer to the preceding question is admit, please explain why Vlasek and VPC need eight lines for telephone service.
- Staff 8-80 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny the total amount paid to HCTC during the test year (per the invoices provided in Exhibit 9) for 830-238-7652 was \$432.45 (37.45+37.45+37.51+37.51+39.77+40.39+40.39+40.39+40.53+40.53+40.53). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-81 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny the total amount paid to HCTC during the test year (per the invoices provided in Exhibit 9) for 830-238-3833 was \$473.62 (37.41+37.41+37.41+37.49+37.49+39.75+41+41+41+41.22+41.22+41.22). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-82 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny the total amount paid to HCTC during the test year (per the invoices provided in Exhibit 9) for 830-238-4879 was \$500.62 (40.01+40.01+40.01+40.07+40.07+42.33+42.95+42.95+42.95+43.09+43.09+43.09). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-83 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny the total amount paid to HCTC during the test year (per the invoices provided in Exhibit 9) for 830-367-1344 was \$2,801.42 (386.16+386.16+386.16+386.24+154.09+156.35+157.60+157.60+157.60+157.82+157.82+157.82). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-84 Please admit or deny that beginning with the bill for May 2017 the monthly charge for 830-367-1344 was lowered by about \$228 per month (from about \$386 per month to about \$158 per month).

- Staff 8-85 If the response to the preceding question is admit, please admit or deny that the total expense of \$2,801.42 for 830-367-1344 should be lowered by \$912 (228*4) to reflect the new, lower monthly charge amount. If deny, please explain why the total expense for 830-367-1344 should not be lowered.
- Staff 8-86 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny the total amount paid to HCTC during the test year (per the invoices provided in Exhibit 9) for 830-367-1345 was \$473.62 (37.41+37.41+37.41+37.49+37.49+39.75+41+41+41+41.22+41.22+41.22). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-87 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny the total amount paid to HCTC during the test year (per the invoices provided in Exhibit 9) for 830-367-1346 was \$483.63 (37.41+37.41+37.41+37.49+37.49+39.76+41+41+41+45.56+44.05+44.05). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-88 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 259 – 306). Please admit or deny the total amount paid to HCTC during the test year (per the invoices provided in Exhibit 9) for 830-367-1347 was \$473.66 (37.41+37.41+37.41+37.49+37.49+39.76+41+41+41+41.23+41.23+41.23). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-89 Admit or deny the total amount paid to HCTC during the test year (per the invoices provided in Exhibit 9) for 830-238-4877 was \$497.42 (39.39+39.39+39.39+39.47+39.47+41.74+42.98+42.98+42.98+43.21+43.21+43.21). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-90 Please admit or deny that the cost of long distance telephone service for the office shared by VPC and Vlasek is a shared expense. If deny, please explain why this is not a shared expense and identify which entity should pay for internet service.
- Staff 8-91 If the answer to the preceding question is admit, please admit or deny that the cost of long distance telephone service for the shared office should be allocated 49% to VPC and 51% to Vlasek. If deny, please provide the allocation to be used and explain the basis of the allocation.
- Staff 8-92 If the answer to the preceding question is admit, please admit or deny that the cost of long distance telephone service should be allocated among Vlasek's five water systems as follows: Canyon Springs 25%, Shalako Estates 5%, Mary Meade 8%, Rustic Hills 5%, and Village West 5%.

