



Control Number: 49189



Item Number: 146

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**PUC DOCKET NO. 49189
SOAH DOCKET NO. 473-19-6297.WS**

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PUBLIC UTILITY COMMISSION
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APPLICATION OF THE CITY OF	§	BEFORE THE STATE OFFICE
AUSTIN DBA AUSTIN WATER FOR	§	
AUTHORITY TO CHANGE WATER	§	
AND WASTEWATER RATES FOR	§	
NORTH AUSTIN MUNICIPAL	§	
UTILITY DISTRICT NO. 1,	§	
NORTHTOWN MUNICIPAL UTILITY	§	OF
DISTRICT, TRAVIS COUNTY WATER	§	
CONTROL & IMPROVEMENT	§	
DISTRICT NO. 10, AND WELLS	§	
BRANCH MUNICIPAL UTILITY	§	
DISTRICT IN WILLIAMSON AND	§	
TRAVIS COUNTIES	§	ADMINISTRATIVE HEARINGS

**NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1,
NORTHTOWN MUNICIPAL UTILITY DISTRICT,
TRAVIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10,
AND WELLS BRANCH MUNICIPAL UTILITY DISTRICTS' TWELFTH
REQUEST FOR INFORMATION TO CITY OF AUSTIN DBA AUSTIN WATER**

To: Respondent, City of Austin dba Austin Water, by and through its attorney of record, Thomas L. Brocato, Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

COME NOW, North Austin Municipal Utility District No. 1, Northtown Municipal Utility District, Travis County Water Control & Improvement District No. 10, and Wells Branch Municipal Utility District (collectively, the "Districts") and serve this, their Twelfth Request for Information to the City of Austin dba Austin Water pursuant to 16 Tex. Admin. Code § 22.144, and request the following information and answers to the following questions be provided under oath. *See* 16 Tex. Admin. Code § 22.144 (2019).

146

Respectfully submitted,



John J. Carlton

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COUNSEL FOR DISTRICTS

CERTIFICATE OF SERVICE

I hereby certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested to all parties on this the 25th day of October, 2019.



John J. Carlton

**PUC DOCKET NO. 49189
SOAH DOCKET NO. 473-19-6297.WS**

**NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1,
NORTHTOWN MUNICIPAL UTILITY DISTRICT,
TRAVIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10,
AND WELLS BRANCH MUNICIPAL UTILITY DISTRICTS' TWELFTH
REQUEST FOR INFORMATION TO CITY OF AUSTIN DBA AUSTIN WATER**

**I.
DEFINITIONS**

The following definitions apply herein unless otherwise indicated by the content or expressly stated:

1. The words “and” and “or” shall be construed either conjunctively or disjunctively, as required by the context, to bring within the scope of these discovery requests any response or document that might be deemed outside its scope by another construction.
2. “AWU” or “Austin Water” means the City of Austin DBA Austin Water.
3. “Communication” shall mean and include every manner or means of transmittal, disclosure, transfer, or exchange of information, and every form of transmission, disclosure, transfer or exchange of information, whether orally, electronically, or by document, and whether face-to-face, by telephone, mail, personal delivery, computer or otherwise.
4. “Concerning,” “relating to,” or “regarding,” and similar terms mean addressing, analyzing, referring, discussing, mentioning in any way, explaining, supporting, describing, forming the basis for, or being logically or casually connected in any way with the subject of these discovery requests.
5. “Describe” or “describe in detail” means to give a complete and full description concerning the matter about which the inquiry is made in narrative form, including all facts and opinions known and held relating to what is requested to be described, and (i) to identify of each person or entity involved or having any knowledge of each fact or opinion that relates to what is so described, (ii) to identify each document evidencing the answer or response given or relating, referring or pertaining to said subject-matter in any way, and (iii) all relevant or material dates and time periods, specifying the way in which said dates or time periods are pertinent to the subject-matter described.
6. “Document” means any documents or tangible items made discoverable by Texas Rule of Civil Procedure 192.3, and includes all originals, electronic and non-identical copies of any and all documents, papers, books, accounts, writings, drawings, graphs, charts, maps, surveys, photographs, electronic or videotape recordings, electronic mail (e-mail), phone records, recordings, models, data and other data compilations from which information can be obtained and translated by you, if necessary, into reasonably useable form and tangible

things. Documents and data are “electronic” if they exist in a medium that can be read through the use of computers. Such media include cache memory, magnetic disks (such as computer hard drives or floppy disks), optical disks (such as DVDs or CDs), and magnetic tapes. *See* Tex. R. Civ. P. 192.3 (2019).

