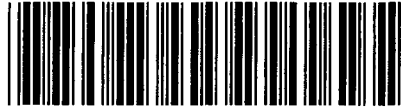




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Addendum StartPage: 0

SOAH DOCKET NO. 473-20-3110.WS

PUC DOCKET NO. 50200

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APPLICATION OF UNDINE TEXAS, §
LLC AND UNDINE TEXAS §
ENVIRONMENTAL, LLC FOR §
AUTHORITY TO CHANGE RATES

BEFORE THE PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
PUBLIC UTILITY COMMISSION
OF TEXAS

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Undine Texas, LLC and Undine Texas Environmental, LLC (together, Undine) file this Response to the Second Request for Information (RFI) filed by the Staff of the Public Utility Commission of Texas (Staff). The discovery request was received by Undine on March 17, 2020; therefore these responses are timely filed. Pursuant to 16 Tex. Admin. Code (TAC) § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

The following file is confidential and will be provided electronically on the CD attached to this filing:

CONFIDENTIAL Attachment Staff 2-8 2018 Corp Overhead Allocation to CAPEX and Elim Bus Dev

If a responsive document exceeds 99 pages, the response will indicate that the attachment is voluminous. Voluminous documents will be provided electronically, and pursuant to 16 TAC § 22.144(h)(2), the document will be made available for inspection at the offices of Undine's attorneys, Lloyd Gosselink Rochelle and Townsend, P.C., located at 816 Congress Avenue, Suite 1900, Austin, Texas 78701. Please call Hanna Campbell at 512-322-5871 during regular business hours, to make an appointment to review the documents.

Pursuant to 16 TAC § 22.144(h)(4), an index of the voluminous documents is provided, below.

1890

VOLUMINOUS INDEX

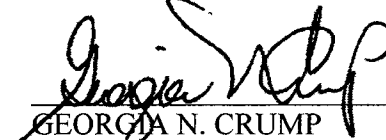
1. Attachments to Undine's Response to Staff's Second RFI

No.	Date	Title or Description	Preparer or Sponsor	Page Range	No. of Pages
2-7	April 6, 2020	Attachment Staff 2-7 Contract Services Invoices	Prepared by: Benny Wilkinson; Sponsored by: Edward R. Wallace, Sr.	1-2,846	2,846

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900
Austin, Texas 78701
(512) 322-5800
(512) 472-0532 (Fax)
gcrump@lglawfirm.com
jmauldin@lglawfirm.com



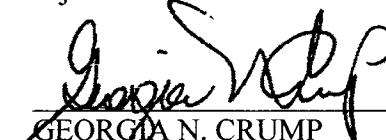
GEORGIA N. CRUMP
State Bar No. 05185500

JAMIE L. MAULDIN
State Bar No. 24065694

ATTORNEYS FOR UNDINE TEXAS, LLC AND
UNDINE TEXAS ENVIRONMENTAL, LLC

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on April 2, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.



GEORGIA N. CRUMP

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-1 Reference Schedule WP-III-2, Orbit tab, Line 935, Transmission and Distribution Plant, Various, Net Plant: \$9,955.19. Provide receipts or an explanation and including the calculation for the Net Plant amount.

RESPONSE: The \$9,955.19 of net plant is based on the original inventory amount of \$11,884.73 less depreciation of \$1,929.54. Accumulated depreciation was calculated by taking the age at 9/30/19 of 3.2471 yrs. divided by the average life for Services of 20 years and multiplying by the original cost of \$11,884.73. The original inventory for Orbit was provided in response to OPUC 1-13.

Prepared by: Donald J. Clayton
Sponsored by: Donald J. Clayton

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-2 Reference Schedule WP-III-2, Suburban tab, Line 24, Source of Supply, Beaumont Place, leak on main line at 13235 Kinsman, Net Plant \$1,611.68. Provide receipts or an explanation and include the calculation for the Net Plant amount.

RESPONSE: The 1,611.68 of net plant is based in an invoice value of \$1,326, allocated overhead of \$318.55 (24.023% for July to October 2018) and calculated accumulated depreciation of \$32.87. Accumulated depreciation was calculated by taking the age at 9/30/19 of 0.9993 yrs. divided by the average life for Mains of 50 years and multiplying by the original cost of \$1,644.55 (\$1,326.00 + \$318.55). Invoice 472 in the amount of \$1,326.00 is attached as Attachment Staff 2-2.