- Staff 8-93 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 307 - 317). Please admit or deny the payments to CenturyLink during the test year were for long distance telephone service. If deny, please explain what these payments were for and identify which entity (Vlasek, VPC, or both) is responsible for covering this expense.
- Staff 8-94 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 307 - 317). Please admit or deny the total amount paid to CenturyLink during the test year (per the invoices provided in Exhibit 9) was \$882.25 (116.68+126.35+126.01+64.31+14.12+107.17+112.66+60.39+71.64+65.84+17.08). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-95 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 318 – 329). Please provide the name and job title of each employee of VPC that was provided with a cell phone paid for by VPC or Vlasek during the test year.
- Staff 8-96 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 318 – 329). Please provide the name and job title of each employee of Vlasek that was provided with a cell phone paid for by VPC or Vlasek during the test year.
- Staff 8-97 For each employee listed in response to Staff RFI No. 8-X or 8-X, please provide the number of the cell phone used by that employee during the test year and explain the reason why the employee needs a company cell phone.
- Staff 8-98 Please admit or deny that the cost of cell phone service for employees of VPC and Vlasek is a shared expense. If deny, please explain why this is not a shared expense and identify which entity should pay for cell phone service.
- Staff 8-99 If the answer to the preceding question is admit, please admit or deny that the cost of cell phone service should be allocated 49% to VPC and 51% to Vlasek. If deny, please provide the allocation to be used and explain the basis of the allocation.
- Staff 8-100 If the answer to the preceding question is admit, please admit or deny that the cost of cell phone service should be allocated among Vlasek’s five water systems as follows: Canyon Springs 25%, Shalako Estates 5%, Mary Meade 8%, Rustic Hills 5%, and Village West 5%.
- Staff 8-101 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 9 (bates pages 318 – 329). Please admit or deny that the total amount paid to West Central Wireless during the test year (per the invoices provided in Exhibit 9) was \$8,359.81 (1268.01+633.16+1107.16+592.84+592.84+592.84+593.19+593.19+571.94+571.94+571.94). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.

Office Rental

- Staff 8-102 Please admit or deny that the mortgage on the shared office space is allocated 51% to Vlasek and 49% to VPC. If deny, please provide the allocation to be used and explain the basis of the allocation.
- Staff 8-103 Please admit or deny that the total mortgage expense for the shared office space should be allocated among Vlasek's five water systems as follows: Canyon Springs 25%, Shalako Estates 5%, Mary Meade 8%, Rustic Hills 5%, and Village West 8%. If deny, please provide the allocation to be used and explain the basis of the allocation.
- Staff 8-104 Reference the Rebuttal Testimony of Bret Fenner at Exhibit 8 (bates pages 218 – 242). Please admit or deny the following:
- a. the total mortgage payment on the shared office space is \$1,867.67 per month; and
 - b. the \$1,867.67 per month is paid in two monthly installments of \$933.85 each.

Regulatory Expense

- Staff 8-105 Please admit or deny that Vlasek's current tariff requires Vlasek to collect a monthly regulatory assessment fee from each customer and remit the fee to the Texas Commission on Environmental Quality.
- Staff 8-106 If the answer to the preceding question is admit, please admit or deny that the monthly regulatory assessment fee collected from each customer is separate from the base rates (minimum monthly charge and gallonage charge) charged to the customer.
- Staff 8-107 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$679 expense for Canyon Springs for "Licenses & Permits – Other." Please admit or deny that Vlasek has not provided third-party invoices supporting this expense. If deny, please attach the third-party invoices to your response to this question.
- Staff 8-108 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$317.75 expense for Canyon Springs for "Water System Testing" and reference the Rebuttal Testimony of Bret Fenner at Exhibit 10 (bates pages 359-360 and 363-364). Please admit or deny that the invoices from DSHS Central Lab included in Exhibit 10 total \$553.84 (8.49+205.41+103.85+236.09). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-109 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$1,574.09 expense for Canyon Springs for "Laboratory Fees – Other" and reference the Rebuttal Testimony of Bret Fenner at Exhibit 10 (bates pages 365 - 374). Please admit or deny that the invoices from Upper Guadalupe River Authority included in Exhibit 10 show a total expense of \$1,176 for the Canyon Springs water

system. If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.

