



## **Filing Receipt**

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**Control Number - 54617**

**Item Number - 93**

**SOAH DOCKET NO. 473-24-13127.WS  
PUC DOCKET NO. 54617**

<b>APPLICATION OF TEXAS WATER UTILITIES, LP AND SOUTHERN HORIZONS DEVELOPMENT, INC. FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN LIBERTY AND MONTGOMERY COUNTIES</b>	<b>§ § § § § § §</b>	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
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**OBJECTIONS OF COMMISSION STAFF TO  
TEXAS WATER UTILITIES, LP'S  
FIRST REQUEST FOR INFORMATION  
TO COMMISSION STAFF  
QUESTION NOS. TWU 1-1 THROUGH 1-17**

The Staff (Staff) of the Public Utility Commission of Texas (Commission) responds to Texas Water Utilities, LP's (TWU) First Request for Information (RFI) to Staff and further stipulates that the following objections may be treated by all parties as if the answers were filed under oath. Negotiations related to Staff's objections were conducted diligently and in good faith.

This RFI was served on June 5, 2024, and specified a response deadline of June 17, 2024. Therefore, these objections are timely filed.

Dated: June 10, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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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 June 10, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Kelsey Daugherty  
Kelsey Daugherty

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**TWU 1-5**                      Reference the table in the direct testimony of James Harville at the bottom of page 11 and top of page 12 and the following billing comparison for a customer using 5,000 gallons per month.

Southern Horizons Current Rates	TWU's Requested Initial Rates
$32.20 + (3 * 3.18) = 41.74$	$48.37 + (2 * 6.48) + (3 * 7.98) = 85.27$

Please admit or deny that 63% of the \$45.53 difference in customer bills is attributable to the difference in gallonage rates as follows:

$$85.27 - 41.74 = 43.53$$

$$3 * 3.18 = 9.54$$

$$(2 * 6.48) + (3 * 7.98) = 36.90$$

$$36.90 - 9.54 = 27.36$$

$$27.36 / 43.53 = 0.63$$

**RESPONSE:**                      Staff objects to this question, as it requests Staff to opine on calculations that are beyond the scope of Staff's direct testimony.

**TWU 1-6**                      Reference the table in the direct testimony of James Harville at the bottom of page 11 and top of page 12 and the following billing comparison for a customer using 5,000 gallons per month.

Southern Horizons Current Rates	TWU's Villas of Willowbrook Phase 4 Rates
$32.20 + (3 * 3.18) = 41.74$	$31.17 + (2 * 3.70) + (3 * 6.33) = 57.56$

Please admit or deny that 106.5% of the \$16.85 difference in customer bills is attributable to the difference in gallonage rates as follows:

$$57.56 - 41.74 = 15.82$$

$$3 * 3.18 = 9.54$$

$$(2 * 3.70) + (3 * 6.33) = 26.39$$

$$26.39 - 9.54 = 16.85$$

$$16.85 / 15.82 = 1.065$$

**RESPONSE:** Staff objects to this question, as it requests Staff to opine on calculations that are beyond the scope of Staff's direct testimony.

**TWU 1-7** Please admit or deny that TWU's application has not been amended or supplemented—i.e., has not changed—since Commission Staff filed its Recommendation on Approval of the Transaction on July 17, 2023. If the response is anything other than an unqualified admit, please explain.

**RESPONSE:** Staff objects to this question, as it requests Staff to locate easily accessible publicly available information. Further, TWU is or should be aware of any amendments or supplements to its application since July 17, 2023. Staff suggests that TWU continue to visit the Commission's Interchange available at <https://interchange.puc.texas.gov>.

**TWU 1-9** Reference the direct testimony of James Harville at 12:1—14:2. Please explain why Mr. Harville's recommendation regarding TWU's request for initial rates under Texas Water Code (TWC) § 13.3011 has changed from the recommendation provided in the memorandum of James Harville filed with Commission Staff's Recommendation on Approval of the Transaction on July 17, 2023.

**RESPONSE:** Staff objects to this question, as it presupposes Staff's response to TWU 1-8 and thus appears to be propounded for the sole purpose of being

argumentative and not reasonably calculated to lead to the discovery of admissible evidence.

**TWU 1-10** Reference the direct testimony of James Harville at 12:1-14:2. Please admit or deny that “rate shock” is not a defined term in the Texas Water Code, 16 TAC Chapter 24, or Commission precedent addressing applications filed by water and wastewater utilities. If anything other than an unqualified admit, please explain.

**RESPONSE:** Staff objects to this question, as it requests Staff to locate easily accessible publicly available information. Staff suggests that TWU review the Texas Water Code, 16 TAC Chapter 24, and the Commission’s Interchange at <https://interchange.puc.texas.gov/>.

**TWU 1-11** Reference the direct testimony of James Harville at 12:1-14:2. Please define the term “rate shock” as used by Mr. Harville and explain the basis for this definition.

**RESPONSE:** Staff objects to this question, as it requests Staff to make a legal conclusion regarding the definition of “rate shock”. TWU 1-10 requests Staff to search the Water Code, Texas Administrative Code, and Commission precedent for a legal definition of “rate shock”. Therefore, Staff additionally objects to this question, as it requests Staff to review easily accessible publicly available information.

**TWU 1-12** Reference the direct testimony of James Harville at 3:19-4:2 and 12:1-14:2. Did Mr. Harville testify regarding “rate shock” in any of the dockets listed?

**RESPONSE:** Staff objects to this question, as it requests Staff to locate easily accessible publicly available information. Staff suggests that TWU continue to visit the Commission’s Interchange available at <https://interchange.puc.texas.gov/>.

**TWU 1-14** Please confirm that the dockets listed below are the only dockets in which Mr. Harville has filed a recommendation addressing a request for initial rates under TWC § 13.3011: Docket Nos. 54171, 54341, 55304, and 55817. If this is not a complete list, please provide the additional docket numbers.

**RESPONSE:** Staff objects to this question, as it requests Staff to locate easily accessible publicly available information. Staff suggests that TWU continue to visit the Commission's Interchange available at <https://interchange.puc.texas.gov>.

**TWU 1-15** In any sale, transfer, or merger docket in which Mr. Harville has made a recommendation on the transaction, has Mr. Harvell ever recommended an initial rate that differs from the initial rate requested by the transferee? Please provide the docket number that contains each recommendation responsive to this question.

**RESPONSE:** Staff objects to this question, as it requests Staff to locate easily accessible publicly available information. Staff suggests that TWU continue to visit the Commission's Interchange available at <https://interchange.puc.texas.gov>.

**TWU 1-16** For each docket identified in response to TWU 1-15, please provide the analysis underlying Mr. Harville's decision to recommend an initial rate that differed from the initial rate requested by the transferee.

**RESPONSE:** Staff objects to this question to the extent that it requests a summary or analysis of information beyond the scope of Staff's direct testimony and TWU's application. Staff additionally objects to this request to the extent that it requests confidential information related to Docket No. 54341.

**TWU 1-17** Please admit or deny that TWU is the only Class A water utility with a Commission-approved tariff that includes one or more phased-in rate schedules with a final phase that is not yet effective. If deny, please list the other Class A water utilities responsive to this question.

**RESPONSE:**

Staff objects to this question to the extent that it requests Staff to locate easily accessible publicly available information. Staff suggests that TWU continue to visit the Commission's Interchange available at <https://interchange.puc.texas.gov>.