



## **Filing Receipt**

**Filing Date - 2023-10-11 08:56:42 AM**

**Control Number - 54940**

**Item Number - 37**

**PUC DOCKET NO. 54940**

**APPLICATION OF INTEGRA WATER § BEFORE THE  
TEXAS, LLC FOR AUTHORITY TO § PUBLIC UTILITY COMMISSION  
CHANGE RATES § OF TEXAS**

**INTEGRA WATER TEXAS, LLC'S PROPOSED LIST OF ISSUES**

Integra Water Texas, LLC (Integra) files this Proposed List of Issues pursuant to the Order Requesting Lists of Issues, issued in this Docket by the Public Utility Commission of Texas (Commission).<sup>1</sup> Integra respectfully shows as follows:

**I. ISSUES TO BE ADDRESSED**

Integra submits the following issues to be addressed in this docket:

**Applicant**

1. What is the legal name and all assumed names, if any, of the utility in this proceeding? If the utility has an assumed name, provide a currently valid certificate of assumed names.
  - a. Which entity or entities own equipment and facilities used to provide service?
  - b. Which entity or entities operate the equipment and facilities? In answering this question, please identify which entity or entities employ the individuals who perform the day-to-day operations at the utility.
  - c. If a combination of entities constitutes the utility seeking the rate change, which entities should be joined in this proceeding?
2. What is the business form of Integra (e.g., corporation, partnership, sole proprietorship)?
  - a. What is the charter or authorization number, the date the business was formed, and the dates any changes were made?

**Notice**

3. Did Integra provide proper notice of the proposed rate change under TWC § 13.1872(c) and 16 TAC § 24.27(d)?

**Revenue Requirement**

4. What are the just and reasonable rates for Integra that are sufficient, equitable, and consistent in application to each customer class and that are not unreasonably preferential, prejudicial, or discriminatory as required by Texas Water Code (TWC) § 13.182.

---

<sup>1</sup> Order Requesting Lists of Issues (Sept. 21, 2023). The deadline to file a list of issues is October 11, 2023. Therefore, this Response is timely filed.

5. What revenue requirement will give Integra a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public and above its reasonable and necessary operating expenses while preserving Integra's financial integrity as required by TWC § 13.183(a)(1) and (2) and 16 TAC § 24.43(a)?

**Cost of Service**

6. What is Integra's cost of service for providing service based on its test year?
7. What adjustments, if any, should be made to Integra's proposed test-year data in accordance with TWC § 13.185(d)(1) and 16 TAC § 24.41(b) and (c)(5)?

**Allowable Expenses**

8. What are the reasonable and necessary allowable expenses service under TWC §§ 13.183(a)(1), 13.185, and 16 TAC § 24.41(b)?
9. What is Integra's reasonable and necessary operations and maintenance expenses under 16 TAC § 24.41(b)(1)(A)?
10. What is Integra's reasonable and necessary depreciation expense? For each class of property, what are the proper and adequate depreciation rates and methods of depreciation, including service lives and salvage values under TWC § 13.185(j) and 16 TAC § 24.41(b)(1)(B).
11. What is the reasonable and necessary amount for Integra's federal income tax expense under 16 TAC § 24.41(b)(1)(D)?
12. Has Integra met the standard for recovery of affiliate expenses that affect the cost of service in accordance with TWC § 13.185(e)?
13. Has Integra made any payments to affiliates for any expense item? If so, for affiliate transactions that affect the cost of service, do the payments, including any interest, for that property meet the requirements of TWC § 13.185(e)?

**Capital Structure and Total Return**

14. What is the appropriate debt-to-equity capital structure for Integra for the purpose of setting rates?
15. What is the appropriate overall rate of return (weighted cost of capital), including return on equity and cost of debt for Integra, consistent with 16 TAC § 24.41(c)(1)?

**Rate Base (Invested Capital)**

16. What are the reasonable and necessary components of Integra's rate base under TWC §§ 13.183(a) and (b), 13.185(a) through (e), (i), and 16 TAC § 24.41(c) through (g)?
17. What is the reasonable and necessary working capital allowance for Integra under 16 TAC § 24.41(c)(2)(D)?
18. What regulatory assets, if any, are appropriately included in Integra's rate base? If such assets are included in rate base, what is the appropriate treatment of such assets?

**Allocation and Rate Design**

19. What is the appropriate allocation of costs and revenues among Integra's rate classes?
20. What is the appropriate rate design for each rate class consistent with 16 TAC § 24.43?

**Rates**

21. What are the just and reasonable rates for service that are sufficient, equitable, and consistent in application to each customer class and that are not unreasonably preferential, prejudicial, or discriminatory under TWC § 13.182 and 16 TAC § 24.35(d)? Do these rates recover Integra's revenue requirement for each type of service?
22. What is the appropriate effective date of the rates to be approved or fixed by the Commission in this proceeding under TWC § 13.1871?

**Tariffs**

23. Are Integra's proposed revisions to its tariff and rate schedules appropriate?

**Interim Rates**

24. Did Integra request interim rates? If so, has Integra met the requirements for interim rates? If so, what are the appropriate levels of the interim rates under 16 TAC § 24.37?

**Rate Case Expenses**

25. What are the Integra's expenses incurred in this rate proceeding that are just, reasonable, necessary, and in the public interest under 16 TAC § 24.44? Does that amount include any prospective rate-case expenses to be incurred after the Commission's final order? Should Integra be able to recover its reasonable and necessary rate-case expenses from ratepayers? If so, how should such expenses, if any, be recovered by Integra?
26. How should rate-case expenses be allocated between customers?

**II. ISSUES NOT TO BE ADDRESSED**

Integra has not identified any issues not to be addressed.

### **III. THRESHOLD BRIEFING ISSUES**

Integra has not identified any threshold legal or policy issues to be briefed for the purposes of a preliminary order.

### **IV. CONCLUSION**

WHEREFORE, PREMISES CONSIDERED, Integra respectfully requests that the Commission enter a Preliminary Order consistent with the issues identified above and grant Integra such other and further relief to which it may be entitled. Further, Integra requests that the preliminary order include language, historically included in Commission preliminary orders, that the list of issues is preliminary and parties are not precluded from identification and presentation of other issues relevant to the application.

Respectfully submitted,  
**LLOYD GOSSELINK**  
**ROCHELLE & TOWNSEND, P.C.**  
816 Congress Avenue, Suite 1900  
Austin, Texas 78701  
(512) 322-5857  
Fax: (512) 472-0532



---

JAMIE L. MAULDIN  
State Bar No. 24065694  
[jmauldin@lglawfirm.com](mailto:jmauldin@lglawfirm.com)

RICHARD A. ARNETT II  
State Bar No. 24131230  
[rarnett@lglawfirm.com](mailto:rarnett@lglawfirm.com)

**ATTORNEYS FOR INTEGRA WATER  
TEXAS, LLC**

**CERTIFICATE OF SERVICE**

I certify that notice of the filing of this document was provided to all parties of record via electronic mail on October 11, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.



---

JAMIE L. MAULDIN