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DOCKET NO. 54693

PETITION BY RATEPAYERS	§	PUBLIC UTILITY COMMISSION
APPEALING THE WATER RATES	§	
ESTABLISHED BY FRANKSTON	§	OF TEXAS
RURAL WATER SUPPLY	§	
CORPORATION	§	

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
FRANKSTON RURAL WATER SUPPLY CORPORATION
QUESTION NOS. STAFF 2-1 THROUGH 2-14**

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 Frankston Rural Water Supply Corporation 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: April 20, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Interim Division Director

/s/ David Berlin
David Berlin
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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 April 20, 2023, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ David Berlin
David Berlin

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DEFINITIONS

- 1) "Frankston Rural WSC" or "you" refers to that Frankston Rural Water Supply Corporation 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 2-1** For the Frankston Rural Water Supply Corporation (Frankston Rural WSC) rate increase effective February 1, 2023, please provide the following information:
- a) A list of the water system name(s), number(s) and number of active connections as of February 1, 2023, for all water systems whose rates have been changed by the rate increase.
 - b) Schedule(s) of approved rates for all systems whose rates have been changed by the notice and rate increase appealed in this case for the period directly prior to the proposed increase (prior to February 1, 2023).
 - c) A copy of the approved minutes of the board of directors meeting that approved the rate increase and a copy of the notice provided along with the date that the notice was provided.
- Staff 2-2** Provide any and all rate studies, including methodologies, best practice references, and calculations, and assumptions used to support the rate changes subject to this appeal. The studies should include all calculations for costs Frankston Rural WSC customers receive for water and/or sewer service.
- Staff 2-3** Provide a separate cost of service for water and wastewater, from costs associated with providing any other distinct service provided by Frankston Rural WSC to all other customers.
- Staff 2-4** Provide all other documentation and information used by the board of directors to set the rates which went into effect February 1, 2023, subject to this appeal.
- Staff 2-5** Please provide a copy of the audited financial statements of Frankston Rural WSC completed at the time Frankston Rural WSC made its decision to institute the rates effective February 1, 2023.
- Staff 2-6** Please provide a copy of Frankston Rural WSC's budget available at the time the Frankston Rural WSC made its decision to institute the rates effective February 1, 2023.
- Staff 2-7** Please provide total annual interest and principal payments on outstanding debt and payment amortization schedule(s) for each debt for which Frankston Rural WSC is responsible. Please also provide the allocation of such debt between water and sewer services eligible for this appeal and any services not eligible for appeal, if any, under TWC §13.043, or specifying that there are no differences in costs for water and sewer service.

- Staff 2-8** Please provide documentation indicating how much of the debt is issued to pay for the capital investment specifically related to water, wastewater, and any other distinct service rates that may be appealed under TWC § 13.043. Please separate out any debt that was issued for services that are paid for with rates that are not appealable under TWC §13.043.
- Staff 2-9** Provide copies of all debt agreements including but not limited to bond agreements and loan agreements for any debt service used to providing water and wastewater service.
- Staff 2-10** Please provide total gallons of water produced and gallons of water billed for the fiscal year completed directly prior to the date the decision was made to increase the rates subject to this appeal by month, customer class, and tier.
- Staff 2-11** Please provide the revenue requirement including detailed expenses used to set the rates and supporting financial statements or budget used to determine the revenue requirement.
- Staff 2-12** Please provide the general ledger which includes detailed expenses used to make up the revenue requirement. If the revenue requirement is based on a budget, please provide the budget-to-actual comparison for the period available at the time the decision to change the rates appealed in this case was made.
- Staff 2-13** Please provide the reconciliation between the historical financial statements and/or the budget used and the revenue requirement used to set the rates subject to this appeal.
- Staff 2-14** Please provide all detailed invoices supporting any rate case expenses for which the Frankston Rural WSC intends to request recovery incurred due to this appeal. Invoices should include the name of the person providing the service, hourly billing rates, specific description of services performed during the time billed, and hours billed on each invoice.