



## Filing Receipt

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**Control Number - 50197**

**ItemNumber - 77**

**DOCKET NO. 50197**

**APPLICATION OF TIMBERCREST  
PARTNERS LLC FOR RATE CHANGE**

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**BEFORE THE  
PUBLIC UTILITY COMMISSION  
OF TEXAS**

**TIMBERCREST PARTNERS LLC RESPONSE TO COMMISSION STAFF'S  
SEVENTH REQUESTS FOR INFORMATION**

Timbercrest Partners LLC (Timbercrest) files this Response to Commission Staff's Seventh Requests for Information (RFIS). Timbercrest stipulates that these RFIs may be treated as if filed under oath.

Respectfully submitted,  
Shea & Associates, PLLC

By: /s/ Tammy Shea  
Tammy Wavle-Shea  
State Bar No. 24008908  
400 N Sam Houston Pkwy E, Suite 413  
Houston, Texas 77060  
Telephone: (832) 542.7824  
Facsimile: (832) 565.8639 Email:  
tshea@tshealaw.com

**ATTORNEYS FOR TIMBERCREST  
PARTNERS LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of this document will be served on all parties of record on August 31, 2022 in accordance with the Commission's Order in Docket 50197.

/s/ Tammy Shea  
Tammy Shea

**SOAH DOCKET NO. 473-21-2237.WS  
PUC DOCKET NO. 50197**

**TIMBERCREST PARTNERS, LLC'S  
RESPONSE TO COMMISSION STAFF'S SEVENTH REQUEST FOR INFORMATION  
QUESTION NOS. STAFF 7-1 THROUGH STAFF 7-19**

Staff 7-1 Please provide for Timbercrest a summary schedule showing total rate-case expenses by vendor within each discipline (legal, engineering, accounting, etc.) with subtotals for each month for which rate-case expense reimbursement is sought, broken down as follows: estimated expenses, expenses incurred and paid to date, expenses incurred and not paid to date, remaining estimated expenses, and specific areas of work by vendor.

Response : See Attachment 7.1

Prepared By: Chuck Loy and Tammy Shea  
Sponsored By: Chuck Loy and Tammy Shea



APPLICATION OF TIMBERCREST PARTNERS LLC FOR AUTHORITY TO CHANGE RATES  
Breakdown of Incurred and Estimated Rate Case Expenses

Employee/Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	12 Month Hours and Billed Only	Requested Rate Case				
														Billed Rates	Rate Consulting	Attorney	Engineer	
<b>2022</b>																		
								<b>Incurred Not Billed</b>	<b>Estimated</b>									
<u>GDS Associates</u>																		
Flowers, Camie								1.75	4.00	8.00	4.00	4.00	21.75	\$180				
Loy, Chuck	5.00					0.50	4.50	11.50	28.00	26.00	16.00	4.00	95.50	\$290				
<b>Total Hours</b>	<b>5.00</b>					<b>0.50</b>	<b>4.50</b>	<b>13.25</b>	<b>32.00</b>	<b>34.00</b>	<b>20.00</b>	<b>8.00</b>	<b>117.25</b>					
<b>Total Hourly Charges</b>	<b>\$1,425.00</b>					<b>\$145.00</b>	<b>\$1,305.00</b>	<b>\$3,650.00</b>	<b>\$8,840.00</b>	<b>\$8,980.00</b>	<b>\$5,360.00</b>	<b>\$1,880.00</b>	<b>\$31,585.00</b>			\$2,875.00		
<b>Misc Expenses</b>																		
<u>Shea &amp; Associates, PLLC</u>																		
Shea, Tammy	6.00					3.00	5.40	3.00	8.00	16.00	16.00	25.00	82.40	\$385				
<b>Total Hours</b>	<b>6.00</b>					<b>3.00</b>	<b>5.40</b>	<b>3.00</b>	<b>8.00</b>	<b>16.00</b>	<b>16.00</b>	<b>25.00</b>	<b>82.40</b>					
<b>Total Hourly Charges</b>	<b>\$2,310.00</b>					<b>\$1,155.00</b>	<b>\$2,079.00</b>	<b>\$1,155.00</b>	<b>\$3,080.00</b>	<b>\$6,160.00</b>	<b>\$6,160.00</b>	<b>\$9,625.00</b>	<b>\$3,234.00</b>			\$3,234.00		
<b>Misc Expenses</b>																		
														<b>Incurred and Paid</b>	<b>\$104,722</b>	\$77,941	\$22,956	\$3,825
														<b>Incurred Not Paid/Billed</b>	<b>\$4,805</b>	\$3,650	\$1,155	
														<b>Estimated</b>	<b>\$50,085</b>	\$25,060	\$25,025	
														<b>Total</b>	<b>\$159,612</b>	\$106,651	\$49,136	\$3,825

