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Filing Date - 2023-10-30 02:29:12 PM

Control Number - 54940

Item Number - 40

PUC DOCKET NO. 54940

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

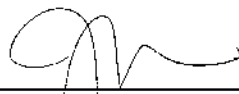
**INTEGRA WATER TEXAS, LLC'S RESPONSE TO
COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

Integra Water Texas, LLC (Integra or Company), files this Response to the Third Request for Information (RFI) filed by Commission Staff (Staff). The discovery request was received by Staff on October 3, 2023. In accordance with an agreement with Commission Staff, these responses are timely filed. Pursuant to 16 Texas Administrative Code (TAC) § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900
Austin, Texas 78701
(512) 322-5800
(512) 472-0532 (Fax)



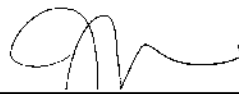
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**ATTORNEYS FOR INTEGRA WATER
TEXAS, LLC**

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 October 30, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.



JAMIE L. MAULDIN

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-1: Please provide the general ledgers for wastewater for the three months following the test year.

RESPONSE: Please see Confidential Attachment Staff 3-1.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

**Attachment Staff 3-1 is
CONFIDENTIAL
(provided in a subsequent filing)**

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-2: Please provide the general journal reflecting accounting adjustments to the test year with explanations for each entry.

RESPONSE: Not applicable.

Integra did not make any accounting adjustments to the test year historical data.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC

Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-3: Please provide any additional internal or external audit reports produced since the beginning of 2021 regarding Integra's wastewater operations.

RESPONSE: Integra has not produced any internal or external audit reports regarding wastewater operations since the beginning of 2021.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-4: Please identify the accounting method used to record income and expenses in accordance with GAAP and the NARUC Uniform System of Accounts.

RESPONSE: Integra records income and expenses in accordance with the accrual method (Accounting Standards Codification (ASC) 606—Revenue Recognition, and ASC 705—Cost of Sales and Services).

The General Ledger Chart of Accounts follows the NARUC Uniform System of Accounts.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-5: Please provide documents, including written descriptions, showing the transactions of all general journal entries made during the test year that created prior period adjustments as defined by GAAP.

RESPONSE: Integra made no transactions during the test year that created prior period adjustments.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-6: For the years ending December 31, 2021 and December 31, 2022, please provide copies of the complete audited financial statements, including all auditor's reports and notes, for Integra and all of its affiliates, including but not limited to balance sheets, profit and loss statements, and statements of cash flow. If audited financial statements are not available, provide the unaudited financial statements.

RESPONSE: Audited financial statements are not available.

For financial 2021 and 2022 financial statements, please see Attachment Staff 3-6.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

Integra Water Texas

(unaudited)

Balance Sheet**12/31/2021 12/31/2022**

Property, Plant and Equipment	-	1,616,109
Accumulated Depreciation	-	(46,508)
Property, Plant and Equipment, net	-	1,569,600
Current Assets		
Cash	3,618	3,886
Accounts Receivable	6,425	26,645
Prepaid Expenses	465	1,000
Other Assets	786	0
Total Current Assets	11,294	31,531
Total Assets	11,294	1,601,131
Shareholder Equity		
Additional Paid-in Capital - Common	130,750	282,553
Retained Earnings	-	(128,885)
Profit and Loss	(128,885)	(187,917)
Total Shareholder Equity	1,865	(34,249)
Current Liabilities		
Other Current Liabilities	9,429	105,972
Contribution in aid of construction		
CIAC	-	1,569,600
Accumulated Amortization - CIAC	-	(40,193)
Contribution in aid of construction, net	-	1,529,408
Total Liabilities & Equity	11,294	1,601,131

Integra Water Texas

(unaudited)

Income Statement	FY 2021	FY 2022
Sales	8,340	92,193
Cost of Goods Sold	136,772	269,458
Depreciation Expense	-	6,316
Other Income	-	(0)
Tax Expense	452	4,336
Total Expenses	137,225	280,110
Net Income	(128,885)	(187,917)

Integra Water Texas

(unaudited)