Prepared by: Donald J. Clayton
Sponsored by: Donald J. Clayton

Utility Group of Texas, LLC

10130 Scenic Drive
Port Richey, FL 34668

Invoice

Date	Invoice #
10/10/2018	472

BILL TO
UNDINE TEXAS, LLC 10913 Metronome Dr. Houston, Texas 77043

SHIP TO

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
11420302	Due on receipt		10/10/2018			

Quantity	Item Code	Description	Price Each	Amount
		<p>Beaumont Place 13235 KINSMAN CUSTOMER STATES THAT THEIRS A LEAK BY THE STREET AT HER HOUSE, SHE CLAIMS SHE HAS A LOT OF DITCHES FULL OF WATER.</p> <p>I found that the leak is coming from the main line approximately a foot and a half from the road. Construction will be needed for this leak. I believe it is a 2-inch main PVC approximately 3 feet down</p> <p>Utility Group of Texas Called out for leak on main line. The service line was pulled out of the tap slightly causing leak. Replaced plastic saddle with metal banded saddle. Installed brass corp stop and ran 1" poly line, reconnected to the service line. Restored water service to customer, checked for leaks and back-filled.</p>		
	Billable	Billable Services <i>Suburban</i>	\$1,326.00	1,326.00
<p>POSTED 10/10/18 9/30/18</p>				
<p><i>309-SURVY MAINS</i></p>			Total	\$1,326.00 ✓

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-3 Reference Schedule WP-III-2, Suburban tab, Line 25, Source of Supply, Castlewood, AC main break at 2700 Balmorhea Ave, Net Plant \$3,270.77. Provide receipts or an explanation and include the calculation for the Net Plant amount.

RESPONSE: The 3,270.77 of net plant is based in an invoice value of \$2,691, allocated overhead of \$646.47 (24.023% for July to October 2018) and calculated accumulated depreciation of \$66.70. Accumulated depreciation was calculated by taking the age at 9/30/19 of 0.9993 yrs. divided by the average life for Mains of 50 years and multiplying by the original cost of \$3,337.47 (\$2,691.00 + \$646.47). Invoice 467 in the amount of \$2,691.00 is attached as Attachment Staff 2-3.

Prepared by: Donald J. Clayton
Sponsored by: Donald J. Clayton

Utility Group of Texas, LLC
 10130 Scenic Drive
 Port Richey, FL 34668.

Invoice

Date	Invoice #
10/10/2018	467

Bill To
UNDINE TEXAS, LLC 10913 Metronome Dr. Houston, Texas 77043

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
11565174	Due on receipt		10/10/2018			

Quantity	Item Code	Description	Price Each	Amount
1	Billable	Castlewood 2700 Balmorhea Ave, Houston, TX, 77039 3" AC main break in front of 2718 Connorvale Rd. Made Repair on 9/10/18 to restore water to community. Pipe split further down main and returned on 9/11/18 and completed removal of another 10' of pipe. Billable Services provided by USW <i>Suburban</i> POSTED 10/17/18 9130 309- SUPPLY MAINS	2,691.00	2,691.00
Total				\$2,691.00

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-4 Reference Schedule WP-III-2, Suburban tab, Line 26, Source of Supply, Beaumont Place, repair main break at 12907 Gladden Dr, Net Plant \$1,348.44. Provide receipts or an explanation and include the calculation for the Net Plant amount.

RESPONSE: The 1,348.84 of net plant is based in an invoice value of \$1,109.75, allocated overhead of \$266.60 (24.023% for July to October 2018) and calculated accumulated depreciation of \$27.51. Accumulated depreciation was calculated by taking the age at 9/30/19 of 0.9993 yrs. divided by the average life for Mains of 50 years and multiplying by the original cost of \$1,376.35 (\$1,109.75 + \$266.60). Invoice 463 in the amount of \$1,109.75 is attached as Attachment Staff 2-4.

Prepared by: Donald J. Clayton
Sponsored by: Donald J. Clayton

Utility Group of Texas, LLC
 10130 Scenic Drive
 Port Richey, FL 34668

Invoice

Date	Invoice #
10/10/2018	463

Bill To
UNDINE TEXAS, LLC 10913 Metronome Dr. Houston, Texas 77043

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
11439493	Due on receipt		10/10/2018			

Quantity	Item Code	Description	Price Each	Amount
1	Billable	Beaumont Place Beaumont place: 12907 GLADDEN dr- customer called in stating that water was coming out of the ground. I found it to be a main break, 3" unknown type approximately 3 feet down and 3 ft from the road. This is an emergency repair. Contacted Bryana's Services to fix leak. Replaced all 3/4" Cis service line from 6" CI pipe to meter. Billable Services Suburban POSTED 10/17/18 9130 309- SUPPLY MAINS	1,109.75	1,109.75
Total				\$1,109.75

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-5 Reference Schedule WP-III-2, Suburban tab, Line 149, Transmission and Distribution Plant, Reservoir Acres, main repair at 8021 Errington, Net Plant \$1,011.59. Provide receipts or an explanation and include the calculation for the Net Plant amount.

