

Control Number: 49189



Item Number: 71

Addendum StartPage: 0

49189
-19-6297 WS 10:43

OF

COMMISSION RULES

of Austin (“City”).

I. BACKGROUND

City. Included in the Third Request were the following inquiries:

- DISTRICTS 3-2:** Please identify and produce all documents that demonstrate, justify, provide the basis for, explain, or in any way document the yearly operations and maintenance cost Water Treatment Plan No. 4 from its completion through August 1, 2019.

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DISTRICTS 3-5: For Schedule II-A-1, please provide all necessary reconciliations, with explanations, to the historical test year income statement shown on Schedule II-A-2 as required by the Commission's Minimum Rate Filing Application Requirements for Class A Water and Sewer Utilities.

DISTRICTS 3-6: For Schedule II-A-2, please provide the following information for the same detailed account numbers used on Schedule II-A-1:

- a. Provide the utility's comparative operating statements for the historic test year and the immediately preceding calendar year showing increases and decreases between the two periods. These statements should supply detailed explanation of the causes of the major (greater than 15%) variances between the historic test year and preceding year by detailed account number. Limit the explanation to differences of \$5,000 or greater.

DISTRICTS 3-7: For Schedule II-A-2.1(w), please provide the following information for the same detailed account numbers used on Schedule II-A-1:

- a. Provide the utility's comparative operating statements for the historic test year and the immediately preceding calendar year showing increases and decreases between the two periods. These statements should supply detailed explanation of the causes of the major (greater than 15%) variances between the historic test year and preceding year by detailed account number. Limit the explanation to differences of \$5,000 or greater.

DISTRICTS 3-8: For Schedule II-A-2.1(w), please provide the following information for the same detailed account numbers used on Schedule II-A-1:

- a. Provide the utility's comparative operating statements for the historic test year and the immediately preceding calendar year showing increases and decreases between the two periods. These statements should supply detailed explanation of the causes of the major (greater than 15%) variances between the historic test year and preceding year by detailed account number. Limit the explanation to differences of \$5,000 or greater.

DISTRICTS 3-17: For Schedule II-A-2, please describe in detail how "Defeasance in 2018" explains the decrease in Loss on in-substance defeasance of \$26,847,396 from 2017 to 2018.

DISTRICTS 3-21: Please provide audited data for the period 10/01/2017 to 9/30/2018 in the format show on schedule II-A-2 and explain any line-item variance from unaudited data greater than 15%.

DISTRICTS 3-22: Please provide audited data for the period 10/01/2017 to 9/30/2018 in the format shown on Schedule II-A-2.1 (W) and explain any line-item variance from unaudited data greater than 15%.

DISTRICTS 3-23: Please provide audited data for the period 10/01/2017 to 9/30/2018 in the format shown on Schedule II-A-2.1 (WW) and explain any line-item variance from unaudited data greater than 15%.

DISTRICTS 3-24: Please provide audited data for the period 10/01/2017 to 9/30/2018 in the format shown on Schedule II-A-3 and explain any line-item variance from unaudited data greater than 15%.

DISTRICTS 3-25: For Schedule II-A-3, please provide a detail of other investments as required by the Commission's Minimum Rate Filing Application Requirements for Class A Water and Sewer Utilities.

DISTRICTS 3-26: Please reconcile the amounts used in the cost of service analysis for Special Cash Accounts shown on Schedule II-A-3.3 with the balance sheet amounts shown on Schedule II-A-3.

DISTRICTS 3-27: Please reconcile the amounts used in the cost of service analysis for Physical Assets shown on Schedule II-A-3.2 with the balance sheet amounts shown on Schedule II-A-3.

DISTRICTS 3-28: Regarding the statement on line 2 of Schedule II-A-3.3 that, "Austin Water must maintain a fully funded debt service reserve fund for its existing bond issues and future issues."

- a. How much of the fund is related to existing bond issues?
- b. How much of the fund is related to future issues?
- c. Provide all documentation supporting these requirements.
- d. What is the minimum balance required in this fund to comply with test year requirements?

DISTRICTS 3-33: Please provide audited data for 9/30/2018 in the format shown on Schedule II-A-3.12 and explain any line-item variance from unaudited data greater than 15%.