Cash Flow	FY 2021	FY 2022
Cash Flow from Operations		
Net Income / (Loss)	(128,885)	(187,917)
Adjustments to reconcile change in net assets to net cash:		
Depreciation		46,508
Amortization		(40,193)
Changes in assets and liabilities that provided cash:		
Increase in Accounts Receivable	(6,425)	(20,219)
Increase in Prepaids	(465)	(535)
Decrease in other assets	(786)	786
Increase in other liabilities	9,429	96,543
Net Cash from Operations	(127,132)	(105,026)
Cash Flow from Investing Activities		
Plant in service		(1,616,109)
Contribution in aid of construction		1,569,600
	-	(46,508)
Cash Flow from Financing		
Paid in capital	130,750	151,803
Net Increase/(Decrease) in Cash	3,618	268
Beginning Cash Balance	-	3,618
Ending Cash Balance	3,618	3,886

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-7: Please provide Integra's current materiality threshold for accounting purposes and the calculation used to determine it.

RESPONSE: The materiality threshold is 1% of net income on a consolidated basis.

The calculation used to determine the materiality threshold for accounting purposes is below:

$$(1\%) \times (\text{net income}) = \text{materiality threshold}$$

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-8: Please provide a copy of Integra's capitalization policy that was in effect during the test year. If no written capitalization policy exists, please explain the criteria used to determine when an expense is capitalized and included in rate base.

RESPONSE: Please see Attachment Staff 3-8.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

Integra Water

Capitalization Policy

Issued: January 2022

All costs incurred to bring an asset to the condition and location necessary for its intended use are capitalized. Costs include contract labor, direct labor, materials, and indirect costs. Costs incurred to keep a capital asset in its normal operating condition that do not extend the useful life of the asset or increase the assets future service potential or functionality, are not capitalized. These costs are expensed as incurred.

For administrative ease, many companies establish a capitalization threshold to specify the minimum amount of costs that must be incurred before such costs can be capitalized. Due to the regulatory environment in which the Company operates, it does not utilize such a capitalization threshold.

Following is a list of items that are commonly capitalized. This list is not meant to be all-inclusive but serve as a guide in typical situations. A complete listing can be found in the National Association of Regulatory Utility Commissioners (NARUC) uniform system of accounts.

1. Flow measuring devices including well meters and customer water meters.
2. New service lines or tap-ins to existing service lines.
3. Pump motors, including the complete rewind or rebuild of an existing pump motor.
4. Valves, meter boxes, saddles, curb boxes and B boxes.
5. Sheds and pole barns.
6. Regulating, recording, measuring, telemetering and switching equipment.
7. New fencing, excluding replacement of sections of fencing.
8. Landscaping or ground repairs following new service installation or a water main break requiring pipe replacement. Ground repairs related to water main breaks repairs with clamps or wraps should be expensed as incurred.
9. Drilling and testing of new wells, drop pipes, and capping and abandoning wells.
10. Raise, renew or reset a service line.
11. Installation of any amount or piping, including replacement, for mains and service lines.
12. Major vehicle expenditures that clearly extend the original useful life of the vehicle such as an engine overhaul. General maintenance costs such as brakes, tires, batteries, electrical repairs and tune-ups should be expensed as incurred.

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-9: Does Integra's approved rates include a normalized federal income tax expense? If not, please provide a detailed explanation.

RESPONSE: Yes.

Please see Integra's Application for Authority to Change Rates, Schedule V (Bates 42) for additional detail.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC
Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-10: Does Integra use accelerated depreciation, bonus depreciation, or other forms of depreciation different from straight line depreciation over the expected useful life of an asset, when calculating depreciation for federal income tax purposes? If yes, identify the types of depreciation other than straight line used by Integra.

RESPONSE: No.

Integra maintains one set of books for fixed assets and depreciates all fixed assets with the straight-line method.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-11: Provide Integra's calculation for accumulated deferred federal income tax based on rates set using normalized federal income tax and accelerated depreciation for tax purposes. Include supporting workpapers.

RESPONSE: Not applicable.

As of December 31, 2022, Integra had no uncertain tax positions that qualify for recognition of tax assets or liabilities. Therefore, Integra does not have a calculation for accumulated deferred federal income tax based on rates set using normalized federal income tax and accelerated depreciation for tax purposes.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-12: Please provide the number of full-time, and part-time employees if any, that worked only for Integra during the test year.

RESPONSE: Not applicable.

