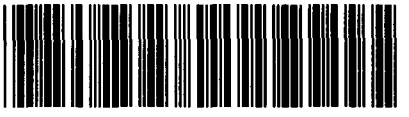

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SOAH DOCKET NO. 473-19-6297.WS
PUC DOCKET NO. 49189

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

CITY OF AUSTIN D/B/A AUSTIN WATER'S RESPONSE TO COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

To: Public Utility Commission of Texas (Commission), by and through its attorney of record, Eleanor D'Ambrosio, Legal Division, 1701 N. Congress Avenue, Austin, Texas 78701.

The City of Austin (City) doing business as Austin Water (Austin Water or AW) files its Responses to Public Utility Commission Staff's Fourth Request for Information (RFI) to Austin Water received on September 12, 2019. This response is timely filed. 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,

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ATTORNEYS FOR CITY OF AUSTIN

SC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by email on September 30, 2019, to the parties of record.

THOMAS L. BROCATO

SOAH DOCKET NO. 473-19-6297.WS
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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-1 How does Austin Water define its transmission system? What constitutes transmission service?

RESPONSE: A transmission system is necessary to operate a water distribution system and provide service to customers. The transmission system is a network of water mains, generally 24-inch diameter and larger, that transmit water throughout the system. Transmission mains also serve a distribution function. Transmission mains typically connect pump stations to storage facilities throughout the system and also connect to and provide supply to distribution system mains.

In Chapter 25-9, Water and Wastewater, of the City's Land Development Code, Water Transmission Main is defined, for the purposes of the Extension of Service Division, as:

> WATER TRANSMISSION MAIN means a water main generally considered to be 24-inches in diameter or larger and to which direct connections for retail service to a property are not allowed, unless an exception is approved by the Director.[1]

During the preparation of responses to discovery in this case, Austin Water identified an error in the manner in which it allocates transmission system costs. Accordingly, Austin Water intends to submit an errata addressing this error.

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

[1] Austin, Tex., Land Development Code § 25-9-32(15).

SOAH DOCKET NO. 473-19-6297.WS
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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-2 How does Austin Water define its distribution system? What constitutes distribution service?

RESPONSE: A distribution system, working in conjunction with transmission mains, is necessary to provide water to customers. The distribution system is a network of water mains, generally 24-inch diameter and smaller, that distribute water to customers throughout the system. The distribution system is generally connected to the transmission system at appropriate supply points. Direct connections for retail service to a property are generally connected to distribution mains.

During the preparation of responses to discovery in this case, Austin Water identified an error in the manner in which it allocates transmission system costs. Accordingly, Austin Water intends to submit an errata addressing this error.

Prepared by: Robert Rowan
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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-3 For the purpose of Staff's review of cost allocation issues in this proceeding, please identify all City of Austin plant accounts where the full plant amount is directly assigned to the transmission system. For each account, please provide a narrative explanation of the justification for directly assigning the full amount in that account to the transmission system.

RESPONSE: During the preparation of responses to discovery in this case, Austin Water identified an error in the manner in which it allocates transmission and distribution system costs. Accordingly, Austin Water intends to submit an errata addressing this issue. The errata will apply an inch-feet calculation for the separation of transmission and distribution costs. The 2018 Fixed Assets Pivot Table, provided in Austin Water's Application for Authority to Change Water and Wastewater Rates (Application) contains the detailed listing assigned to the transmission system.

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

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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-4 For the purpose of Staff's review of cost allocation issues in this proceeding, please identify all City of Austin plant accounts where the full plant amount is directly assigned to the distribution system. For each account, please provide a narrative explanation of the justification for directly assigning the full amount in that account to the distribution system.

RESPONSE: During the preparation of responses to discovery in this case, Austin Water identified an error in the manner in which it allocates transmission and distribution system costs. Accordingly, Austin Water intends to submit an errata addressing this issue. The errata will apply an inch-feet calculation for the separation of transmission and distribution costs. The 2018 Fixed Assets Pivot Table, provided in Austin Water's Application contains the detailed listing assigned to the distribution system.

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

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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-5 Please identify all City of Austin accounts where the amounts in the account are allocated among the transmission and distribution systems. For each account, please explain the methodology Austin Water follows to allocate the amounts among the transmission and distribution systems, and provide all the supporting workpapers. For each account, provide a narrative explanation of the justification for the allocation basis for that account.