DISTRICTS 3-37: For each schedule in the Schedule II-D-1 series, please provide "...all calculations and workpapers in a form that is readily understandable and replicable by all parties in order for them to be able to replicate and determine the appropriateness and accuracy of the calculations" as required by the Commission's Minimum Rate Filing Application Requirements for Class A Water and Sewer Utilities:

- a. Every number on every schedule should either have an Excel formula or an Excel link to another Excel spreadsheet, or it should have a hard-coded number.
- b. Every hard-coded number should have a reference to a workpaper supporting that number. The workpaper should be easy to locate and numbered according the PUCT instructions.
- c. Every workpaper should be clearly marked so the number(s) referenced from the schedules are clearly identifiable.

DISTRICTS 3-38: For each line item on Schedule II-D-3.3, please provide the dollar amount attributable to lobbying or the statement from the organization stating the percentage of its member payments are used for lobbying as required by the Commission's Minimum Rate Filing Application Requirements for Class A Water and Sewer Utilities.

DISTRICTS 3-39: *See Attachment A.* the Test Year O&M amounts shown on WP II-D-1.1c do not agree with the Test Year O&M amounts for the same accounts on Schedule II-D-4. Please reconcile and explain discrepancy identified on **Attachment A.**

DISTRICTS 3-40: Identify the location of the information in AW's Rate Filing Package or provide the following information for Schedule II-D-9.1 as required by the Commission's Minimum Rate Filing Application Requirements for Class A Water and Sewer Utilities:

- a. Total annual payroll increases in the historic and adjusted test years
- b. Proof that the actual payroll plus the increases equal the payroll expense claimed in the supporting data by categories of expenses.

The Fourth Request included the following inquiries, which were responded to in the exact same manner as the Third Request:

2. **DISTRICTS 4-7:** Please provide the inventory of Water Transmission Mains from 2018 showing length of pipe by diameter.

DISTRICTS 4-8: Please provide the inventory of Water Distribution Mains from 2018 showing length of pip by diameter.

The Fifth Request included the following inquiry, which was responded to in the same manner as the Third and Fourth Request:

3. **DISTRICTS 5-1:** Provide a description of the depreciation methods used to calculate annual depreciation amounts and depreciation reserves, together with a

discussion of the factors that were considered in arriving at estimates of service life and dispersion by account.

City responded to the Third, Fourth, and Fifth Requests on September 19, 2019 by including a DVD with “Voluminous Attachments” and included a scanned image of the disc, and a simple list of the files imprinted thereon that are responsive to the requests listed above.¹ Copies of the relevant pages from City’s responses to Intervenor’s Third, Fourth, and Fifth Corrected Requests for Information are attached to this Motion as Exhibit “A”, Exhibit “B”, and Exhibit “C”. None of the produced DVDs included any index or list of the documents, their length or date, who prepared them, nor a description. Furthermore, the City specifically labelled the items on the discs as “Voluminous.”

II. VOLUMINOUS DOCUMENT INDEX

Commission Procedural Rule 16 Tex. Admin. Code § 22.144(h)(4) (TAC) requires:

(4) The party providing the voluminous material shall file with its response a detailed index of the voluminous material responsive to a particular question and shall organize the responses and material to enable parties to efficiently review the material, including labeling of material by request for information number and subparts and sequentially numbering the material responsive to a particular question. The index shall include:

- (A) information sufficient to locate each individual document by page number, file number, and box number;
- (B) the date of each document;
- (C) the title of the document, or, if none exists, a description of the document;
- (D) the name of the preparer of each document; and
- (E) the length of each document.

Under the requirements of 16 TAC § 22.144(h)(4), the City should have included in their Response: (1) information sufficient to locate each individual document by page number, file number, and box number; (2) the date of each document; (3) the title of the document or description of the document; (4) the name of the preparer of each document; and (4) the length of each

¹ See City of Austin D/B/A Austin Water’s Response to Districts’ Third Corrected Request for Information at 48 (Sep. 19, 2019); City of Austin D/B/A Austin Water’s Response to Districts’ Fourth Corrected Request for Information at 11 (Sep. 19, 2019); City of Austin D/B/A Austin Water’s Response to Districts’ Fifth Corrected Request for Information at 8 (Sep. 19, 2019)

document. The City has failed to comply with the rule by not including a simple list of the documents that includes no information about where the document is, the date it was created, a title or description of the document, who prepared it, nor the length. City has insisted that these productions are sufficient to comply with 16 TAC § 22.144(h)(4), but they are clearly not. Furthermore, the City has admitted that the DVDs contain voluminous documents as it used that exact wording to describe the discs in response to the Third, Fourth, and Fifth Requests.