During the test year, no employees worked exclusively for Integra Water Texas, LLC. Rather, contractors performed work related to Integra Water Texas, LLC.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC

Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

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INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-13: Please provide the number of full time, and part-time employees if any, that worked for Integra and one or more affiliated companies during the test year. Provide name, position, and detailed job description for each employee.

RESPONSE: Please see Confidential Attachment Staff 3-13 at Bates 1.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

**Attachment Staff 3-13 is
CONFIDENTIAL
(provided in a subsequent filing)**

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-14: Please provide a list of all employees who received salaries, bonuses, allowances, benefits, and other remuneration that were included in the cost of service. Please provide the following information:

- a) Name;
- b) Position and detailed job description;
- c) Date hired and date of termination, if applicable;
- d) Rate per month or per hour; and
- e) Total number of hours and percentage of time worked per week for each and total number of hours and percentage of time worked per week for any affiliated companies.

RESPONSE: Please see Confidential Attachment Staff 3-13 at Bates 1.

Prepared by: Joseph Mitchell

Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-15: Please provide all studies, work papers, or other documents that show the salaries, allowances, medical insurance benefits, pension/retirement benefits, and other remuneration paid to employees are reasonable. Please provide the confidential file in 54940 item 4 the list of employees with gross pay and net pay in electronic format.

RESPONSE: Integra is a small corporation with a limited number of employees. It does not have a particular pay study, work paper, or other document that shows the salaries, allowances, medical insurance benefits, pension/retirement benefits, and other remuneration paid to employees.

See Confidential Attachment Staff 3-13 for each employee's annual pay during the test year.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-16: Please provide a monthly detailed listing of all employees, by filled position, from January 2022 through January 2023.

RESPONSE: Please see Confidential Attachment Staff 3-13.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940
INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-17: Please indicate the open positions, by title, that Integra has yet to fill.

RESPONSE: Not applicable.

There are no open positions that Integra has yet to fill.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-18: Please provide copies of minutes from board meetings or other executive approvals authorizing any pay increases included in the application for non-bargaining employees.

RESPONSE: Please see Confidential Attachment Staff 3-18.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

**Attachment Staff 3-18 is
CONFIDENTIAL
(provided in a subsequent filing)**

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-19: Please provide the contractual changes or other written authorization documenting any payroll increase for bargaining employees included in the application.

RESPONSE: Please see Confidential Attachment Staff 3-18.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-20: Please provide the location employee service and overhead costs are in the Revenue Requirement schedules.

RESPONSE: Not applicable.

Because there are no Integra employees in Texas, Integra did not include employee service and overhead costs in the Revenue Requirement schedules.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-21: Please provide a list of any expenses included in the cost of service requested in this application that were allocated or direct billed to Integra from an affiliate. Provide the information by NARUC account.

RESPONSE: Please see Attachment Staff 3-21.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

Allocation worksheet 2022
Shared Overhead Expenses

	<u>Indirect Payroll</u>
Gross pay	740,798
7.65% Taxes	56,671
9.70% Benefits	71,857
Total	869,326

Business Unit	Customer Count	REU	REU %	
Integra	3,677	4,149	40.0%	
Integra Water Madison County	3,200	3,640	35.1%	304,788
Integra Water Texas - Los Milagros	229	229	2.2%	19,177
Integra Water Vinemont	109	142	1.4%	11,850
Integra Water Creola	139	139	1.3%	11,640
ONSWC	5,805	6,232	60.0%	521,871
Grand Total	9,482	10,381	100.0%	

REU from Starnik

- IT Expense includes software, outsourced IT help desk
- Telecom expense includes voice, data, internet
- Temp Labor includes staff augmentation due to turnover

001-16200-02	001-42600-34	001-42600-35	001-42600-36	001-42600-37	001-42600-17
Liab Insurance	Office Rent	Office Utilities	Office Janitorial	IT expense	IT Consulting
61,022	70,259	13,861	17,252	26,985	46,910
21,394	24,633	4,860	6,049	9,461	16,447
1,346	1,550	306	381	595	1,035
832	958	189	235	368	639
817	941	186	231	361	628
36,632	42,178	8,321	10,357	16,200	28,161

	001-42600-19	001-42600-51	001-42600-10	001-42600-20	2022
	Professional-Tax	Telecom	Temp Labor		Total Support Exp
	12,208	23,558	50,361		1,191,742
	4,280	8,260	17,657		417,828
	269	520	1,111		26,289
	166	321	686		16,244
	163	315	674		15,957
	7,329	14,142	30,233		715,422

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-22: Please provide a list of specific benefits and/or services that Integra receives from its affiliated companies in return for the costs allocated and/or direct billed from the affiliate. Please identify the specific costs with the specific benefit or service.

