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**SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788**

RATEPAYERS APPEAL OF THE	§	BEFORE THE STATE OFFICE
DECISION BY WINDERMERE OAKS	§	
WATER SUPPLY CORPORATION TO	§	OF
CHANGE WATER AND SEWER	§	
RATES	§	ADMINISTRATIVE HEARINGS

**COMMISSION STAFF’S EIGHTH REQUEST FOR INFORMATION TO
WINDERMERE OAKS WATER SUPPLY CORPORATION
QUESTION NOS. STAFF 8-1 THROUGH 8-10**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144 of the Commission’s Procedural Rules, the Staff (Staff) of the Public Utility Commission of Texas (Commission) requests that Windermere Oaks Water Supply Corporation by and through its representative of record, provide the following information and answer the following questions under oath. The questions 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 10 days if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. 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. 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 responses to the Requests for Information by filing with the Commission solely through the Interchange on the Commission’s website and provide notice, by email, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered by the presiding officer pursuant to the Second Order Suspending Rules in Project No. 50664.

Dated: December 14, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

Sneha Patel
Managing Attorney

/s/ Merritt Lander
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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 December 14, 2022 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Merritt Lander
Merritt Lander

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DEFINITIONS

- 1) "Windermere" or "you" refers to that Windermere Oaks Water Supply Corporation 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 your 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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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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- STAFF 8-1** Given the jury finding in *Rene French, John Richard Dial, Stuart Bruce Sorgen, Intervenor Plaintiffs, and as Representatives for Windermere Oaks Water Supply Corporation v. Friendship Homes & Hangars, LLC and Burnet County Commissioners Court, Windermere Water Supply Corporation et. al.* that Dana Martin breached her fiduciary duty to Windermere, has the Windermere Board of Directors indicated whether it intends to pursue recovery of the 2019 cost of Ms. Martin's legal defense from Ms. Martin? If so, when and how does the Board intend to attempt recovery of those costs?
- STAFF 8-2** Based on Ms. Martin's affirmation made under the Texas Business Organization Code stating that Ms. Martin would reimburse Windermere for any costs of defense if she was found to have breached her fiduciary duty to Windermere, what is the amount that Windermere is entitled to recover from Ms. Martin? Please explain and support with documentation.
- STAFF 8-3** Please reference Attachment MN-6 of the Rebuttal Testimony of Mike Nelson and WOWSC's response to Staff 6-1 and Staff 7-1. Please explain why the total water gallonage usage for the test year is a different amount in each of these three documents. Additionally, please identify the correct and proper monthly wastewater gallonage usage for each month of the test year.
- STAFF 8-4** Windermere's response to Staff 6-2 states that "WOWSC's appealed rates did not consider other revenue offsets primarily because the additional revenues were minimal and, therefore, not part of the TRWA rate analysis." For the test year, 2019, and the four years prior, 2015, 2016, 2017, and 2018, please state the amount recovered for each of the following categories: a) tap fees; b) stand-by fees; c) equity buy-in fees; and d) membership fees.
- STAFF 8-5** For the test year, for each amount listed above, please state whether the amount for a) tap fees; b) stand-by fees; c) equity buy-in fees; and d) membership fees was deducted from the revenue requirement used to set the appealed rates.
- STAFF 8-6** For the test year, 2019, and the four years prior, 2015, 2016, 2017, and 2018, what percentage of Windermere's total revenue came from each of the following categories: a) tap fees; b) stand-by fees; c) equity buy-in fees; and d) membership fees.

- STAFF 8-7** Please explain how the revenue from each of the following categories is allocated: a) tap fees; b) stand-by fees; c) equity buy-in fees; and d) membership fees. Please provide supporting documentation.
- STAFF 8-8** Are Windermere's rates designed to recover \$240,000 per year in legal and accounting expenses as reflected in the testimony of Mike Nelson, or are they designed to recover \$171,337 in legal and accounting expenses as reflected in the TRWA rate design?
- STAFF 8-9** If Windermere's rates are designed to recover only \$171, 337 in legal and accounting expenses, how did Windermere intend to recover the remaining \$68,663 necessary to meet its legal and accounting financial obligations? Please provide a detailed explanation and supporting documents.
- STAFF 8-10** If Windermere's rates are designed to recover \$240,000 in legal and accounting expenses, please provide a breakdown off the cost-of-service components included in Windermere's revenue requirement. Please provide a detailed explanation of and supporting documents for each component or explain where exactly in the record such information can be found.