Intervenors urge the Administrative Law Judges to compel the City to fully comply with the requirements of 16 TAC § 22.144(h)(4) and include an index that contains information required by the rule.

III. PRAYER

WHEREFORE, PREMISES CONSIDERED, Intervenors 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 pray that the Administrative Law Judges issue an Order Compelling the City to respond to Intervenors' Third, Fourth, and Fifth Corrected Requests for Information as required by 16 TAC § 22.144(h)(4) and grant Intervenors other such relief to which they may be entitled.

Respectfully submitted,



John J. Carlton

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ATTORNEYS FOR INTERVENORS

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 24th day of September, 2019.

A handwritten signature in black ink, appearing to read 'J. Carlton', is written over a horizontal line.

John J. Carlton

EXHIBIT A

VOLUMINOUS ATTACHMENTS PROVIDED ON CD

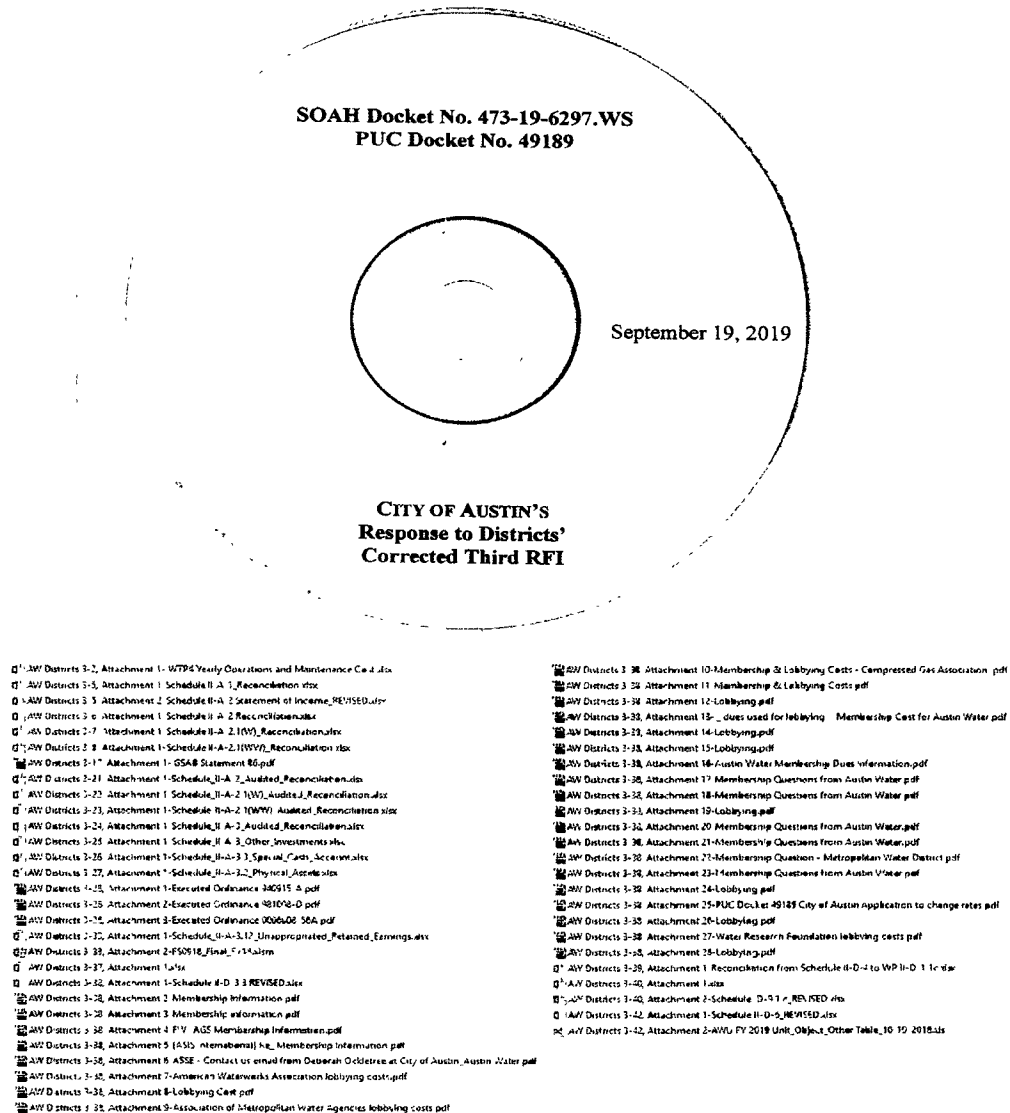
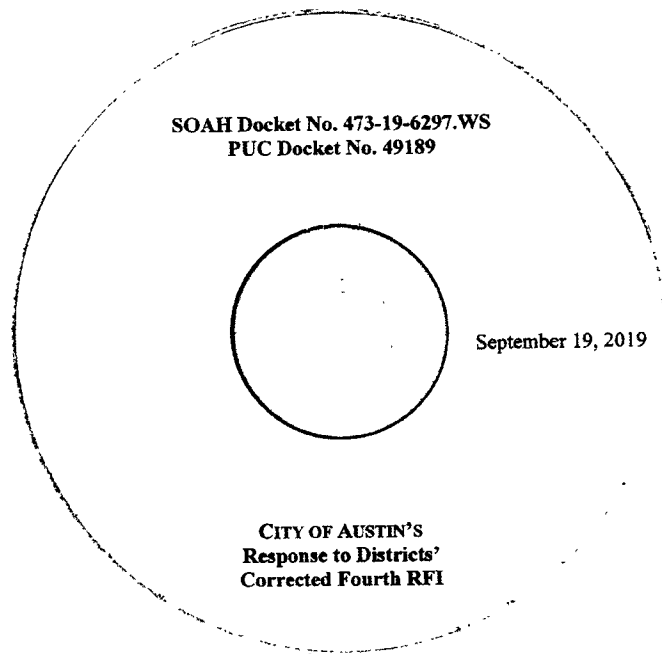