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Staff 7-2 Please provide for Timbercrest an explanation of the basis for any estimated rate-case expenses requested and when the estimated expenses are expected to be incurred.

Response: The estimated rate case expenses identified in Staff RFI 7-1 Attachment will be incurred through the issuance of a Final Order in this docket. The estimate reflects the nature of the work and the expected time required to prepare and respond to party pleadings, respond to discovery, the review of intervenor and Staff testimony, and the preparation of testimony. The estimate also reflects expected expenses incurred to prepare for and participate in a hearing on the merits, post-hearing briefing and pleadings, and other activities necessary to litigate this proceeding through the issuance of a final, appealable order.

Prepared By: Chuck Loy and Tammy Shea  
Sponsored By: Chuck Loy and Tammy Shea

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Staff 7-3            Please provide for Timbercrest an assurance that the total amounts provided in response to Staff 7-1 equal Timbercrest's total requested rate-case expenses.

Response:        Timbercrest requires detailed invoices for time spent on each case. These invoices can be kept on Confidential Exhibit 7-4. These invoices are based on time spent up to August 15th, 2022. Detailed invoices will be updated monthly until conclusion of this case.

Prepared By:    Chuck Loy and Tammy Shea

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Staff 7-4      Please provide supporting documentation, including but not limited to paid invoices, receipts, timesheets, work descriptions, etc. to support all of the rate-case expenses that Timbercrest seeks to recover in this case.

Response :      See Staff 7-4 Attachment

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Staff 7-5      Please provide a detailed schedule of, and justification for, each individual whose hourly billing rate is \$500 an hour or greater. The schedule should include the vendor's name, individual's name, individual's title, number of hours billed, and specific work hours.

Response :      Not applicable

Prepared By:    Chuck Loy  
Sponsored By:   Chuck Loy

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Staff 7-6        Please provide an affidavit signed by each professional stating that the rate charged is the normal hourly billing rate charged by the professional, is comparable to the hourly rate charged by other professionals for similar services provided to other Texas utilities and is the normal hourly billing rate charged by the professional for services to non-regulated entities.

Response :      See Staff RFI 7-6 Attachment (a), Please note the Affidavit of Tammy Shea will be submitted tomorrow as Staff RFI 7-6 Attachment (b)

Prepared By:    Chuck Loy and Tammy Shea  
Sponsored By:   Chuck Loy and Tammy Shea

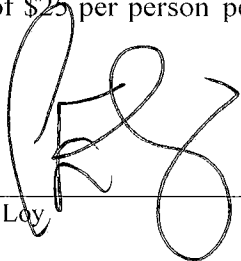
STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS       §

**AFFIDAVIT OF CHARLES LOY**

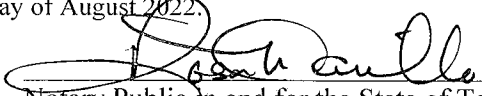
Before me, the undersigned authority, on this date personally appeared Charles Loy known to me to be the person whose name is subscribed below, and being by me first duly sworn, stated upon oath as follows:

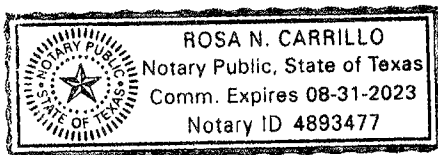
1. "My name is Charles Loy I am over 18years of age, of sound mind, and fully competent to make this affidavit. Each statement of fact herein is true and of my own personal knowledge.
2. I am a principal in GDS and Associates, Inc. ("GDS") a firm engaged in rate and regulatory consulting services to public and investor-owned utilities, state regulatory Commissions and industry. I am a Certified Public Accountant have worked for utilities providing water, sewer and gas services in a managerial capacity. I have extensive experience preparing and presenting expert testimony before a number of regulatory agencies addressing revenue requirements, customer class cost allocations and rate design for water, sewer, gas and electric utilities.
3. I was retained by Timbercrest Partners LLC ("Timbercrest" or the "Company") to prepare and support the *Application of Timbercrest Partners LLC for Authority to Change Rates* in Docket No. 50197. This includes the accounting and ratemaking expertise required to complete and present the application and providing direct and rebuttal testimony if needed.
4. In Docket No. 50197, my services and the services of GDS were reasonable and necessary for the preparation, presentation and defense of Timbercrest's rate change request. To date, the services performed include the following: developing an Original Cost Study to support utility plant valuations presented in the application; analyzing the mobile home park's accounting records in order to identify direct and indirect costs associated with the utility; functionalizing the identified utility costs by water and sewer service; the development of separate revenue requirements for water and sewer service; developing a customer class cost of service study to determine separate revenue requirements for the residential and commercial classes for water and sewer, developing a reasonable rate design for each class under each service; assembling and populating the PUC required rate application and data requirements, developing the new proposed tariffs, assisting with the rate increase notice, consultation with the attorneys and clients on various matters; developing responses to seven sets of data requests; and attending meetings, telephone conferences, mediations with attorneys, clients and Staff as needed.
5. Depending on the course and resolution of Docket No. 50197, the services likely to be performed will also include responding to additional discovery, the preparation of Direct and Rebuttal testimony and the preparation for and participation in a hearing on the merits.
6. I have reviewed the billings submitted by GDS for expert and consultant services performed in Docket No. 50197, and I affirm that those billings accurately reflect the time spend and expenditures incurred by myself, and others at GDS, on Timbercrest Partners LLC behalf. The rate charged by each professional of GDS is the normal hourly billing rate charged by each professional for other matters, is comparable to the hourly rate charged by other professionals for similar services provided to other Texas Utilities and is the normal hourly billing rate charged by the professionals of GDS for services to non-regulated entities.

7. The charges and rates of GDS are reasonable and consistent with those billed by others for similar work, and the rates charged by GDS professionals that worked on this matter are comparable to rates charged by other professionals with the same level of expertise and experience and commensurate with the complexity of the issues in this proceeding. The calculation of the charges is correct and there was no duplication of services and no double billing of charges.
8. The hours spent to perform the tasks assigned to myself and to each GDS professional working on Docket No. 50197 were reasonable and necessary to complete the required tasks in a professional manner on a timely basis. The nature of work was appropriate given my professional and expert training and experience in utility rate making and regulatory proceedings.
9. The amount of expenses and fees charged by GDS in Docket No. 50197 are commensurate to the size and complexity of the issues addressed. In particular, in this unusually complex rate matter involving a utility embedded within a mobile home park.
10. No single professional of GDS billed in excess of 12 hours in a single day.
11. No professional of GDS has billed for charges that result from hotel or lodging
12. No portion of GDS fees or expenses is or will be from the use of a non-commercial aircraft or first-class air travel commercial aircraft or first-class air travel.
13. No portion of GDS fees or expenses is or will be for luxury items, such as limousine service, sporting events, alcoholic beverages, gourmet coffee, bottled water, hotel movies, satellite radio, or other entertainment.
14. No portion of GDS fees or expenses are in excess of \$25 per person per meal.

  
\_\_\_\_\_  
Charles Loy

SWORN AND SUBSCRIBED before me on this 31 day of August 2022.