RESPONSE: Fixed assets number or individual assets are 100% allocated to either transmission or distribution. Assets are not split between transmission and distribution.

During the preparation of responses to discovery in this case, Austin Water identified an error in the manner in which it allocates transmission and distribution system costs. Accordingly, Austin Water intends to submit an errata addressing this issue. The errata will apply an inch-feet calculation for the separation of transmission and distribution costs.

Prepared by: Christina Romero
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AUSTIN WATER'S RESPONSE TO
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Staff 4-6 For the purpose of Commission Staff's review of water cost allocation issues in this proceeding, please map each of the codes listed in workpaper "2018 Fixed Assets Pivot Table" at Worksheet "Wtr Codes" to an account within the NARUC's Uniform System of Accounts for Class A Water Utilities.

RESPONSE: The City's financial system is used by Austin Water and is not based on the National Association of Regulatory Utility Commissioners (NARUC) chart of accounts. However, AW's chart of accounts provides a level of detail that is consistent with the NARUC system. For this specific request, AW staff reviewed the Commission's Texas System of Accounts for Water Utilities for guidance, and converted the AW chart of accounts to the NARUC system chart for the 2018 Fixed Assets Pivot Table. AW staff is not well versed in the NARUC system chart of accounts, since AW uses the City's chart of accounts.

Please refer to AW Staff 4-6, Attachments 1 and 2 for the list of Water 2018 Fixed Assets mapped to NARUC's codes.

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

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AUSTIN WATER'S RESPONSE TO
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Staff 4-7 For the purpose of Commission Staff's review of wastewater cost allocation issues in this proceeding, please map each of the codes listed in workpaper "2018 Fixed Assets Pivot Table" at Worksheet "WW Codes" to an account within the NARUC's Uniform System of Accounts for Class A Water Utilities.

RESPONSE: The City's financial system is used by Austin Water and is not based on the NARUC chart of accounts. However, AW's chart of accounts provides a level of detail that is consistent with the NARUC system. For this specific request, AW staff reviewed the Commission's Texas System of Accounts for Water Utilities for guidance, and converted the AW chart of accounts to the NARUC system chart for the 2018 Fixed Assets Pivot Table. AW staff is not well versed in the NARUC system chart of accounts, since AW uses the City's chart of accounts.

Please see AW Staff 4-7, Attachments 1 and 2 for the list of Wastewater 2018 Fixed Assets mapped to NARUC's codes.

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

SOAH DOCKET NO. 473-19-6297.WS
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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-8 What was the cutoff date for the plant amounts shown in the workpaper "2018 Fixed Assets Pivot Table"?

RESPONSE: The cutoff date for the plant amounts are for the City of Austin fiscal year ending September 30, 2018 at Close II. Due to the accounting cycle, Close I occurs around a week after the actual September 30 date, Close II occurs around two weeks after September 30 and period 13 final close occurs after the financial audit is complete which could be up to six months after September 30.

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

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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-9 For each wholesale water customer (not limited to petitioners), provide the diameters of the transmission mains that serve that customer. For each transmission main, indicate if that transmission main also serves Austin Water's retail customers.

RESPONSE: Austin Water operates a pressurized integrated water system, which provides water to AW customers through multiple interconnected transmission mains. This system provides overall system reliability. Customers can obtain water from multiple mains, which will generally reduce or prevent water outages due to main breaks and maintenance issues. Austin Water has not analyzed the water system to determine any specific transmission mains that serve the wholesale or retail customers.

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

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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-10 Please provide the diameters for all transmission mains on the water system.

RESPONSE: In response to Districts' RFI No. 4-7, Austin Water provided an Excel file showing all transmission mains 24" and larger, the diameter of the main, number of feet, number of miles, and a calculation of the inch-feet. This document was used as the basis for the updated transmission and distribution percentages used for cost allocation.

Please see AW Staff 4-10, Attachment 1, which is the same file that Austin Water provided in response to Districts' RFI No. 4-7, as AW Districts 4-7, Attachment 1.

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

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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-11 For each diameter of transmission main on the water system, please provide the total length of transmission mains of that diameter on the system and provide the system-average cost per unit of length.

