



Control Number: 49189



Item Number: 52

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

**APPLICATION OF THE CITY OF
AUSTIN DBA AUSTIN WATER FOR
AUTHORITY TO CHANGE WATER
AND WASTEWATER RATES**

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**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**

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**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO THE CITY OF AUSTIN DBA AUSTIN WATER
QUESTION NOS. STAFF 3-1 THROUGH STAFF 3-3**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) requests that the City of Austin d/b/a Austin Water, by and through their 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.

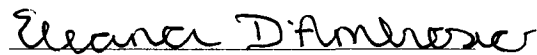
Dated: September 9, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

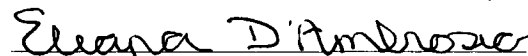


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on September 9, 2019 in accordance with 16 Texas Administrative Code § 22.74.



Eleanor D'Ambrosio

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DEFINITIONS

- A. "COA," or "you" refers to the City of Austin d/b/a Austin Water 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.

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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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Referencing the direct testimony of Joseph H. Gonzales at page 23, lines 22-24, please answer the following questions regarding the depreciation used to arrive at net book value.

- Staff 3-1** Describe in detail and identify and produce any documents relating to the depreciation methods used to calculate annual depreciation amounts and depreciation reserves. A complete response will not neglect to describe in detail and identify and produce documents relating to each of the factors that were considered in arriving at estimates of service life and dispersion by account. *See id.*
- Staff 3-2** Identify and produce a comprehensive detailed description of any and all changes made in method of depreciation since Docket No. 42857, specifically September 5, 2014, indicating when such change was implemented, and identify and produce any documents concerning why the change in method of depreciation was implemented. See 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 Utility District from the Ratemaking Actions of the City of Austin and Request for Interim Rates in Williamson and Travis Counties, Petitioners Second Supplemental Request for Disclosure, Docket 42857 (Sept. 5, 2014).
- Staff 3-3** Identify and produce a complete copy of depreciation studies used for each of the following:
- a. Provide all documents relating to the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis is utilized.
 - b. Provide all documents relating to the surviving original cost at historic test year-end by vintage by account and include applicable depreciation reserves and accruals. Please provide and describe in detail the calculations for all categories of plant that are in AW's possession, including in service as well as other all other categories of plant, such as contributions in aid of construction and customers' advances for construction.
 - c. Identify and produce a comparison of the calculated depreciation reserve used for ratemaking purposes verses the book reserve by account at the end of the test year, and describe in detail all explanations, justifications, and bases for the differences, providing any documents or any other information that supports the explanation for the differences.
 - d. Identify and produce a schedule by account and depreciable group and related documents that describe in detail the survivor curve and annual accrual rate estimated to be appropriate:

- i. For the purposes of this filing.
 - ii. For the purposes of the most recent rate increase filing prior to the current proceedings.
- e. Identify and produce all documents relating to gross salvage, cost of removal, and net salvage for the five most recent calendar or fiscal years by account.