



Control Number: 48697



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DOCKET NO. 48697

**APPLICATION OF ANDERSON
WATER COMPANY, INC. FOR
AUTHORITY TO CHANGE RATES**

§ 2019 PUBLIC UTILITY COMMISSION
§
§ FILING CLERK OF TEXAS

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO ANDERSON WATER COMPANY, INC. (ANDERSON WC)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-14**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the Staff of the Public Utility Commission of Texas (Staff) requests that Anderson Water Company, Inc. (Anderson WC) 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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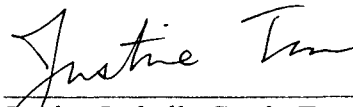
Dated: March 19, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

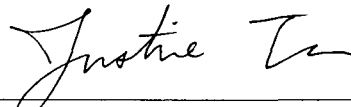


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on March 19, 2019, in accordance with 16 TAC § 22.74.



Justine Isabelle Caedo Tan

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO ANDERSON WATER COMPANY, INC. (ANDERSON WC)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-14**

DEFINITIONS

- A. "Anderson WC," or "the utility," refer to Anderson Water Company, Inc. and any person acting or purporting to act on its 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 utility'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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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO ANDERSON WATER COMPANY, INC. (ANDERSON WC)
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(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.

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TO ANDERSON WATER COMPANY, INC. (ANDERSON WC)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-14**

- Staff 1-1 Clarify if the test year ended on June 30, 2016 or on June 30, 2017.
- Staff 1-2 Please provide the general ledger for the test year.
- Staff 1-3 Please provide copies of the federal income tax forms on which the utility operations were reported and filed with the Internal Revenue Service (IRS) service for the years 2016 and 2017.
- Staff 1-4 Please provide copies of Forms W-2 and W-3 and/or Forms 1096 and 1099 for salaries and contract services, if any, for the test year. *Please refer to the confidential filing process available through the Public Utility Commission's Central Records webpage when filing confidential information, including tax returns, wages and other confidential information. Please redact all social security numbers.*
- Staff 1-5 Please provide copies of detailed invoices and supporting documentation, including explanations and calculations for known and measurable changes, for the following expenses included in the cost of service on page 6 of the supporting schedules of the application, "Schedule I-1 Revenue Requirement Summary":
- a. Power Expense-production only, line 2, in the amount of \$17,080;
 - b. Other volume related expenses, line 3, in the amount of \$5,028;
 - c. Materials, line 6, in the amount of \$7,147;
 - d. Contract Labor, line 7, in the amount of \$1,060;
 - e. Transportation expenses, line 8, in the amount of \$8,428;
 - f. Bad debt expense, line 15, in the amount of \$1,325
 - g. Office supplies and expenses, line 17, in the amount of \$8,634;
 - h. Professional services, line 18, in the amount of \$1,220;
 - i. Insurance, line 19, in the amount of \$8,392;
 - j. Regulatory Expense, line 21, in the amount of \$1,870; and
 - k. Miscellaneous Expense, line 22, in the amount of \$500.
- Staff 1-6 For each of the utility's employees or contract workers, please provide the following:
- a. The name of the person paid;
 - b. A detailed description of services provided and amount of time spent on recurring monthly tasks;
 - c. Indicate whether or not the person is an owner or affiliate of the business; and,

d. Provide contracts between the person and the utility, if any.

- Staff 1-7 Please provide all calculations and reasoning used to allocate electricity costs, tax figure totals, and insurance costs between the utility at 50% and Anderson Plumbing Supply & Small Power Equipment Sales at 50% as indicated on page 6 of the December 17, 2018 supplemental filing.
- Staff 1-8 Please provide all calculations and reasoning used to allocate employee time between the utility at 90% and Anderson Plumbing Supply & Small Power Equipment Sales at 10% as indicated on page 6 of the December 17, 2018 supplemental filing.
- Staff 1-9 Please provide the Balance Sheet and Income Statement for Anderson Plumbing Supply & Small Power Equipment Sales for the year 2016 and 2017.
- Staff 1-10 For all affiliated transactions in the application, please provide documentation that the price to the Utility is no higher than prices charged by the owner or affiliate to its other affiliates or divisions for the same item or items, or to unaffiliated persons (Tex. Water Code Ann. §13.185(f)).
- Staff 1-11 Please provide copies of policies including the policy declaration page showing the type and amount of coverage and the items or persons covered for all insurance claimed in the application.
- Staff 1-12 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. Time sheets or records for the utility and for Anderson Plumbing Supply & Small Power Equipment. If time records are unavailable, provide documentation supporting the time spent by each employee on this business.
- Staff 1-13 Please provide copies of invoices of the 1% regulatory assessment fee paid to TCEQ during the test year. Please indicate the page number, line number, and account name in the application where the fee was included.
- Staff 1-14 Please provide the list of customers whose accounts were written-off under bad debt expense. Please include the amount written off for each customer.