



Control Number: 50251



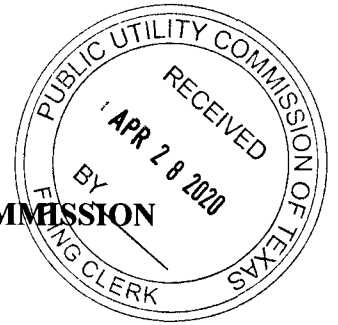
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DOCKET NO. 50251

**APPLICATION OF JRM WATER LLC §
AND CSWR-TEXAS UTILITY §
OPERATING COMPANY, LLC FOR §
SALE, TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN VICTORIA COUNTY §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**



**COMMISSION STAFF'S REDACTED SEOND REQUEST FOR INFORMATION
TO JRM WATER LLC AND CSWR-TEXAS UTILITY OPERATING COMPANY, LLC
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-7**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144 of the Commission's Procedural Rules, the Staff of the Public Utility Commission of Texas (Staff) requests that JRM Water LLC and CSWR-Texas Utility Operating Company, LLC (Applicants). by and through their attorneys 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: April 27, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Heath D. Armstrong
Managing Attorney

/s/ Rustin Tawater
Rustin Tawater
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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 28, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Rustin Tawater
Rustin Tawater

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**COMMISSION STAFF'S REDACTED SEOND REQUEST FOR INFORMATION
TO JRM WATER LLC AND CSWR-TEXAS UTILITY OPERATING COMPANY, LLC
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-7**

DEFINITIONS

- 1) "Applicants" or "you" refers to JRM Water LLC and CSWR-Texas Utility Operating Company, LLC and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

- 2) "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.

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**COMMISSION STAFF'S REDACTED SEOND REQUEST FOR INFORMATION
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QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-7**

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.

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**COMMISSION STAFF'S REDACTED SEOND REQUEST FOR INFORMATION
TO JRM WATER LLC AND CSWR-TEXAS UTILITY OPERATING COMPANY, LLC
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-7**

Staff 2-1 Please explain how CSWR, LLC and Subsidiaries plan to fund any future losses based on the losses incurred from 2015 through 2019 listed on the income statement provided in the original application on page 3 and 4 of 9 in Confidential Attachment G and listed below:



Staff 2-2 Please provide a five-year budget for CSWR, LLC and Subsidiaries (also known as Successor or US Water Systems LLC) beginning in 2020. Please explain in detail any and all assumptions and projections associated with this budget.

Staff 2-3 Reference the response to Staff-CSWR 1-4. Please confirm whether CSWR, LLC and its equity investor, Sciens Asset Management intend to execute a written agreement memorializing the financial commitment indicated on page 4 of 5 of Confidential Attachment B to First Supplement to Applicant of the application. If CSWR, LLC and Sciens Asset Management do not intend to execute a written agreement, please explain in detail why a written agreement is not being executed and how CSWR, LLC and Sciens Asset Management intend to provide proof of a binding agreement.

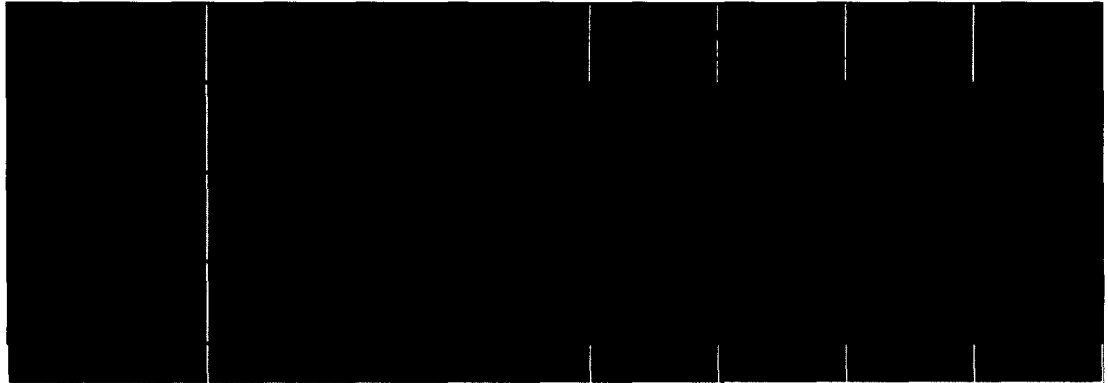
Staff 2-4 Please provide audited financial statements for Sciens Asset Management for the last three years.

Staff 2-5 Please provide an organizational chart showing the chain of ownership between CSWR, LLC and its ultimate parent company, including all entities in between.

Staff 2-6 Reference the definition of affiliated interest in TWC § 13.002(2). Please provide a list of all affiliates of CSWR, LLC.

Staff 2-7

Provide any and all documentation showing that there are sufficient funds available to cover cash shortages or provide cash infusions including the amounts listed below found on confidential page 4 of 6 in Attachment A filed on March 3, 2020:



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