7. To “identify” an individual means to state the following about that individual: (i) the person’s full name; (ii) the person’s job title or former job title; (iii) the person’s job (or former job) duties and responsibilities; (iv) the individual’s superior(s); (v) current or last known telephone number(s); and (vi) current or last known business and home addresses.
8. To “identify” a person as defined herein, other than an individual, means to provide the following information: (i) the entity’s full and correct legal name; (ii) the nature of the entity’s structure and/or organization; (iii) the address and telephone number of its principal offices and, if applicable, the state in which it is incorporated; and (iv) its principal line(s) of business or activity.
9. To “identify” an act, event, occurrence, or communication means the following: (i) to state its date; (ii) to identify the persons that were parties to and/or witnesses of the act, event, occurrence, or communication; (iii) to describe where and how it took place; and (iv) to identify any document that constitutes or refers to such act, event, occurrence, or communication.
10. To “identify” a document means the following: (i) the electronic file name, if any; (ii) to identify its author; (iii) to identify its addressees, if any; (iii) to state the date of its preparation; and (iv) to describe its subject matter.
11. “Docket 42857” refers to *Petition of the North Austin Municipal Utility District No. 1, Northtown Municipal Utility District, Travis County Water Control and Improvement District No. 10, and Wells Branch Municipal District from the Ratemaking Actions of the City of Austin and Request for Interim Rates in Williamson and Travis Counties*, Docket 42857 (Sept. 5, 2014).
12. “Person” or “Persons” means any natural person, corporation, association, firm, partnership, or other business or legal entity and officers, employees, agents, attorneys, servants or representatives of such entity, as the context requires.
13. “Petitioners” refers to, collectively, North Austin Municipal Utility District No. 1, Northtown Municipal Utility District, Travis County Water Control & Improvement District No. 10, and Wells Branch Municipal Utility District.
14. “Districts” means and refers to North Austin Municipal Utility District No. 1, Northtown Municipal Utility District, Travis County Water Control & Improvement District No. 10, and Wells Branch Municipal Utility District.
15. “PUC” or “Commission” refers to the Public Utility Commission of Texas and all predecessor agencies with similar responsibilities, including the Texas Commission on Environmental Quality, Texas Natural Resource Conservation Commission, Texas Water Commission, and Texas Department of Health.

16. “Relate” or “relating to” means making or including a statement about, discussing, describing, reflecting, consisting of, constituting, comprising or in any way concerning in whole or in part the subject or thing.
17. “RFP” means the Rate Filing Package for Class A Water and Sewer Utilities used by the City in this matter.
18. “RFP Requirements” means the Commission’s Minimum Rate Filing Application Requirements for Class A Water and Sewer Utilities.
19. “Service” has the same meaning as defined by Texas Water Code § 13.002(21) (2019).
20. “Statement” means and includes any written or graphic statement signed or otherwise adopted or approved by the user in making it, and stenographic, mechanical, electrical or other recording or transcription thereof, which is a substantially verbatim recital of an oral statement by the person making it and contemporaneously recorded.
21. “You” or “your” means and refers to the City of Austin, and any person or entity acting or purporting to act on its behalf, including, without limitation, attorneys, agents, advisors, consultants, investigators, representatives, employees, or other persons.
22. “Employee” means any full-time employee, part-time employee, contract employee working on a temporary or long-term basis, or consultant working for any period of time for the entity.

II. INSTRUCTIONS

1. These discovery requests must be answered in strict compliance with the orders of the Administrative Law Judge hearing this Docket, the Texas Rules of Civil Procedure, and the rules of the PUC.
2. Your answers to the interrogatories must be answered separately and fully in writing, and the answers must be signed and verified under oath by the person making the answers.
3. In those instances when the responding party chooses to answer an interrogatory by referring to a specific document or record, you must identify the location within the document or record where the answer is to be ascertained and produce the referenced document or record or, if the document or record has already been produced, the specification must be in sufficient detail to permit the requesting party to locate and identify the record or document from which the answer is to be ascertained as readily as the party served with the request.
4. Whenever you are asked in these discovery requests to describe, identify, or produce documents, the term “documents” is not limited to documents in your actual or constructive possession, custody or control (as defined by Texas Rule of Civil Procedure 192.7(b)), but also includes all documents that you know to exist or which have existed, or which you

have reason to suspect to be in existence or to have been in existence, irrespective of whether the document is one intended for or transmitted internally by you or intended for or transmitted to any other person or entity, including without limitation any governmental agency, department, administrative entity, or their personnel. *See* Tex. R. Civ. P. 192.7(b).