RESPONSE: Please see Attachment Staff 3-22, Exhibit A.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

SUPPORT SERVICES AGREEMENT
BETWEEN
INTEGRA WATER, LLC AND AFFILIATE

This Agreement is made between Integra Water, LLC (hereinafter "Integra"), and AFFILIATE.

1. WHEREAS, Integra maintains an organization whose officers and employees are familiar with the water and wastewater utility business, including the business and operations of AFFILIATE, and have experience and expertise in management, financing, accounting, customer service, rates and regulatory matters and the operation of water and wastewater utilities. The officers and employees of Integra are qualified to aid, assist, and advise AFFILIATE in their business operations through the services to be performed under this Agreement; and
2. WHEREAS, AFFILIATE is a direct or indirect subsidiary of Integra; and
3. WHEREAS, AFFILIATE has been organized for and is presently engaged in the business of providing potable water and/or wastewater services as a public utility; and
4. WHEREAS, AFFILIATE is entering into this agreement with Integra to specifically define the types of services available to them as set forth in Exhibit A attached hereto and made a part hereof; and
5. WHEREAS, Integra has entered or proposes to enter into agreements similar to this agreement with other affiliated water companies that are direct or indirect subsidiaries of Integra; and
6. WHEREAS, Integra may engage or subcontract with other companies or persons, including other affiliated companies, to provide portions of the services hereunder; and
7. WHEREAS, the services to be rendered under this Agreement are to be rendered by Integra to AFFILIATE at their cost to Integra, as hereinafter provided.

ARTICLE I - GENERAL SCOPE OF

PROVIDER SERVICES

1. Support Services: The principle underlying this section is the provision of services to AFFILIATE in a reasonable and efficient manner at the cost or market rates. Integra may provide such day-to-day operating services, at the request of AFFILIATE, as provided below, consistent with this principle.

(A) Specific Support Services:

(1) Integra may, at the request of AFFILIATE, provide to AFFILIATE the services set forth in Exhibit A in such manner as AFFILIATE shall reasonably require from time to time, unless Integra is not reasonably able to perform or provide such services or is unable to do so in a manner consistent with applicable law. The choice to use Integra services must be based on the value of the service, including but not limited to

the price of the service, the experience of the personnel and the quality of the service to be provided, consistent with AFFILIATE's obligation to provide safe, reasonable and adequate service at rates which are just and reasonable to customers and the public utility.

(2) It is understood between the parties that personnel provided by Integra shall not be deemed employees of AFFILIATE but shall remain employees of Integra. Integra shall be responsible for the payment of and reporting of all taxes including, without limitation, employment, unemployment, social security tax, federal and state withholding tax, local tax and any other tax required by law.

(3) Integra shall have no obligation to provide any of these services if it chooses not to provide a quote or price. AFFILIATE shall have no obligation to request or purchase these services from Integra.

(B) Personnel and Services to be Provided:

(1) During the term of this Agreement as set forth in Article III and upon the terms and conditions hereinafter set forth, Integra will provide corporate management services for AFFILIATE. In addition to the management services provided by the officers and employees of Integra, the officers and employees of Integra shall furnish to AFFILIATE the Accounting, Administration, Corporate Secretarial, Customer Services, Financial, Operation, Rates and Regulatory, and Risk Management, as set forth on Exhibit A attached hereto, together with such other services as AFFILIATE and Integra may agree; provided, however, that AFFILIATE may perform any such services with its own personnel or engage another company or person to provide those services on its behalf. Integra may engage or subcontract with another company or person to provide such services on its behalf. If Integra engages other affiliates of Integra to provide any of the services hereunder, such services shall be charged to AFFILIATE on the same basis as the services provided by Integra.

(2) Integra shall employ qualified officers and employees to provide the services hereunder and those persons shall be available to serve as officers of AFFILIATE.

