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DOCKET NO. 52445

APPLICATION OF HYDROTEX, LLC	§	PUBLIC UTILITY COMMISSION
FOR A CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY IN	§	OF TEXAS
LIBERTY COUNTY	§	

**COMMISSION STAFF’S FIRST REQUEST FOR INFORMATION TO
HYDROTEX, LLC
QUESTION NOS. STAFF 1-1 THROUGH 1-5**

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 Hydrotex, LLC 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: August 29, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

Marisa Lopez Wagley
Managing Attorney

/s/ Phillip Lehmann
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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 August 29, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Phillip Lehmann
Phillip Lehmann

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

- 1) "Hydrotex" or "you" refers to Hydrotex, 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 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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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
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QUESTION NOS. STAFF 1-1 THROUGH 1-5**

- Staff 1-1** Please admit or deny that SVAG Investments, LLC (SVAG) will provide the funding to construct and cover any operating shortages of HydroTex LLC (HydroTex).
- a. If admit, please provide supporting documentation that SVAG has substantial influence or control over the policies and actions of HydroTex LLC pursuant to the affiliate definition 16 TAC § 24.3(3)(F) or (G) such as articles of incorporation, minutes, written explanation and affidavit attesting to such control
 - b. If admit provide the articles of incorporation of SVAG and HydroTex.
- Staff 1-2** Please provide an organizational chart of all affiliated companies, including their legal names, that indicates the relationship between the affiliated companies and the owners' legal name. Please also include the ownership percentages for each.
- Staff 1-3** Please provide a notarized affidavit from SVAG and Sudharshan Vembutty that includes the following:
- a. a written guarantee indicating the ownership percentage of SVAG and HydroTex,
 - b. a written guarantee that SVAG is providing the funding to pay for the capital improvements and operations shortages for the first 5 years of HydroTex,
 - c. a written guarantee from Sudharsan Vembutty and SVAG pursuant to the affiliate requirements in 16 TAC § 24.11(e)(2)(E) and 16 TAC § 24.11(e)(3),
 - d. a written guarantee that SVAG is also capable, available, and willing to cover temporary cash shortages for HydroTex, and
 - e. a written guarantee affirming that the financial information provided accurately presents the financial condition of SVAG and HydroTex.
- Staff 1-4** Please provide a copy of the rate design and calculations used to determine the rates in the proposed tariff.
- Staff 1-5** Please provide SVAG's most recent financial statements for 2022.