RESPONSE: The 1,011.59 of net plant is based in an invoice value of \$835.08, allocated overhead of \$200.61 (24.023% for July to October 2018) and calculated accumulated depreciation of \$24.10. Accumulated depreciation was calculated by taking the age at 9/30/19 of 1.1636 yrs. divided by the average life for Mains of 50 years and multiplying by the original cost of \$1,035.69 (\$835.08 + \$200.61). Invoice 0818-Suburban in the amount of \$835.08 is attached as Attachment Staff 2-5.

Prepared by: Donald J. Clayton
Sponsored by: Donald J. Clayton

August 27th, 2018

Undine Texas LLC
 10913 Metronome Drive
 Houston, TX 77043

INVOICE

Invoice Number 0818 - Suburban

Additional compensation as per
 Professional Services Agreement dated January 17th, 2018

Billing in accordance with section 8.2.

August 2018	Amount
11055242 - Reservoir Acres - 8021 Errington - Water Main Repair Labor: \$495.00 / Parts: \$340.08	\$ 835.08
11142860 - Castlewood - 2818 Verhalen Ave - Water Leak Labor: \$577.50 / Parts: \$371.73	\$ 949.23
11144254 - Castlewood - 2514 Lauder Rd #B - Turn on Parts: \$57.20	\$ 57.20
11149089 - Beaumont Place - 13305 Flagstaff - Water Main Repair Labor: \$1086.25 / Parts: \$51.18	\$ 1,137.43
11182906 - Castlewood - Water Plant - Equipment Repair Truck: \$16.50	\$ 16.50
Total of this invoice: \$ 2,995.44	

Please deliver payment as follows:
 Utility Partners LLC
 8900 109th Ave N, Suite 1000
 Champlin, MN 55316

[Handwritten signature]
[Handwritten initials]
 8/31/18

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-6 Reference Schedule WP-III-2, Suburban tab, Line 150, Transmission and Distribution Plant, Cypress Bend, main line repair at 13305 Flagstaff, Net Plant \$1,377.85. Provide receipts or an explanation and include the calculation for the Net Plant amount.

RESPONSE: The 1,377.85 of net plant is based in an invoice value of \$1,137.43, allocated overhead of \$273.25 (24.023% for July to October 2018) and calculated accumulated depreciation of \$32.83. Accumulated depreciation was calculated by taking the age at 9/30/19 of 1.1636 yrs. divided by the average life for Mains of 50 years and multiplying by the original cost of \$1,410.68 ($\$1,137.43 + \273.25). Invoice 0818-Suburban in the amount of \$1,137.43 is attached as Attachment Staff 2-6.

Prepared by: Donald J. Clayton
Sponsored by: Donald J. Clayton



August 27th, 2018

Undine Texas LLC
10913 Metronome Drive
Houston, TX 77043



INVOICE

Invoice Number 0818 - Suburban

Additional compensation as per
Professional Services Agreement dated January 17th, 2018

Billing in accordance with section 8.2.

August 2018	Amount
11055242 - Reservoir Acres - 8021 Errington - Water Main Repair Labor: \$495.00 / Parts: \$340.08	\$ 835.08
11142860 - Castlewood - 2818 Verhalen Ave - Water Leak Labor: \$577.50 / Parts: \$371.73	\$ 949.23
11144254 - Castlewood - 2514 Lauder Rd #B - Turn on Parts: \$57.20	\$ 57.20
11149089 - Beaumont Place - 13305 Flagstaff - Water Main Repair Labor: \$1086.25 / Parts: \$51.18	\$ 1,137.43
11182906 - Castlewood - Water Plant - Equipment Repair Truck: \$16.50	\$ 16.50
Total of this invoice: \$ 2,995.44	

Please deliver payment as follows:
Utility Partners LLC
8900 109th Ave N, Suite 1000
Champlin, MN 55316

[Handwritten signature]
[Handwritten initials]
8/31/18

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-7 Reference Schedule II-3 Operating Exp(W), Contract Work totaling \$1,892,180. Provide all documentation, including but not limited to, invoices and work orders to support the requested total amount. Please also separate documentation per system (i.e., Orbit Water, Suburban, etc.).

