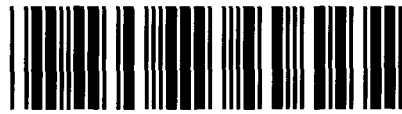


Control Number: 48872



Item Number: 4

Addendum StartPage: 0

**DOCKET NO. 48872**

**APPLICATION OF MSEC  
ENTERPRISES, INC. FOR FEDERAL  
TAX CHANGE CREDIT RIDER**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**  
2019 JUL 14 PM 12:48  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO MSEC ENTERPRISES, INC. (MSEC)  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the Commission Staff of the Public Utility Commission of Texas (Commission) requests that MSEC Enterprises, Inc. (MSEC) 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 78712-3326.

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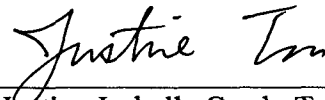
Dated: January 14, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Stephen Mack  
Managing Attorney



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Justine Isabelle Caedo Tan  
State Bar No. 24104914  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7163  
(512) 936-7268 (facsimile)  
Justine.Tan@puc.texas.gov

**DOCKET NO. 48872**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on January 14, 2019 in accordance with 16 TAC § 22.74.



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Justine Isabelle Caedo Tan

**DOCKET NO. 48872**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO MSEC ENTERPRISES, INC. (MSEC)  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

**DEFINITIONS**

- A. "MSEC" refers to MSEC Enterprises, Inc. 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.

**DOCKET NO. 48872**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO MSEC ENTERPRISES, INC. (MSEC)  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

**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.

**DOCKET NO. 48872**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO MSEC ENTERPRISES, INC. (MSEC)  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

- Staff 1-1 Reference the Company's Annual Report<sup>1</sup> in Docket No. 47833, page 4, line 18, Federal Income Taxes of (\$344,694). Provide a detailed explanation as to why these taxes are negative.
- Staff 1-2 Reference the Company's filing, claim of Earnings Before Taxes of \$794,726 for water and \$28,867.11 for sewer. Show a detailed calculation of these numbers using the 2017 Annual Report filed by the Company in Docket No. 47833.
- Staff 1-3 Provide a detailed calculation of the Margins tax (Texas Franchise Tax) for:  
a. 2017; and  
b. 2018.
- Staff 1-4 Provide a copy of the most current Texas Franchise Tax Report completed that includes MSEC's income and financial information used to calculate the tax.

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<sup>1</sup> *Water and Wastewater 2017 Annual Reports*, Docket No. 47833, 2017 Class B PUC Annual Report Wastewater (May 30, 2018).