RESPONSE: In response to Districts' RFI No. 4-7, Austin Water provided an Excel file showing all transmission mains 24" and larger, the diameter of the main, number of feet, number of miles, and a calculation of the inch-feet. This document was used as the basis for the updated transmission and distribution percentages used for cost allocation. These tables will also be used as supporting documentation for Austin Water's errata filing, which will update these transmission and distribution percentages within the water cost of service model.

Austin Water's asset data with original costs, depreciation, and net book value does not have a reference to the length of the transmission mains. Therefore, Austin Water cannot provide the average cost per unit of length of its transmission system.

Prepared by: David Anders
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AUSTIN WATER'S RESPONSE TO
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Staff 4-12 For each transmission main that serves a wholesale water customer (not limited to petitioners), please provide the total length of the transmission main. Also provide the length of segment of the total main that serves the wholesale customer.

RESPONSE: As indicated in Austin Water's response to Staff's RFI No. 4-9, above, Austin Water operates a pressurized integrated water system, which provides water to its customers through multiple interconnected transmission mains. This system provides overall system reliability. Customers can obtain water from multiple ways which will generally reduce or prevent water outages due to main breaks and maintenance issues. Austin Water has not analyzed the water system to determine any specific transmission mains that serve the wholesale customers.

Prepared by: David Anders
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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-13 Are transmission mains on the water system inter-connected such that water can be diverted from one main to another if a segment of the main on the primary feed path to a wholesale water customer is not in service? Please explain. If yes, did this situation arise during the test year (i.e., wholesale transmission main was down and wholesale water customer was served through an alternate feed path). Please explain.

RESPONSE: As indicated in Austin Water's response to Staff's RFI No. 4-9, above, Austin Water operates a pressurized integrated water system, which provides water to its customers through multiple interconnected transmission mains. This system provides overall system reliability. Customers can obtain water from multiple ways which will generally reduce or prevent water outages due to main breaks and maintenance issues. Austin Water has not analyzed the water system to determine any specific transmission mains that serve the wholesale customers.

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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-14 For each wholesale water customer, please provide the diameters of the distribution mains that serve that customer (if any).

RESPONSE: Each of the wholesale water customers own and operate their distribution systems within their boundaries. Austin Water does not provide distribution service to the wholesale customers.

Prepared by: David Anders
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SOAH DOCKET NO. 473-19-6297.WS
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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-15 Please explain all types of demand (e.g. gallons per second or minute) and usage (e.g. gallonage) information that is captured and recorded by the meters on Austin Water's transmission mains. For each type of demand and usage information at the meter, please identify where the test-year meter information may be found in the application (if anywhere.)

RESPONSE: Water demand and usage is collected and measured in millions of gallons per day (MGD). Water demand is collected and recorded daily for each of the water treatment plants (Handcox, Davis and Ulrich) and aggregated for Total Pumpage. Water usage data collected for all three plants is combined and recorded daily for Total Water Usage. Max Hourly Pumpage is derived and recorded from the daily Total Pumpage, and Max Hourly Usage and Min Hourly Usage are derived and recorded from the daily Total Usage.

AW Staff 4-15, Attachment 1 includes data for FY 2017-18. AW Staff 4-15, Attachment 2 contains Coincidental MGD data, which coincides with the information in Tab 17 of the cost of service model, "PF-System Prdction Metrics of AW Water COS Docket 49189."

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

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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-16 To the extent not already provided, please provide the peak demand for water (expressed as a throughput per unit of time, such as gallons per second) on the system during each month of the test year. If already provided, please provide a citation to where the information may be found.

RESPONSE: Below is the peak demand and usage for FY 2018; unit of measure is in millions of gallons.

Please see AW Staff 4-16, Attachment 1 - Water Treatment Flows.xlsx.

	Max Hourly Pumpage	Max Hourly Usage
October-17	179.9	183.2
November-17	166.5	198.8
December-17	164.6	163.6
January-18	167.4	155.4
February-18	168.5	154.5
March-18	175.4	174.9
April-18	179.2	186.9
May-18	211.7	207.2
June-18	205.8	217.3
July-18	219.1	247.0
August-18	231.8	270.1
September-18	562.8	566.6

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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-17 For each wholesale water customer (not limited to petitioners), please provide that customer's peak demand for water during each month of the test year.

RESPONSE: AW does not collect peak demand data during the month for each wholesale customer. The meters are only read once each month.