ARTICLE II - BILLING AND

PAYMENT FOR SERVICES

1. All the Support Services rendered under this Agreement by Integra shall be charged to AFFILIATE at Integra's actual cost or market rate as provided in Article II.

(A) The costs for services rendered by Integra personnel directly for AFFILIATE shall be charged to AFFILIATE based on such personnel's time sheets. The costs for services to AFFILIATE that are rendered in common with similar services to other Companies which cannot be identified and related exclusively to services rendered AFFILIATE, shall be allocated among all Companies so served, or, in the case of costs with respect to services rendered to a particular group of Companies (including AFFILIATE), among the members of such group, based on the ratio of the number of active residential equivalent customers served as of the immediately preceding year's July 1, by AFFILIATE to the total number of residential equivalent customers served at the immediately preceding calendar year end by such Companies or group of Companies.

(B) The amount for a Integra employee's costs to be billed shall be computed on the employee's total labor rate, including base pay and other compensation, payroll taxes and fringe benefits (calculated on a per hour basis), plus a general overhead factor as set forth in Article II Paragraph (D).

(C) All direct expenses of Integra incurred in connection with services rendered by Integra, which can reasonably be identified and related exclusively to AFFILIATE, shall be charged directly to AFFILIATE.

(D) Allowance for Overhead - In determining the cost for services rendered by Integra to AFFILIATE as herein provided, there shall be added to the base pay rate of all officers and employees for whose services charges are to be made, a percentage sufficient to cover the overhead of Integra, as defined below, allocable to each such officer or employee. The overhead shall be calculated each year and shall be based on the ratio of the total overhead of Integra for the year to the total salaries of the employees for whose service charges are to be made to the Companies, including AFFILIATE. No general overhead or other markups by Integra shall be added to costs incurred for services of consultants or other third parties employed by Integra.

(1) The term "overhead" shall include, but not be limited to:

a) building costs, lease costs, depreciation, utilities, and other costs associated with office space and equipment, and

b) taxes other than payroll taxes

2. Integra shall submit itemized invoices for services rendered to AFFILIATE, including, when requested or required by AFFILIATE, all sales, use, excise, or similar taxes which may be applicable to such services, as soon as practicable after the close of each month.

3. All invoices submitted by Integra shall have adequate documentation (a) to identify the specific services, the cost of direct billed and allocated services, and the person providing the service, and (b) to justify all labor and materials costs. In addition, Integra shall provide adequate documentation showing how it calculates its direct and allocated costs (i) each time it submits an invoice reflecting a type of service for which it has not previously documented its methodology, and (ii) each time it changes any material element of the calculation. The parties agree that they will comply with the requirements of Chapter 62, and NCUC rules, regulations, and orders issued pursuant thereto, except as the NCUC has expressly waived such requirements.

4. Integra shall keep its time records and bills of service (including requests) in a manner that facilitates accurate and complete monitoring of specific charges and services under this agreement.

5. AFFILIATE shall pay each invoice within thirty (30) days after receipt to the extent the costs are not disputed. Such disputes must be raised by written notice to Integra within six (6) months after receipt of the invoice with the disputed cost. AFFILIATE shall pay Integra interest at an annual rate equal to one and one-half percent (1.5%) per month, shall accrue on any undisputed invoice items not paid within thirty (30) days after receipt by AFFILIATE, such interest being computed from the thirtieth (30th) day following the date of receipt.

6. Upon the written request of AFFILIATE, Integra shall permit AFFILIATE or its authorized agent or its authorized regulatory official reasonable access to its books and records for the purpose of auditing charges billed by Integra to AFFILIATE.

ARTICLE VII PROVISION OF SERVICES,

INSURANCE AND INDEMNIFICATION

1. Integra shall provide well-qualified and experienced staff to perform services covered by this Agreement. Names and backgrounds of said personnel shall be provided to AFFILIATE on request. Services provided by Integra hereunder shall be performed with due care, in a prudent, professional and workmanlike manner.