RESPONSE: Invoices and other support for the actual test year charges in Contract Work is provided in Attachment Staff 2-7 by individual utility. Actual invoices detailed in the attachments for all utilities total \$1,850,465.73. Known and Measurable changes related to Gulf Coast and Chuck Bell utilities not being owned for the entire test year were included in WP I-1 (Line 7; Columns S-v) whereby Undine removed the test year actual expense of each utility and added the 2020 Budget for each utility for a combined change of \$41,714.01. The actual invoices of \$1,850,465.73 plus the Known and Measurable change for the two utilities not being owned for the entire test year of \$41,714.01 equal Total Adjusted Test Year Expenses for Contract Work (W) of \$1,892,179.74. The List of Contract Services shown in Attachment Staff 2-7 details the individual transactions (invoices, General Journals, etc.) by Company.

Attachment Staff 2-7 includes support for these expenses, such as invoices, General Journals, etc. This response is VOLUMINOUS and will be provided electronically or on CD.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Staff 2-8 Reference Schedule II-3 Operating Exp(W), Miscellaneous Known & Measurable (K&M) Change of \$1,847,182. Provide a detailed breakdown for the K&M changes.

RESPONSE: The \$1,847,182 is comprised of the following:

<u>Description</u>	<u>Amount</u>	<u>Reference</u>
Overhead Allocation	\$1,928,934.88	WP II-7
IRIS Communication	\$4,165.35	WP II-6
Accounting/Tax Services	\$41,547.35	WP II-6
Payroll to CAPEX Qtr 1-3	\$265,151.74	Confidential Staff Attachment 2-8; Tab-Payroll 1 st Qtr, Excel Column V, Row 171
Remove Bus Dev Payroll	(\$396,100.58)	Confidential Staff Attachment 2-8; Tab-Payroll 4 th Qtr, Excel Cell Column V, Row 181
Annualize Utilities Owned Less Than One Year	<u>\$3,483.33</u>	WP I-1; Line 20; Columns S-V
TOTAL	<u>\$1,847,182.07</u>	

The adjustment for payroll charged to CAPEX for Quarters 1-3 of 2018 is needed because the adjustment for all of 2018 was made in December 2018. This amount removes the amount for the first three quarters of 2018 from the adjustment, leaving only the adjustment for the 4th Quarter. Each quarter in 2019 has an appropriate adjustment. Therefore, there are adjustments for each of the four quarters during the test year.

See CONFIDENTIAL Attachment Staff 2-8. This response is CONFIDENTIAL and will be provided electronically or on CD.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-9 Reference Schedule II-3 Operating Exp(S), Miscellaneous K&M Change of \$581,576. Provide a detailed breakdown for the K&M changes.

RESPONSE: The \$581,576 is comprised of the following:

<u>Description</u>	<u>Amount</u>	<u>Reference</u>
Overhead Allocation	\$607,879.60	WP II-7
IRIS Communication	\$122.58	WP II-6
Accounting/Tax Services	\$13,093.12	WP II-6
Payroll to CAPEX Qtr 1-3	\$83,559.24	Confidential Staff Attachment 2-8; Tab-Payroll 1 st Qtr. Excel Cell Column V, Row 173
Remove Bus Dev Payroll	(\$124,826.12)	Confidential Staff Attachment 2-8; Tab-Payroll 4 th Qtr, Excel Cell Column V, Row 183
Annualize Utilities Owned Less Than One Year	<u>\$1,747.38</u>	WP I-1; Line 20; Columns E-H
TOTAL	<u>\$581,575.80</u>	

The adjustment for payroll charged to CAPEX for Quarters 1-3 of 2018 is needed because the adjustment for all of 2018 was made in December 2018. This amount removes the amount for the first three quarters of 2018 from the adjustment, leaving only the adjustment for the 4th Quarter. Each quarter in 2019 has an appropriate adjustment. Therefore, there are adjustments for each of the four quarters during the test year.

Prepared by: Benny Wilkinson
Sponsored by: Edward R. Wallace, Sr.

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-10 Provide copies of the depreciation schedules or other documents used to determine the original cost of the water assets acquired via sale, transfer, merger applications with the following: Orbit, Consumers, Suburban, Community, Chuck Bell, and Gulf Coast.

RESPONSE: The requested data has been provided in response to OPUC 1-13.

Prepared by: Donald J. Clayton
Sponsored by: Donald J. Clayton

SOAH DOCKET NO. 473-20-3110.WS

DOCKET NO. 50200

**UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC'S RESPONSE
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-11 Provide copies of the depreciation schedules or other documents used to determine the original cost of the sewer assets acquired via sale, transfer, merger applications with the following: Orbit, EMCAD, Bolivar Utility Services, and Gulf Coast.

RESPONSE: The requested data has been provided in response to OPUC 1-13.

Prepared by: Donald J. Clayton

Sponsored by: Donald J. Clayton