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AUSTIN WATER'S RESPONSE TO
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Staff 4-18 For each wholesale water customer (not limited to petitioners) and for each month of the test year, please provide that customer's monthly demand that was coincident with the system's peak demand in that month.

RESPONSE: Please see AW Staff 4-15, Attachment 1 for the system's monthly peak demand for each wholesale customer and AW Staff 4-15, Attachment 2 for the system's peak demand, which occurred on August 29, 2018.

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AUSTIN WATER'S RESPONSE TO
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Staff 4-19 Please explain how Austin Water sizes its transmission mains to ensure that adequate capacity is available to serve customers. Please provide all capacity planning manuals or guides that support Austin Water's capacity planning methodologies.

RESPONSE: The Austin Water Utility Criteria Manual, section 2.9.2 - Water Systems, provides details for sizing and capacity determination, demand requirements, and other provisions. Please see AW Staff 4-19, Attachment 1.

Prepared by: David Anders
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AUSTIN WATER'S RESPONSE TO
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Staff 4-20 Provide the test-year total capacity on the water system in gallons per day.

RESPONSE: Austin Water's three treatment plants, Davis, Ulrich and Handcox, have a combined overall capacity of 335 million gallons per day.

Prepared by: David Anders
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AUSTIN WATER'S RESPONSE TO
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Staff 4-21 Provide the test-year maximum daily usage on the water system in gallons and the date it occurred.

RESPONSE: The maximum daily usage for the water system during the test year, FY 2018, was 195.9 million gallons (MG), which occurred on August 29, 2018. Please see AW Staff 4-21, Attachment 1.

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

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AUSTIN WATER'S RESPONSE TO
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Staff 4-22 Provide the test-year maximum hourly usage on the water system in gallons and the date and hour it occurred.

RESPONSE: The maximum hourly usage for the water system during the test year FY 2018 was 566.6 million gallons and occurred on September 20, 2018. The maximum hourly usage of 566.6 million gallons represents the maximum hour within the given year and not within the maximum day provided in response to Staff's RFI No. 4-21.

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

SOAH DOCKET NO. 473-19-6297.WS
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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

Staff 4-23 For each wholesale water customer (not limited to petitioners) and for each month of the test year, provide (a) the maximum daily usage in gallons, (b) the maximum hourly usage in gallons, (c) usage in gallons during the day of maximum usage on the system as a whole, (d) usage in gallons during the hour of maximum usage on the day of maximum usage for the system, (e) average daily usage.

RESPONSE: Austin Water reads its retail and wholesale water meters once each month. No data is available for individual customer class maximum daily usage, maximum hourly usage, usage on the maximum day of the system, or usage during the maximum hour of the system. The table below provides the average daily usage information for each of the wholesale customers by dividing the total usage for each customer during the test year by 365 days.

Wholesale Customer	Total Water Usage During Test Year (Gallons)	Average Daily Usage (Gallons)
North Austin MUD #1	326,506,368	894,538
Northtown MUD	291,779,192	799,395
Travis County WCID #10	827,352,816	2,266,720
Wells Branch MUD	481,285,700	1,318,591
Creedmore-Maha WSC	68,337,400	187,226
High Valley WSC	5,682,200	15,568
Manor, City of	3,000	8
Mid-Tex Utilities	52,126,000	142,811
Morningside Subdivision	2,120,500	5,810
Night Hawk WSC	14,039,100	38,463
Rivercrest WSC	136,388,000	373,666
Rollingwood, City of	135,062,800	370,035
Southwest Water Company	1,299,000	3,559
Sunset Valley, City of	98,722,000	270,471
San Leanna, Village of	4,620,000	12,658

Prepared by: David Anders
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AUSTIN WATER'S RESPONSE TO
COMMISSION STAFF'S FOURTH RFI

