



Control Number: 49189



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SOAH DOCKET NO. 473-19-6297.WS

PUC DOCKET NO. 49189 2019 OCT 28 PM 1:48

APPLICATION OF THE CITY OF § BEFORE THE STATE OFFICE
AUSTIN DBA AUSTIN WATER FOR §
AUTHORITY TO CHANGE WATER § OF
AND WASTEWATER RATES § ADMINISTRATIVE HEARINGS

**CITY OF AUSTIN D/B/A AUSTIN WATER'S
SUPPLEMENTAL RESPONSE TO DISTRICTS'
TENTH REQUEST FOR INFORMATION**

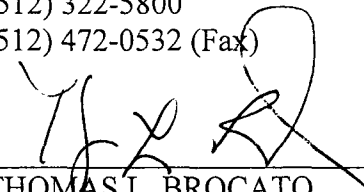
To: North Austin Municipal Utility District No. 1, Northtown Municipal Utility District, Travis County Water Control and Improvement District No. 10 and Wells Branch Municipal Utility District, by and through their attorneys of record, Randall B. Wilburn, Gilbert Wilburn, PLLC, 7000 North MoPac Blvd., Suite 200, Austin, Texas 78731 and John Carlton, 4301 Westbank Drive., Suite B-130, Austin, Texas 78746.

The City of Austin (City) doing business as Austin Water (Austin Water or AW) files its Supplemental Responses to North Austin Municipal Utility District No. 1, Northtown Municipal Utility District, Travis County Water Control and Improvement District No. 10, and Wells Branch Municipal Utility District's (collectively Districts) Tenth Request for Information (RFI) to Austin Water. This supplemental response is filed by agreement of the parties. Pursuant to 16 Tex. Admin. Code (TAC) § 22.144(c)(2)(F), Austin Water agrees and stipulates that all parties may treat the responses as if the answers were filed under oath.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

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ATTORNEYS FOR CITY OF AUSTIN

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by email on October 23, 2019, to the parties of record



THOMAS L. BROCATO

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-1: To what customer class does AWU assign service provided to the State of Texas?

RESPONSE: The majority of the State of Texas accounts are assigned to the Commercial customer class. There are accounts for the original campus of the University of Texas which are assigned to a separate Large Volume customer class.

Prepared by: David Anders
Sponsored by: David Anders and Joseph Gonzales

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-2: How much debt service coverage does AWU collect in its charges to the State of Texas?

RESPONSE: On page 24, lines 15-21 of David Anders' Direct Testimony, he states that during the test year, the Petitioners provided a debt service coverage ranging from 0.75x to 0.84x at existing rates for water service, and from 1.36x to 1.42x at existing rates for wastewater service.¹ In contrast, AW's overall debt service coverage for this same period was 1.58x for retail water and 1.80x for retail wastewater. These retail figures include the commercial customer class to which the State of Texas is assigned.

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¹ Application of the City of Austin dba Austin Water for Authority to Change Water and Wastewater Rates at 37 (Apr. 15, 2019) (Application).

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-3: How much water did AWU sell to the State of Texas during the test year?

RESPONSE: In the City of Austin's Supplemental Information Pursuant to Commission Order No. 2, RFI Response MASTER, tab RFI 12 (W) provides the test year usage and revenue for the State of Texas listed as "State TFC". The State of Texas is part of the Commercial customer class. The University of Texas is a separate entity also included in this schedule, but they are a Large Volume customer.

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-4: What were the rates charged to the State of Texas for water and wastewater service during the test year? And for FY2020?

RESPONSE: The State of Texas is a customer within the Commercial customer class. The water and wastewater rates charged to the Commercial customer class during the test year and approved for FY 2020 are shown in the table below:

Commercial Class Water Rates – Test Year 2018 – October 2017 to April 2018:

Monthly Fixed Charges

Meter Size	Retail Meter Equivalent Charge	Fixed Minimum Charge	Total
5/8"	\$7.10	\$10.80	\$17.90
3/4"	\$13.00	\$16.00	\$29.00
1"	\$15.00	\$27.00	\$42.00
1 1/2"	\$26.00	\$54.00	\$80.00
2"	\$42.00	\$86.00	\$128.00
3"	\$71.00	\$173.00	\$244.00
4"	\$136.00	\$270.00	\$406.00
6"	\$275.00	\$540.00	\$815.00
8"	\$916.00	\$864.00	\$1,780.00
10"	\$1,106.00	\$1,254.00	\$2,360.00
12"	\$1,336.00	\$1,836.00	\$3,172.00

Monthly Volume Rates (\$ / 1,000 Gals.)

Season	Rate
Off Peak (November – June Bills)	\$5.82
Peak (July – October Bills)	\$6.42

Commercial Class Water Rates – Test Year 2018 – May 2018 to September 2018:

Monthly Fixed Charges

Meter Size	Retail Meter Equivalent Charge	Fixed Minimum Charge	Total
5/8"	\$7.25	\$8.75	\$16.00
3/4"	\$10.60	\$15.00	\$25.60
1"	\$13.60	\$23.00	\$36.60
1 1/2"	\$15.50	\$29.00	\$44.50
2"	\$25.40	\$58.00	\$83.40
3"	\$75.10	\$204.00	\$279.10
4"	\$124.80	\$350.00	\$474.80
6"	\$253.80	\$729.00	\$982.80
8"	\$482.20	\$1,400.00	\$1,882.20

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
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10"	\$760.20	\$2,217.00	\$2,977.20
12"	\$998.40	\$2,917.00	\$3,915.40

Monthly Volume Rates (\$ / 1,000 Gals.)

