



Control Number: 48980



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DOCKET NO. 48980

RECEIVED

APPLICATION OF FRIO CANYON
WATER, LLC FOR AUTHORITY TO
CHANGE RATES

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PUBLIC UTILITY COMMISSION
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OF TEXAS
PUBLIC UTILITY COMMISSION
FILING CLERK

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO FRIO CANON WATER, LLC (FRIO CANON)
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-14**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the staff (Staff) of the Public Utility Commission of Texas (Commission) requests that Frio Canon Water, LLC (Frio Canon), 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.

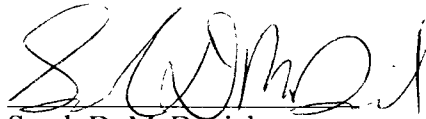
Dated: July 23, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

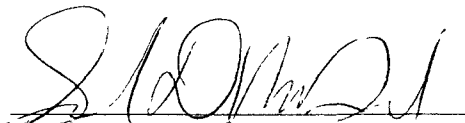


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on July 23, 2019, in accordance with 16 TAC § 22.74.


Sarah D. McDaniel

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**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO FRIO CANON WATER, LLC (FRIO CANON)
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-14**

DEFINITIONS

- A. "Frio Canon", "Company", and "you", refers to Frio Canon Water, LLC 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 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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**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO FRIO CANON WATER, LLC (FRIO CANON)
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-14**

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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**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO FRIO CANON WATER, LLC (FRIO CANON)
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-14**

- Staff 2-1** Please provide records of all payments made by Mr. Laird with regard to the debt on his water account.
- Staff 2-2** Please provide the general ledger (gl) entries for recording payments from Mr. Laird and recording bad debts with regard to Mr. Laird's account. The information provided should include the amount, the account name, account number affected and the date of the entry.
- Staff 2-3** Please provide Frio Canon Water Company, LLC (Frio)'s billing system documentation reflecting transactions in Mr. Laird's account.
- Staff 2-4** Reference Frio's response to Staff 1-2: provide an explanation of why account 670-Bad Debt Expense is linked to gl account 8075-Interest Expense.
- Staff 2-5** Please provide the purpose of the promissory note between borrower Frio and lender Frio Canon Land Holdings, LLC and copies of paid receipts for use of the \$18,250 dollars borrowed as provided in response to RFI 1-9.
- Staff 2-6** Please provide documentation of all Frio's accrued and actual annual bad debt expense incurred since operations began, including gl entries recording the bad debts.
- Staff 2-7** Please provide the gl account numbers and amounts included on page 6, Schedule I-1, column D, line 9, Account 664 Other plant maintenance in the amount of \$2,402.
- Staff 2-8** Does Frio charge its water customers for trash service?
- Staff 2-9** Identify any expenses included in the cost of service on page 6, Schedule I-1 of the application that are related to providing trash service or any other service other than water service.
- Staff 2-10** Please identify any revenues recorded in the gl and/or the application that are related to providing trash service or any other service other than water service.
- Staff 2-11** Please provide the gl account numbers and amounts included on page 6, Schedule I-1, column D, line 9, Account 664 Other plant maintenance in the amount of \$2,402.

Staff 2-12 Please provide the application account number from Schedule I-1, column B and the gl dollar amount included in the application test year general admin. expense from each of the following gl accounts:

Application Acct. #	GL Acct. #	GL \$ Amt. Included
_____	8600	_____
_____	9000	_____
_____	9100	_____
_____	9120	_____
_____	9850	_____
_____	9900	_____

Staff 2-13 Reconciliation of the receipts provided in response to Staff 1-10 e) and f) to the respective journal entry amount recorded in the gl of \$1,445.44 and \$1,052.44 as provided in Staff 1-10.

Staff 2-14 Copies of contracts, agreements, or any other supporting documentation regarding a verifiable known and measurable changes in operating expense amounts reflected on page 6, Schedule I-1, column E of the application.

Note: For any confidential information please follow the instructions for filing confidential documents when you file these items. Additionally, please see our website for filing rules and procedures: <http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>