EXHIBIT B

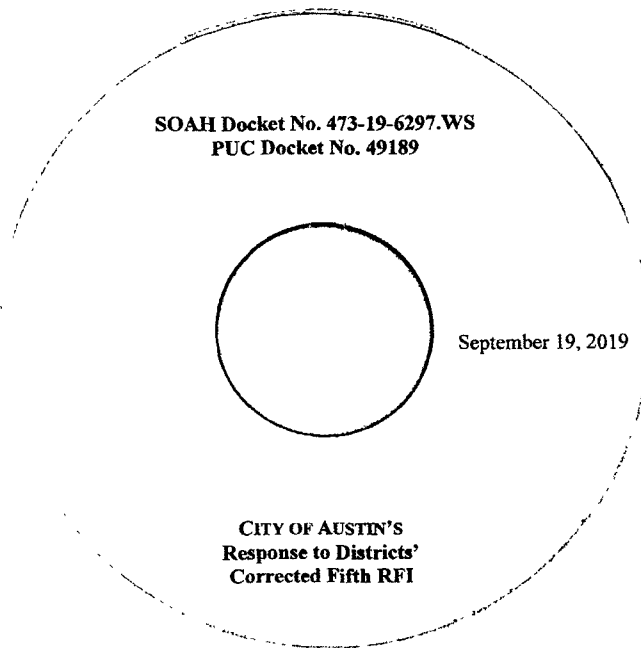
ATTACHMENTS PROVIDED ON CD



AW Districts 4-7, Attachment 1- Water Tr...	2019-09-19 10:00 AM	10/19/2019 10:00 AM	10/19/2019
AW Districts 4-8, Attachment 1- Water Di...	2019-09-19 10:00 AM	10/19/2019 10:00 AM	10/19/2019

EXHIBIT C

VOLUMINOUS ATTACHMENT PROVIDED ON CD



AWW Districts 5-1, Attachment 1-GASB Implementation Guide.pdf

CD 473-19-6297.WS - PUC Docket No. 49189