

Control Number: 49154



Item Number: 70

Addendum StartPage: 0

SOAH DOCKET NO. 473-19-5677.WS RECEIVED
PUC DOCKET NO. 49154

**RATEPAYERS' APPEAL OF THE
DECISION BY LAGUNA MADRE
WATER DISTRICT TO CHANGE
RATES**

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2020 JAN 21 AM 10:26
BEFORE THE STATE OFFICE
PUBLIC UTILITY COMMISSION
FILING CLERK
OF
ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
TO LAGUNA MADRE WATER DISTRICT
QUESTION NOS. STAFF 4-1 THROUGH 4-14**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144 of the Commission's Procedural Rules, the Staff of the Public Utility Commission of Texas (Staff) requests that Laguna Madre Water District (Laguna Madre WD) 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.

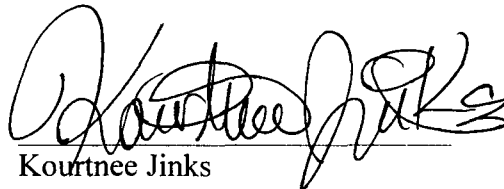
Dated: January 21, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Thomas S. Hunter
Division Director

Rachelle Nicolette Robles
Managing Attorney

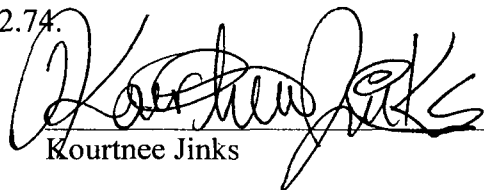


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on January 21, 2020, in accordance with 16 TAC § 22.74.



Kourtnee Jinks

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**COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
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DEFINITIONS

- 1) "Laguna Madre WD," "the District", "the Company", or "you" refers to Laguna Madre Water District 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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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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- Staff 4-1 Please provide all workpapers supporting the derivation of the billing determinants used to set the November 2017 and the April 1, 2018 raw water rates, in native Excel format, with all formulas intact. Please include any adjustments made to billing determinates.
- Staff 4-2 How many raw water customers did the Laguna Madre Water District have during the test year used to set the November 2017 raw water rate, and the April 1, 2018 raw water rate?
- Staff 4-3 Please provide the test-year usage in gallons for the raw water class for the test year used to set the November 2017 and the April 1, 2018 raw water rates.
- Staff 4-4 Please provide SPI Golf Homeowners JV, Inc.'s test-year usage in gallons for the test year used to set the November 2017 and the April 1, 2018 raw water rates.
- Staff 4-5 Does the Laguna Madre Water District have a reclaimed water system?
- Staff 4-6 If the answer to Staff 4-5 is yes, please provide all costs related to the reclaimed water system that have been directly assigned or allocated to the Supply/Transmission function. Please provide all workpapers supporting your response in native excel format with all formulas intact.
- Staff 4-7 Please refer to Laguna Madre Water District's response to Staff 2-4. Provide all workpapers supporting your response to the following questions in native Excel format, with all formulas intact:
- a) How many employees in the District's Water Plant Department perform raw water-related functions?
 - b) What percentage of employees in the District's Water Plant Department perform raw water-related functions?
 - c) For all employees in the District's Water Plant Department that perform raw water-related functions, please estimate the proportion of time dedicated to raw water-related functions as opposed to all other functions.
- Staff 4-8 Please refer to Laguna Madre Water District's response to Staff 2-4. Provide all workpapers supporting your response to the following questions in native Excel format, with all formulas intact:

- a) How many employees in the District's Water Distribution Department perform raw water-related functions?
- b) What percentage of employees in the District's Water Distribution Department perform raw water-related functions?
- c) For all employees in the District's Water Distribution Department that perform raw water-related functions, please estimate the proportion of time dedicated to raw water-related functions as opposed to all other functions.

- Staff 4-9 Please refer to Laguna Madre Water District's response to Staff 2-6.
- a) Besides potassium permanganate, what other chemicals does the district use in the provision of raw water service?
 - b) For all chemicals used in the provision of raw water service, please provide the test year value included in the cost of service used to set the November 2017 raw water rate, and the April 1st, 2018 raw water rate.
 - c) For all chemicals used in the provision of raw water service, what percentage of the test year value included in the cost of service used to set the November 2017 raw water rate, and the April 1st, 2018 raw water rate, was used in the provision of raw water service?
- Staff 4-10 Please refer to the spreadsheet entitled "Fixed Assets Raw Water" in the model titled *2020 01 02 LMWD Rate Model Staff RFI*. Please provide all workpapers supporting your response to the following questions in native excel format with all formulas intact
- a) Please list all water plants for which a portion or all costs have been included in raw water.
 - b) For each plant listed in response to a), provide all the costs assigned to raw water.
 - c) For each plant listed in response to a), indicate the proportion of costs assigned to raw water.
 - d) For each plant listed in response to a), please explain the function it performs.
- Staff 4-11 Please refer to the District's response to Staff 2-5. Please indicate what line item was "improperly assigned to raw water" and provide the total value associated with this line item.
- Staff 4-12 Please refer to the District's response to Staff 2-5. Please provide the rationale for the direct assignment of each vehicles that was directly assigned to raw water.
- Staff 4-13 Please refer to the spreadsheet entitled "Forecast 8" in the model titled *2020 01 02 LMWD Rate Model Staff RFI*. Explain how the Line Replacement Fund amount

assigned to raw water was calculated. Please provide all workpapers supporting your response to a) in native excel format with all formulas intact.

- Staff 4-14 Please refer to the spreadsheet entitled “Forecast 8” in the model titled *2020 01 02 LMWD Rate Model Staff RFI*. Please provide all workpapers supporting your response to the following questions in native excel format with all formulas intact.
- a) Please explain how the \$12,375,000 of original water line costs in cell F37 and the \$990,000 accumulated depreciation in cell F38 were calculated.
 - b) Please explain how the \$12,375,000 of original water line costs and the \$990,000 of accumulated depreciation referenced above tie in with the raw water fixed costs and accumulated depreciation amounts listed in columns AC and AD in the spreadsheet titled “Fixed Assets Raw Water.”