



## Filing Receipt

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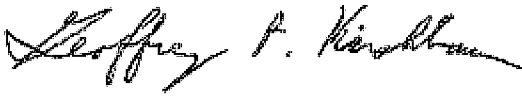
<b>CRYSTAL BLUFF GOAT RANCHES</b>	<b>§</b>	<b>BEFORE THE PUBLIC UTILITY</b>
<b>LLC's APPEAL OF THE COST OF</b>	<b>§</b>	
<b>OBTAINING SERVICE FROM</b>	<b>§</b>	<b>COMMISSION OF TEXAS</b>
<b>POSSUM KINGDOM WATER SUPPLY</b>	<b>§</b>	
<b>CORPORATION</b>	<b>§</b>	

**POSSUM KINGDOM WATER SUPPLY CORPORATION'S RESPONSE TO  
COMMISSION STAFF'S SECOND REQUESTS FOR INFORMATION**

To: Commission Staff, by and through its attorneys of record, Merritt Lander and Bradley Reynolds, Public Utility Commission of Texas, 1701 N. Congress Avenue, Austin, Texas 78711.

Possum Kingdom Water Supply Corporation (Possum Kingdom WSC) serves the following Responses to Commission Staff's Second Request for Information to Possum Kingdom Water Supply Corporation Question Nos. Staff 2-1 through Staff 2-2. Possum Kingdom WSC stipulates that the following responses to RFIs may be treated by all parties as if the answer was filed under oath.

Respectfully submitted,

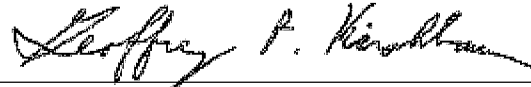
By: 

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**ATTORNEYS FOR POSSUM KINGDOM  
WATER SUPPLY CORPORATION**

## **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 May 31, 2022, in accordance with the Orders Suspending Rules filed in Project No. 50664.

A handwritten signature in black ink, reading "Geoffrey P. Kirshbaum". The signature is written in a cursive style with a horizontal line underneath it.

Geoffrey P. Kirshbaum

## **I. RESERVATION OF RIGHTS**

Possum Kingdom WSC incorporates each of the following into the individual responses made below and make the individual responses subject thereto.

1. No inadvertent production of any information or documents protected by the attorney-client privilege, work product doctrine, and/or any other applicable privilege or protection is intended to or shall operate as a waiver of these objections in whole or in part, and Possum Kingdom WSC reserves all its rights to seek the return, destruction, or other protection of such inadvertently produced information. Possum Kingdom WSC does not by its responses and objections waive any claim of privilege in whole or in part, or any right to object to any use of any document or information furnished by Possum Kingdom WSC.
2. The responses contained herein are based on information currently available and are subject to revision or supplementation upon further investigation and discovery. Possum Kingdom WSC reserves the right to use, and to rely upon at trial, subsequently discovered information, including without limitation fact and expert discovery. Possum Kingdom WSC further reserves the right to supplement or amend their responses to these Requests as necessary. Possum Kingdom WSC undertakes no obligation to supplement or amend their responses except as required by applicable law.
3. Possum Kingdom WSC reserves the right to challenge the appeal filed against it by Crystal Bluff Goat Ranches, LLC and that initiated this proceeding based on jurisdiction or any other basis before or when it files its response in this matter in accordance with the procedural schedule established for this docket by the presiding officer.
4. Each of Possum Kingdom WSC's specific responses, set forth below, is made subject to and without waiver of the foregoing.

## **RESPONSES TO REQUESTS FOR INFORMATION**

**STAFF RFI 2-1** Please provide an explanation for the use of the 0.5 Million Gallons per Day (MGD) Water Treatment Plant (WTP) expansion in calculating the amount of contribution in aid of construction (CIAC). Please explain why a developer having 12 meters would pay a CIAC amount of \$13,385 per meter for a WTP expansion that can serve 777 meters.

**RESPONSE:** The Reverse Osmosis (R/O) System upgrades in conjunction with the Micro-Filtration (MF) units come in 0.5 million gallons per Day (MGD) increments. In the cost estimate provided in response to Staff RFI 1-3, the next 0.5 MGD expansion is estimated from eHT (Jordan Hibbs) to be \$10.4M. *See* Bates No. PKWSC 000085.

The \$10.4M cost estimate from eHT (Jordan Hibbs) related to the cost to expand the current facility to add 0.5 MGD in capacity was estimated in January 12, 2021. The total estimated cost for the facility expansion, divided by the total number of connections that 0.5 MGD capacity increase would create, provides the capital in aid of construction (CIAC) cost per connection. The Board of Directors for PKWSC approved the \$13,385 per connection CIAC fee during the April 2021 PKWSC Board Meeting. *See* Bates No. PKWSC 000081 – PKWSC 000084.

The CIAC calculation is as follows:

TCEQ Alternative Capacity Requirement (“ACR”) is 0.38 gallons per minute (“GPM”) which equals 547 gallons per day (“GPD”) per meter.

The 85% rule is applied.

$(0.5 \text{ MGD} \times 0.85) / 547 \text{ GPD/meter} = 777 \text{ meters.}$

Estimated Cost of Expansion (\$10.4M) / 777 meters = \$13,385.00 CIAC cost per connection

Calculation based on developer request of 12 connections:  
 $\$13,385.00 \times 12 = \$160,620.00$

The developer would be responsible for the CIAC cost per connection related to the total number of connections being requested. In this case, the developer requested twelve (12) connections, therefore, the developer in this case would be responsible for CIAC times the number of requested connections as shown above. Other developers would be responsible for CIAC costs attributable to their pro rata portion of the capacity the expansion can provide based on their connection figures and the same formula.

Prepared and Sponsored by: Tom Labbe, General Manager,  
Possum Kingdom Water Supply Corporation

## **RESPONSES TO REQUESTS FOR INFORMATION**

**STAFF RFI 2-2** In the past, have all developers paid the CIAC amount based on the 0.5 MGD WTP expansion? If your answer is “No,” please explain why not. If your answer is “Yes,” please provide the list of all the developers that have paid CIAC based on the 0.5 MGD WTP expansion and the number of meters in each of their respective developments.

**RESPONSE:** Yes, since all PKWSC capacity was reserved by developers for the prior WTP expansion. Since that occurred, PKWSC has charged the \$13,385.00 per connection CIAC fee set by the PKWSC Board in April 2021 based on the 0.5 MGD WTP expansion used to set that fee. The following is the current list of developers who have paid the \$13,385.00 per connection CIAC fee pursuant to executed non-standard service contracts and the number of meters in each of their respective developments.

<b>Developer</b>	<b># of Meters</b>
3XT Holdings, LLC	10
Barndo Partners, LLC	6
Kramer AG Ventures, LLC	6
PK Lakeview Point, LLC	21
Tommy Parkinson	1
Peter and Linda Kuhlman Sole Proprietorship	3
Sparkman Commercial, LLC	2
H&S Livestock, LLC	4

Prepared and Sponsored by: Tom Labbe, General Manager,  
Possum Kingdom Water Supply Corporation