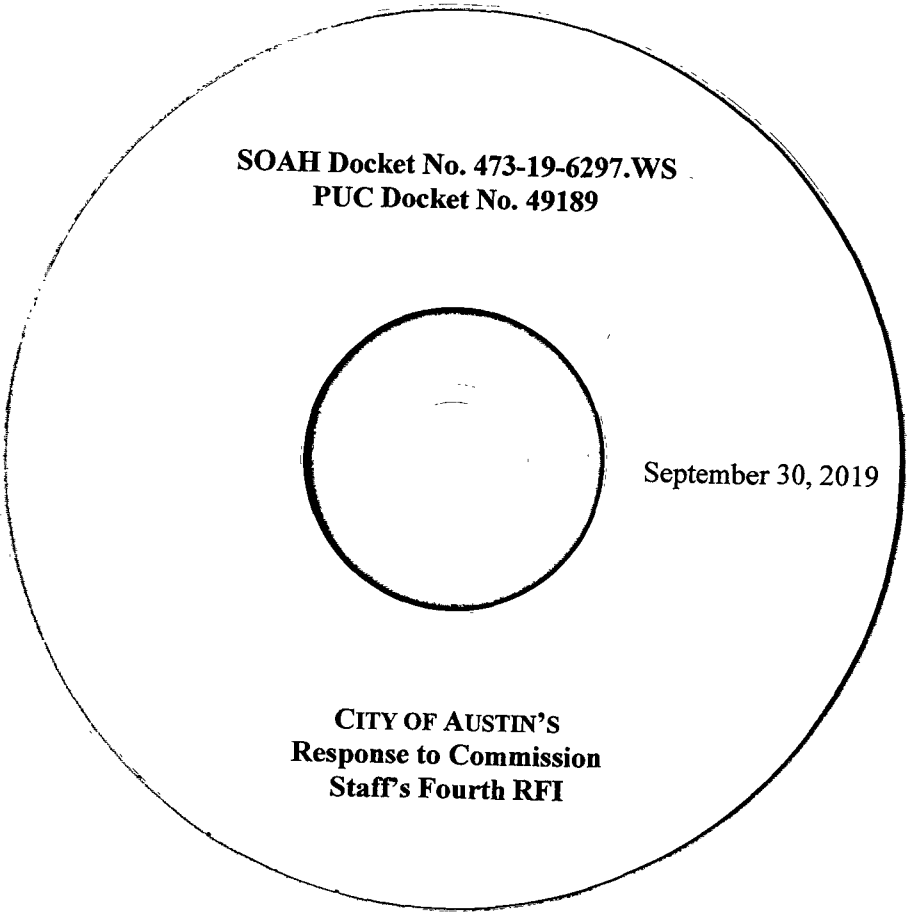
Staff 4-24 For retail customers considered as a whole and for each month of the test year, provide (a) the maximum daily usage in gallons, (b) the maximum hourly usage in gallons, (c) usage in gallons during the day of maximum usage on the system as a whole, (d) usage in gallons during the hour of maximum usage on the day of maximum usage for the system, (e) average daily usage.

RESPONSE: Austin Water reads its retail and wholesale water meters once each month. No data is available for individual customer class maximum daily usage, maximum hourly usage, usage on the maximum day of the system, or usage during the maximum hour of the system. The table below provides the average daily usage information for each of the retail customer classes by dividing the total usage for each customer during the test year by 365 days.

Retail Customer Class	Total Water Usage During Test Year (Gallons)	Average Daily Usage (Gallons)
Residential	14,020,192,990	38,411,488
Residential CAP	1,117,105,979	3,060,564
Multi-Family	9,967,823,608	27,309,106
Commercial	11,172,170,103	30,608,685
NXP – Ed Bluestein	383,481,443	1,050,634
NXP – William Cannon	245,887,629	673,665
Samsung	2,388,967,216	6,545,116
Novati	69,968,041	191,693
University of Texas	416,344,742	1,140,671

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

ATTACHMENTS PROVIDED ON CD



- AW STAFF 4-6, Attachment 1-Water_NARUC_Codes.xlsx
- AW STAFF 4-6, Attachment 2-BACKUP-Water_NARUCs_Codes.xlsx
- AW STAFF 4-7, Attachment 1-Wastewater_NARUC_Codes.xlsx
- AW STAFF 4-7, Attachment 2-BACKUP-Wastewater_NARUCs_Codes.xlsx
- AW Staff 4-10, Attachment 1-Water Transmission Mains 01 01 2018.xlsx
- AW Staff 4-15, Attachment 1- Flow Report Test Year 2017-18.pdf
- AW Staff 4-15, Attachment 2- Flow Report August 2018.pdf
- AW Staff 4-16, Attachment 1 - Water Treatment Flows.xlsx
- AW Staff 4-19, Attachment 1-Utility Criteria Manual Sec 2.9.2.pdf
- AW Staff 4-21, Attachment 1-Response 09 24 2019.xlsx