Season	Rate
Off Peak (November – June Bills)	\$5.27
Peak (July – October Bills)	\$5.66

Commercial Class Water Rates – Approved 2020 – October 2019 to September 2020:

Monthly Fixed Charges

Meter Size	Retail Meter Equivalent Charge	Fixed Minimum Charge	Total
5/8"	\$7.25	\$8.75	\$16.00
3/4"	\$10.60	\$15.00	\$25.60
1"	\$13.60	\$23.00	\$36.60
1 1/2"	\$15.50	\$29.00	\$44.50
2"	\$25.40	\$58.00	\$83.40
3"	\$75.10	\$204.00	\$279.10
4"	\$124.80	\$350.00	\$474.80
6"	\$253.80	\$729.00	\$982.80
8"	\$482.20	\$1,400.00	\$1,882.20
10"	\$760.20	\$2,217.00	\$2,977.20
12"	\$998.40	\$2,917.00	\$3,915.40

Monthly Volume Rates (\$ / 1,000 Gals.)

Season	Rate
Off Peak (November – June Bills)	\$5.27
Peak (July – October Bills)	\$5.66

Commercial Class Wastewater Rates – Test Year 2018 – October 2017 to April 2018:

Minimum Charge	Volume Rate (\$ / 1,000 Gals.)
\$10.30	\$9.33

Commercial Class Wastewater Rates – Test Year 2018 – May 2018 to September 2018:

Minimum Charge	Volume Rate (\$ / 1,000 Gals.)
\$10.30	\$8.95

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
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Commercial Class Wastewater Rates – Approved 2020 – October 2019 to September 2020:

Minimum Charge	Volume Rate (\$ / 1,000 Gals.)
\$10.30	\$8.95

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-5: What are the rate case expenses charged to AWU customers other than the Petitioners for the Raftelis Cost of Service Models for water and wastewater identified in Mr. Giardina's letter to AWU dated November 13, 2017?

RESPONSE: No rate case expenses were charged to any customers within the Raftelis Cost of Service Models identified in the letter from Mr. Giardina dated November 13, 2017. These models were based on the approved 2017 budget which had no budgeted rate case expenses.

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-8: Did AWU decrease rates for the other districts that are wholesale customers of the City consistent with the reductions that the PUC ordered in Docket No. 42857?

RESPONSE: The Commission's Order in Docket No. 42857 was limited to the four Petitioners. Austin Water did not decrease the rates for other wholesale customers. The other wholesale customers' rates have been frozen since 2015.

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-20: Is the electricity that Austin Energy provides to the State of Texas Green Choice (as referenced on page 22, line 18 of Mr. Gonzales' direct testimony) electricity?

RESPONSE: The State of Texas does not currently have any accounts subscribed to GreenChoice electricity.

Prepared by: Joseph Gonzales
Sponsored by: Joseph Gonzales and David Anders

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-21: Is the electricity that Austin Energy provides to Travis County Green Choice electricity?

RESPONSE: Travis County does not currently have any accounts subscribed to GreenChoice electricity.

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Sponsored by: Joseph Gonzales and David Anders

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-25: How much additional debt will AWU incur during FY2020 for the water system?

RESPONSE: The timing of additional debt to be incurred by the AW water system is dependent on the amount of actual capital spending, cash contributions to the capital projects, commercial paper issuances, and refunding to long-term revenue bonds. AW projects a capital spending of approximately \$85 million during FY2020 on the water system. With current outstanding balances of commercial paper, AW forecasts an additional refunding of approximately \$85 million in commercial paper into long-term revenue bonds during FY2020. However, the timing of this additional long-term debt is dependent on many factors.

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-26: How much additional debt will AWU incur during FY 2020 for the wastewater system?

RESPONSE: The timing of additional debt to be incurred by the AW wastewater system is dependent on the amount of actual capital spending, cash contributions to the capital projects, commercial paper issuances, and refunding to long-term revenue bonds. AW projects a capital spending of approximately \$85 million during FY2020 on the wastewater system. With current outstanding balances of commercial paper, AW forecasts an additional refunding of approximately \$85 million in commercial paper into long-term revenue bonds during FY2020. However, the timing of this additional long-term debt is dependent on many factors.

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
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DISTRICTS 10-37: What is the annual subsidy for the AWU Residential CAP program?

RESPONSE: There is no subsidy of the AW Residential Customer Assistance Program (CAP) by the Petitioners. The Residential CAP is funded by a Community Benefit Charge of \$0.15 per 1,000 gallons on all retail customers' water and wastewater bills only. This charge is not assessed to the Petitioners.

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**AUSTIN WATER'S SUPPLEMENTAL RESPONSE
TO DISTRICTS' TENTH RFI**

DISTRICTS 10-40: How much does the City charge the State of Texas for drainage fees?

RESPONSE: A property described in Section 552.053(c) (Exemptions) of the Texas Local Government Code is exempt from the drainage charge established by this chapter. The exemptions include: (1) the State of Texas; (2) a county; (3) the City, for property that is publicly maintained right-of-way; (4) an independent school district; or (5) a public or private institution of higher education. In Section 15-2-13 – Exemptions of the City of Austin Code provides these exemptions according to the Texas Local Government Code.

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