- Staff 8-110 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$466 expense for Shalako Estates for “UGRA” and reference the Rebuttal Testimony of Bret Fenner at Exhibit 10 (bates pages 365 - 374). Please admit or deny that the invoices from Upper Guadalupe River Authority included in Exhibit 10 show a total expense of \$390 for the Shalako Estates water system. If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-111 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$646 expense for Mary Meade for “UGRA” and reference the Rebuttal Testimony of Bret Fenner at Exhibit 10 (bates pages 365 - 374). Please admit or deny that the invoices from Upper Guadalupe River Authority included in Exhibit 10 show a total expense of \$574 for the Mary Meade water system. If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-112 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$58 expense for Rustic Hills for “UGRA” and reference the Rebuttal Testimony of Bret Fenner at Exhibit 10 (bates pages 365 - 374). Please admit or deny that the invoices from Upper Guadalupe River Authority included in Exhibit 10 show a total expense of \$390 for the Rustic Hills water system. If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-113 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$1,113.54 expense for Shalako Estates for “TNRCC.”
- a. Please admit or deny that this expense is a credit.
 - b. If the answer to subpart a is admit, please admit or deny that this expense should not be included in the cost of service.
 - c. If the answer to subpart b is deny, please explain why it is appropriate to recover a one-time credit through rates as a recurring expense.
- Staff 8-114 Reference Vlasek’s response to Staff RFI No. 1-6 at Attachment 1-6. Please admit or deny that the total amount paid to TCEQ during the test year for “Water System Fee” for Canyon Springs was \$465.50. If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-115 Reference Vlasek’s response to Staff RFI No. 1-6 at Attachment 1-6. Please admit or deny that the total amount paid to TCEQ during the test year for “Water System Fee” for Shalako Estates was \$200 (per the information provided in the response). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.

- Staff 8-116 Reference Vlasek's response to Staff RFI No. 1-6 at Attachment 1-6. Please admit or deny that the total amount paid to TCEQ during the test year for "Water System Fee" for Mary Meade was \$200 (per the information provided in the response). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-117 Reference Vlasek's response to Staff RFI No. 1-6 at Attachment 1-6. Please admit or deny that the total amount paid to TCEQ during the test year for "Water System Fee" for Rustic Hills was \$200 (per the information provided in the response). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-118 Reference Vlasek's response to Staff RFI No. 1-6 at Attachment 1-6. Please admit or deny that the total amount paid to TCEQ during the test year for "Water System Fee" for Village West was \$125 (per the information provided in the response). If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.

Taxes Other Than Income (Property Taxes)

- Staff 8-119 Reference Vlasek's response to Staff RFI No. 1-7 at Attachment 1-7. Please admit or deny that the total amount paid to the Kerr County Tax Office for 2017 property taxes (per the information provided in the response) for Canyon Springs was \$1,159.12. If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-120 Reference Vlasek's response to Staff RFI No. 1-7 at Attachment 1-7. Please admit or deny that the total amount paid to the Kerr County Tax Office for 2017 property taxes (per the information provided in the response) for Shalako Estates was \$359.48. If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-121 Reference Vlasek's response to Staff RFI No. 1-7 at Attachment 1-7. Please admit or deny that the total amount paid to the Kerr County Tax Office for 2017 property taxes (per the information provided in the response) for Mary Meade was \$241.16. If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-122 Reference Vlasek's response to Staff RFI No. 1-7 at Attachment 1-7. Please admit or deny that the total amount paid to the Kerr County Tax Office for 2017 property taxes (per the information provided in the response) for Rustic Hills was \$380.22. If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.
- Staff 8-123 Reference Vlasek's response to Staff RFI No. 1-7 at Attachment 1-7. Please admit or deny that the total amount paid to the Kerr County Tax Office for 2017 property taxes (per the information provided in the response) for Viallge West

was \$451.51. If deny, please provide the correct total, explain how the total was calculated, and provide the equation used.

Non O&M Expense

Staff 8-124 Reference the Direct Testimony of Bret Fenner at Exhibit B showing the summary of expenses claimed for Canyon Springs. For each expense listed below, please admit or deny that the expense is included in the revenue requirement requested by Vlasek. If admit, please identify the NARUC account in which the expense was claimed and provide a third-party invoice or other third-party document supporting the expense.

- a. Advertising - \$350 (Hill Country Dist. Jr. Livestock Show and Ingram Volunteer Fire Department)
- b. Donations - \$100
- c. Interest Expense - \$844.13

Staff 8-125 Reference the Direct Testimony of Bret Fenner at Exhibit B showing a \$100 expense for “Advertising & Promotion” for Rustic Hills. Please admit or deny that the expense is included in the revenue requirement requested by Vlasek. If admit, please identify the NARUC account in which the expense was claimed and provide a third-party invoice or other third-party document supporting the expense.

Invested Capital

Staff 8-126 Reference Vlasek’s response to Staff RFI No. 2-1 at Attachment 2-1. Please admit or deny that Vlasek has not provided any third-party invoices supporting the original cost of assets installed between January 1, 2014 and December 31, 2017.