



Control Number: 49189



Item Number: 69

Addendum StartPage: 0

SOAH DOCKET NO. 473-19-6297.WS

PUC DOCKET NO. 49189

2019 SEP 23 12:06

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

§  
§  
§  
§

BEFORE THE STATE OFFICE  
OF

ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION  
TO THE CITY OF AUSTIN DBA AUSTIN WATER  
QUESTION NOS. STAFF 8-1 THROUGH STAFF 8-8**

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 its attorney 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.

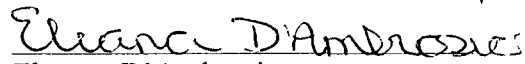
Dated: September 23, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney

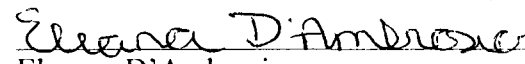


Eleanor D'Ambrosio  
State Bar No. 24097559  
Rustin Tawater  
State Bar No. 24110430  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7021  
(512) 936-7268 (facsimile)  
Eleanor.Dambrosio@puc.texas.gov

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

**CERTIFICATE OF SERVICE**

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



Eleanor D'Ambrosio

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

**COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION  
TO THE CITY OF AUSTIN DBA AUSTIN WATER  
QUESTION NOS. STAFF 8-1 THROUGH STAFF 8-8**

**DEFINITIONS**

- A. "COA," "AW" 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.
  
- C. "Districts" 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.

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

**COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION  
TO THE CITY OF AUSTIN DBA AUSTIN WATER  
QUESTION NOS. STAFF 8-1 THROUGH STAFF 8-8**

**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.

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

**COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION  
TO THE CITY OF AUSTIN DBA AUSTIN WATER  
QUESTION NOS. STAFF 8-1 THROUGH STAFF 8-8**

- Staff 8-1      In its water COS study, please explain why AW assigns customer service functional costs to the “joint” cost pool as opposed to the “retail only” cost pool. What customer services does AW provide to wholesale customers, if any?
- Staff 8-2      What is the “small calls” functional category in the water COS study, and why is this assigned to the “joint” cost pool as opposed to “retail only”? Please explain.
- Staff 8-3      With respect to the “meters and services” functional category in the water COS study, what methodology does AW follow to ensure that retail metering and services costs are not assigned to wholesale customers? Please explain.
- Staff 8-4      Please refer to worksheet “31” to the water COS study, at functional allocation of joint cost pool in Microsoft Excel rows 41 – 68 (i.e., Table 31-2). Why are distribution mains in MS Excel row 51 re-assigned 100% to the “transmission mains” function in column I? Please explain.
- Staff 8-5      Please refer to worksheets “30” and “31” to the water COS study, at Table 31-2. Why have a functional re-assignment of costs accomplished in worksheet 31? Why not have one consistent definition of functions, rather than an initial functionalization to one set of functions in worksheet 30; and, then a re-functionalization to a different set of functions in worksheet 31 (e.g., costs in “treatment average day,” “pump stations power,” and “small calls” functions from sheet 30 re-assigned to a “chemicals & power” function in worksheet 31)? Please explain.
- Staff 8-6      Please refer to worksheet “59” to the water COS study. What is the purpose of this worksheet? What do the line items “Transfer to Defeasance” and “Capital Recovery Fee Transfer in” signify? What effect do the allocations of these amounts in worksheets 60-70 (including associated adjustments) have on AW’s requested revenue requirements for the Districts, if any? How do these items represent costs of providing water and wastewater services to the Districts, if at all?
- Staff 8-7      Please refer to worksheet “29” to the water COS study. What level of O&M costs does AW request to be included in total system O&M costs in this proceeding? Is it Microsoft Excel column J totaling 132,706,200, or that amount less the adjustments of 4,026,346 shown in column K, resulting in adjusted total O&M costs of 128,679,854?

Staff 8-8            Please refer to the testimony of AW witness Gonzalez at 46.

“Q. WHAT CONSUMPTION VALUES DID AW USE IN THE COST ALLOCATION AND RATE SETTING PROCESS? A. AW used actual test year consumption and flow values for all customer classes, to allocate costs and develop the proposed rates for the four wholesale customers impacted by this rate filing.”

On worksheet 23 of the water COS model, however, usage information is averaged over 3 years, and it appears that the allocation information used to calculate cost of service is based on the 3-year average information. Please clarify if the usage-based allocation data used in the water COS study is 3-year average, or Test Year only. Please also clarify if the class usage data applied to unit costs to calculate class revenue requirements and rate design is test year only, or three-year average.