5. Whenever you are asked in these discovery requests to describe or identify documents that once existed, but which no longer exist, in addition to identifying the documents, please indicate the approximate date and the circumstances under which the documents ceased to exist. Whenever you are asked in these discovery requests to describe or identify documents that are not in your actual or constructive possession, custody, or control, as those terms are defined in Texas Rule of Civil Procedure 192.7(b), please identify (by name, address, and telephone number) the person whom you believe to have such possession, custody, or control. *See id.*
6. If a discovery request calls upon you to state your legal or factual contentions and/or the legal or factual basis for your contentions in this lawsuit, you should respond in accordance with Texas Rule of Civil Procedure 192.3(j). Such requests do not seek to require you to marshal all of your evidence. *See* Tex. R. Civ. P. 192.3(j).
7. If a discovery request calls upon you to produce an electronic document that is a data compilation or model, produce the document in its native electronic format and identify the software necessary to obtain or translate, if necessary, into a reasonably useable form or tangible thing.
8. As used in these discovery requests, the singular and masculine form of a noun or pronoun includes the plural, feminine, or the neuter form, where appropriate.
9. As used in these discovery requests, the past tense includes the present tense where the express meaning of the request is not distorted by that usage, and the verb form of a noun or pronoun may be used as appropriate in a particular context.

III. DUTY TO SUPPLEMENT

You are under a continuing duty to supplement your responses within five days after you obtain information on the basis of which you know that a response either (1) was incorrect or incomplete when submitted or, (2) although correct and complete when submitted, is no longer correct and complete, and the circumstances are such that failure to supplement the response is, in substance, misleading. *See* 16 Tex. Admin. Code § 22.144(i); Tex. R. Civ. P. 193.5(a).

IV.
REQUESTS FOR INFORMATION

DISTRICTS' REQUEST TO CITY 12-1. Please identify and describe the substance of all conversations between you and Commission Staff regarding the AW Water COS Model Docket 49189 Errata filing.

DISTRICTS' REQUEST TO CITY 12-2. Please identify and produce all documents provided by you to Commission staff regarding the AW Water COS Model Docket 49189 Errata from the AW Water COS Model Docket 49189.

DISTRICTS' REQUEST TO CITY 12-3. Since Mr. Brocato's October 4, 2019, letter does not mention a change to the monthly fixed water charge due to the errata filing, it appears that AWU did not change its proposed fixed monthly water charge for the four districts from its initial Rate Application. However, AWU's proposed fixed charges on Schedule I – Notice of Intent to Change Rates multiplied by 12 months do not equal the Fixed portion of the "Total Revised Revenue from Water and Wastewater Rates" on Mr. Brocato's October 4, 2019, letter:

District	Schedule I Proposed Fixed Charge	Fixed Charge Multiplied by 12 Months	Fixed Revenue per Mr. Brocato's Letter	Variance
	(a)	(b)=(a) x 12	(c)	(d)=(c)-(b)
North Austin	\$15,428.90	185,146.80	169,957.00	(15,189.80)
Northtown	\$12,627.60	151,531.20	136,150.00	(15,381.20)
Water District 10	\$42,084.90	505,018.80	440,339.00	(64,679.80)
Wells Branch	\$21,333.90	256,006.80	233,482.00	(22,524.80)
Total		1,097,703.60	979,928.00	(117,775.60)

Please explain the variances in Column (d).

DISTRICTS' REQUEST TO CITY 12-4. Referring to Mr. Brocato's October 4, 2019, letter, please explain why AWU is requesting water revenues of \$2,072,732 from Wells Branch MUD that exceed AWU's proposed Water Cost of Service of \$2,071,914 from Wells Branch MUD.

DISTRICTS' REQUEST TO CITY 12-5. On "Tab 83. Cap Costs NRR to Functions" in AW Water COS Model Docket 49189 Errata Filing.xlsx, Table 83-1 shows the allocation of Capital Non-Rate Revenues to functional Categories. Although the top of the schedule says that capital cost non-rate revenues are allocated based on the "% from O&M NRR", and the heading says, "Net Book Value," the Capital Cost NRR are actually functionalized based on Gross Book Value (a.k.a. Original Cost). Gross Book Value was not updated in AWU's errata filing to reflect the revised Transmission/Distribution allocation; only Net Book Value was updated.

- a. Does AWU plan to file another errata to apply the revised Transmission/Distribution allocation to the Original Cost of Assets so the revised Original Cost allocation will flow through to the Capital Cost NRR functionalization?
- b. If not, please explain the rationale behind functionalizing Capital Cost NRR based on Original Cost values that are incorrect.