



Control Number: 51544



Item Number: 9

Addendum StartPage: 0

DOCKET NO. 51544

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PUBLIC UTILITY COMMISSION  
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APPLICATION OF FRANKLIN § PUBLIC UTILITY COMMISSION  
WATER SERVICE CO. LLC AND §  
CSWR-TEXAS UTILITY OPERATING § OF TEXAS  
COMPANY, LLC FOR SALE, §  
TRANSFER, OR MERGER OF §  
FACILITIES AND CERTIFICATE §  
RIGHTS IN LUBBOCK COUNTY §

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO CSWR-TEXAS UTILITY OPERATING COMPANY, LLC  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

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 CSWR-Texas Utility Utility Operating Company, LLC 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 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 Order Suspending Rules in Docket No. 50664.

Dated: December 16, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Rashmin J. Asher  
Managing Attorney

/s/ Megan Chalifoux

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**DOCKET NO. 51544**

**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 16, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Megan Chalifoux

Megan Chalifoux

**DOCKET NO. 51544**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO CSWR-TEXAS UTILITY OPERATING COMPANY, LLC  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

**DEFINITIONS**

- 1) "Company" or "you" refers to 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 FIRST REQUEST FOR INFORMATION  
TO CSWR-TEXAS UTILITY OPERATING COMPANY, LLC  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

**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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QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

- Staff 1-1 Please provide the following:
- a) the most current bank statement reflecting the cash account balance of CSWR, LLC and Subsidiaries (CSWR);
  - b) the most recent year-to-date interim financial statements of CSWR for 2020; and
  - c) an explanation of how CSWR plans on moving to profitability and an estimate as to when CSWR will become profitable.
- Staff 1-2 Provide the specific reasons that CSWR is in a loss position. For each reason provide the dollar effect on annual revenues and the estimated dollar effect on revenues for the future two years.
- Staff 1-3 Provide supporting documentation showing funds exist, such as loan approval documents or cash, to pay for the following amounts as indicated on page 4 of confidential attachment G:
- a) total purchase price,
  - b) additional capital investments, and
  - c) equity investment contributions.