  
\_\_\_\_\_  
Notary Public in and for the State of Texas



**TIMBERCREST PARTNERS, LLC'S  
RESPONSE TO COMMISSION STAFF'S SEVENTH REQUEST FOR INFORMATION  
QUESTION NOS. STAFF 7-1 THROUGH STAFF 7-19**

Staff 7-7      Please provide a detailed schedule of, and justification for, and charges included in requested rate-case expenses that result from a single person billing in excess of 12 hours per day.

Response :      For invoices provided to date, no charges included in requested rate-case expense result from a single person billing in excess of 12 hours per day.

Prepared By:    Chuck Loy

Sponsored By:  Chuck Loy and Tammy Shea

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Staff 7-8      Prior to submission of rate-case expenses to the Commission, did Timbercrest perform a detailed review of all rate-case expenses (including internal expenses, as well as outside consultants' expenses) to:

- (a.) Determine that invoice terms and amounts are in agreement with contract specifications?
- (b.) Determine that contract limits have not been exceeded?
- (c.) Determine that adequate supporting documentation was provided for each charge for professional or secretarial services, travel expenses, and miscellaneous expenses (consistent with documentation requirements specified above)?
- (d.) Verify the mathematical accuracy of each invoice?
- (e.) Determine that the calculation of the charges is correct?
- (f.) Determine that the individual charges and rates are reasonable?
- (g.) Determine that the amount of each service (e.g. number of hours billed) is reasonable?
- (h.) Determine that there is no double-billing of charges?
- (i.) Determine that each invoice was approved for payment by an appropriate person before payment was actually made?

For each item listed above, please describe in detail the procedures for making such a determination.

Response :      Prior to payment of compensation to experts, Timbercrest does a multi- faceted review to include budgeting, quality control, and a determination that time was actually spent on each item. The accounting department verifies each invoice to assure accuracy and to assure no double billing. Finally, the determination of the rate is determined at the inception of the case. In short, the company reviews all invoices prior to making payment to an outside vendor and follows the steps listed on items (a) through (i) above to ensure that the invoices are reasonable and warrant payment.

Prepared By:    Chuck Loy  
Sponsored By:   Chuck Loy

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Staff 7-9            Prior to submission of rate-case expenses to the Commission, did Timbercrest perform a detailed review of all rate-case expenses (including internal expenses, as well as outside consultants' expenses) to:

- (a.) Determine that none of the charges included in requested rate-case expenses have been included in other cost of service amounts included in the rate filing package?
- (b.) Determine that none of the charges included in requested rate-case expenses should have been directly assigned to other functions?
- (c.) Determine that any allocation of charges between functions is reasonable?
- (d.) Determine that none of the charges included in requested rate-case expenses have been recovered through reimbursement for other expenses?

For each item listed above, please describe in detail the procedures for making such determination.

Response :        The series of questions above are not applicable since all rate case expenses requested in the proceeding by the Company will be collected through a surcharge. Further, since rate case costs will be collected via a surcharge their allocation between services and classes will be determined according to the Order approving the surcharge.

Prepared By:    Chuck Loy  
Sponsored By:   Chuck Loy

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Staff 7-10 For each category of rate-case expenses specified in the Summary of Rate-Case Expense Schedule requested in Staff 7-1, please provide a schedule of all exceptions noted upon any review of the rate-case expenses that was performed as described in Staff 7-8 and Staff 7-9 above. The schedule should be presented in the following format:

i. Vendor ID Invoice No. Explanation of Exception How Cleared

Response : Not applicable

Prepared By: Chuck Loy

Sponsored By: Chuck Loy



**TIMBERCREST PARTNERS, LLC'S  
RESPONSE TO COMMISSION STAFF'S SEVENTH REQUEST FOR INFORMATION  
QUESTION NOS. STAFF 7-1 THROUGH STAFF 7-19**

Staff 7-11      Is any amount or retainer withheld from payments to outside consultants? If yes, please provide details.

Response :      No

Prepared By:    Chuck Loy

Sponsored By:   Chuck Loy

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Staff 7-12 Does Timbercrest have the contractual right to perform audits of consultants' expenses?

