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**SOAH DOCKET NO. 473-23-18885.WS
PUC DOCKET NO. 54565**

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|------------------------------------|----------|--------------------------------|
| APPLICATION OF CSWR-TEXAS | § | BEFORE THE STATE OFFICE |
| UTILITY OPERATING COMPANY, | § | OF |
| LLC FOR AUTHORITY TO CHANGE | § | ADMINISTRATIVE HEARINGS |
| RATES | § | |

**COMMISSION STAFF’S NINTH REQUEST FOR INFORMATION TO
CSWR-TEXAS UTILITY OPERATING COMPANY, LLC
QUESTION NOS. STAFF 9-1 THROUGH STAFF 9-4**

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 CSWR-Texas Utility Operating Company, 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 31, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

John York Harrison
Senior Managing Attorney

/s/ Kelsey Daugherty
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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 31, 2023 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Kelsey Daugherty
Kelsey Daugherty

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DEFINITIONS

- 1) "CSWR-Texas" or "your" 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 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 9-1** Please confirm or deny that Mr. D'Ascendis believes that the CAPM is a risk premium methodology. Please explain your answer in full.
- Staff 9-2** Refer to Mr. D'Ascendis Rebuttal Testimony pages 31 and 32. Are the studies done by Mr. D'Ascendis peer reviewed or published by a reputable financial publication? Please explain your answer in full.
- Staff 9-3** Refer to Mr. D'Ascendis Rebuttal testimony page 12. Confirm that it is Mr. D'Ascendis' understanding that Modigilani and Miller espoused using the formula to adjust the DCF results. If answer is anything other than a qualified affirm, please explain your answer in full.
- Staff 9-4** Refer to Mr. D'Ascendis Rebuttal testimony pages 23 and 24. Please explain how adding datasets from 1947, 1948, 1949, and 1950 would change the results of Ms. Sears' multi-stage DCF calculation. In your answer, please specify what the return on equity would be if the datasets from 1947, 1948, 1949, and 1950 were included in Ms. Sears' calculation.