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**SOAH DOCKET NO. 473-22-07686 WS
PUC DOCKET NO. 52370**

APPLICATION OF EAST	§	BEFORE THE STATE OFFICE
HOUSTON UTILITIES, INC. FOR	§	OF
AUTHORITY TO CHANGE RATES	§	ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
EAST HOUSTON UTILITIES, INC.
QUESTION NOS. STAFF 1-1 THROUGH 1-11**

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 East Houston Utilities, Inc. 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 20 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: May 30, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Interim Division Director

/s/ Marisa Lopez Wagley
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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on May 30, 2023, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Marisa Lopez Wagley
Marisa Lopez Wagley

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
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DEFINITIONS

- 1) "East Houston" or "you" refers to that East Houston Utilities, Inc. 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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EAST HOUSTON UTILITIES, INC.
QUESTION NOS. STAFF 1-1 THROUGH 1-11**

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 FIRST REQUEST FOR INFORMATION TO
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QUESTION NOS. STAFF 1-1 THROUGH 1-11**

Financial Statements

Staff 1-1 Please provide copies of federal income tax returns which include East Houston's operations filed with the Internal Revenue Service (IRS) for 2019, 2020, and 2021.

Expenses

Staff 1-2 Please provide copies of invoices and other supporting documents for the following expenses:

a) Office Services & Rentals	\$ 3,876.00
b) Office Supplies & Expenses	\$ 1,243.99
c) Insurance	\$ 64.00
d) Regulatory Expense(other)	\$ 600.00
e) Bank Fees	\$ 1,244.42

Taxes Other Than Income Taxes

Staff 1-3 Please provide copies of assessments and billing statements that support the requested property tax expense of \$596.87.

Affiliates

Staff 1-4 Please provide a list of any expenses included in the cost of service requested in this application that were allocated or directly billed to East Houston from an affiliate. Provide the information by NARUC account.

Staff 1-5 Please provide a list of specific benefits and/or services that East Houston receives from its affiliated companies in return for the costs allocated and/or direct billed from the affiliate. Please identify the specific costs with the specific benefit or service.

Staff 1-6 Please provide the percentage and amount of every expense category (legal, human resources, IT, accounting, etc.) allocated and/or direct billed from the affiliated companies that were included in this rate change application.

- Staff 1-7** Please provide a copy of East Houston's cost allocation manual. If the cost allocation manual is not available, please describe in detail the methodology used to allocate costs to the affiliates and the different water and wastewater systems.
- Staff 1-8** Please provide a list of all companies owned by and the affiliates of East Houston, including but not limited to water and wastewater utility companies. Please include copies of an organizational chart demonstrating parent and affiliated companies, if any.
- Staff 1-9** Please provide a list of services, if any, provided by East Houston to any affiliate during the test year.
- Staff 1-10** For each of the expenses listed in response to **Staff 1-4**, please explain how the price charged to East Houston is no higher than the price charged to any third-party entity and provide supporting documentation demonstrating the prices charged to third party entities.

Rate-Case Expenses

- Staff 1-11** Does East Houston seek recovery of its rate-case expenses related to this proceeding? If yes, please provide the following information for all requested rate-case expenses, whether directly or indirectly incurred. If provided previously, please provide a cross-reference identifying the page number of the filing which contains this information.

Please provide for East Houston:

- a.) A Summary of Rate-Case Expenses 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. Please attach supporting invoices and receipts for all requested rate-case expenses incurred to date.
- b.) An explanation of the basis for any estimated rate-case expenses requested and when the estimated expenses are expected to be incurred.
- c.) Assurance that the total amounts provided in response to item (a) equal your total requested rate-case expenses.
- d.) Copies of third-party supporting documentation.