If Timbercrest does have this right, has it audited any consultants currently included in requested rate-case expenses?

If so, please identify the consultants audited, the procedures performed, and the results of the audit. If Timbercrest does have this right and has not performed any audits, why not?

Response : No, however both firms have a "open door" policy of allowing any client to review and verify charges billed.

Prepared By: Chuck Loy and Tammy Shea

Sponsored By: Chuck Loy and Tammy Shea

**TIMBERCREST PARTNERS, LLC'S  
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Staff 7-13      Please list individually by entity, person, and amount, any salaries, wages, employee benefits, or other payroll-related items that are included in requested rate-case expenses.

Response :      Not applicable

Prepared By:    Chuck Loy

Sponsored By:  Chuck Loy

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Staff 7-14      Has Timbercrest excluded all expenses that are included in another component of the requested cost of service for this docket (such as payroll or lease expense included in the historic test year) from its requested rate-case expenses?

If not, please provide a schedule listing these expenses and a detailed explanation of why they are not excluded.

Response :      Yes.

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Sponsored By:   Chuck Loy

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Staff 7-15      Are any charges included in requested rate-case expenses for legal or other services provided by Timbercrest's employees or its affiliate's employees?

If yes, please provide a schedule by employee showing the total amount included in rate-case expenses, and a detailed description of how the amount was determined (e.g. based on actual salary, based on comparable outside consultants' billing rates, etc.).

Please provide a justification for any charges in excess of your actual costs.

Response :      No.

Prepared By:    Chuck Loy  
Sponsored By:  Chuck Loy

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Staff 7-16 Are any of Timbercrest's or its consultant's internal overhead charges included in requested rate-case expenses?

If yes, please provide a schedule by type of overhead expense showing the total amount(s) included in rate-case expenses and a detailed description of how the amount(s) was determined (e.g. based on actual costs, based on market prices, etc.).

Please provide justification for any charges in excess of actual costs.

Response : No. All charges for copies, conference call fees, etc. have been excluded from requested rate case expenses.

Prepared By: Chuck Loy  
Sponsored By: Chuck Loy

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Staff 7-17      Please identify and list any charges included in the requested rate-case expenses that are contingent upon a certain outcome. For example, any payments, bonuses or incentives based on a specific event or result would be included in this schedule. Conversely, any reimbursements that Timbercrest will receive due to a negative outcome would also be included.

Response :      Not applicable.

Prepared By:    Chuck Loy

Sponsored By:   Chuck Loy

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- Staff 7-18      Please provide evidence and testimony or affidavits showing the reasonableness of the cost of all professional services included in rate-case expenses, including but not limited to:
- (a.)      The nature, extent, and difficulty of the work done by the attorney or other professional in the rate case;
  - (b.)      The time and labor required and expended by the attorney or other professional;
  - (c.)      The fees or other consideration paid to the attorney or other professional for the services rendered;
  - (d.)      The expenses incurred for lodging, meals and beverages, transportation, or other services or materials;
  - (e.)      The nature and scope of the rate case, including:
    - (i)      The size of the utility and number and type of consumers served;
    - (ii)     The amount of money or value of property or interest at stake;
    - (iii)    The novelty or complexity of the issues addressed;
    - (iv)    The amount and complexity of discovery.
    - (v)    The occurrence and length of a hearing; and
    - (vi)    The specific issue or issues in the rate case and the amount of rate- case expenses reasonably associated with each issue.

Response :      Please see the Companies response to Staff 7-6.

Prepared By:    Chuck Loy  
Sponsored By:  Chuck Loy



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Staff 7-19      Please provide a copy of all engagement letters or contracts for services between Timbercrest and all professionals and attorneys for which rate-case expense recovery is requested. To the extent that outside counsel engaged consultants for professional services related to this proceeding, please provide copies of the applicable engagement letters or contracts.

Response :      See Attachment 7-19.

Prepared By:    Chuck Loy  
Sponsored By:   Chuck Loy