2. Integra shall purchase and maintain the following insurance with respect to the services performed under this Agreement, self-insure or obtain insurance coverage in at least the following amounts, and AFFILIATE shall, with respect to its facilities, maintain the following coverage as applicable:

a) Workers' Compensation Insurance or self insurance, naming AFFILIATE as an Alternate Employer, including the following extensions if necessary, Federal Longshoremen's and Harbor Worker Act, Jones Act or any similar employee benefit act that complies with the provisions of applicable federal and state law.

b) Employer's Liability Insurance with limits not less than \$100,000 for each occurrence;

c) Comprehensive General Liability insurance which insures AFFILIATE as an additional insured, with limits not less than \$1,000,000 combined bodily injury and property damage liability;

d) Automobile-Liability Insurance with limits not less than \$1,000,000 combined bodily injury and property damage liability. Integra shall provide AFFILIATE with certificates of insurance prior to execution of this agreement.

The certificates of insurance shall state that the carrier will endeavor to provide a thirty (30) day written notice of cancellation to AFFILIATE resulting from all causes other than failure to pay premiums, in which case the carrier will endeavor to provide ten (10) days written notice of cancellation to AFFILIATE.

3. Each party shall indemnify and hold the other party harmless from all damages, injuries, claims, demands, judgments, penalties, fines, liens, costs, and expenses, including reasonable attorneys' fees, of whatsoever kind or nature arising out of this Agreement, in any way contributed to by the negligence, act, omission, or fault of that party. To the extent that an employee of Integra, or a subcontractor or employee of an affiliate of Integra, brings an action against AFFILIATE, Integra agrees to waive its workers compensation immunity with respect to any claim of contribution or indemnification AFFILIATE may have against Integra.

Exhibit A

DESCRIPTION OF SUPPORT SERVICES

Without limitation, services to be provided by the Integra will include the following:

A. Accounting and Financial Services: Integra will assist in the preparation and implementation of accounting methods and procedures to determine that they conform fully to the requirements, rules and regulation of governmental authorities having jurisdiction over AFFILIATE and will review AFFILIATE monthly financial reports, annual reports and other reports, including those to any governmental authorities. Integra will advise and assist in the establishment and maintenance of current record keeping techniques; review accounting procedures, methods and forms; and evaluate systems of internal control for receipt and disbursement of funds, materials and supplies, and other assets. Integra will assist in the maintenance of accounting records as required by AFFILIATE. When appropriate, Integra will cooperate and consult with AFFILIATE's certified public accountants. Integra will provide assistance to AFFILIATE in the preparation of all financial reports and provide said financial reports to AFFILIATE Management on a monthly basis no later than the 10th of the following month. Integra will also provide services related to accounts payable, payroll, consolidation, budgeting and long-range planning.

Integra will assist in the preparation of operating and construction budgets and monitor the control over such budgets by comparing experienced costs to the projections.

Integra will prepare or assist in the preparation of federal, state and local tax returns for and to the extent required by AFFILIATE.

B. Administration: Integra will make qualified employees available to perform or assist in the performance of AFFILIATE's corporate activities. Those employees will keep themselves informed on AFFILIATE operations. They will make recommendations to AFFILIATE for operating expenditures and for additions to and improvements of property, plant and equipment. They will keep abreast of economic, regulatory, governmental and operational developments and conditions that may affect AFFILIATE; and advise AFFILIATE of such developments and conditions to the extent that they may be important to AFFILIATE.

C. Communications: Integra will recommend procedures to promote satisfactory relations with employees, customers, communities, and the general public including plant tours, public exhibits and displays and other related services to inform the public.

D. Corporate Secretarial: Integra will maintain, in such places and manner as may be required by applicable law, documents of AFFILIATE, such as minute books, charters, by-laws, contracts, deeds and other corporate records. Integra will maintain, or arrange for the maintenance of, records of stockholders of AFFILIATE and perform other corporate secretarial functions as required including preparation of notices of stockholder and director meetings and the minutes thereof.

Integra will review and may assist in the preparation of documents and reports required by AFFILIATE such as deeds, easements, contracts, charters, franchises, trust indentures and PUC reports and filings.

E. Customer Service and Billing: Integra may provide customer service and billing services to AFFILIATE, including live and automated telephone service to customers, the rendering of periodic bills to customers based on AFFILIATE tariffs, collections, assisting customers with water service changes, resolving customer disputes and remittance processing.

F. Financial: Integra will assist in the development and implementation of financing programs for AFFILIATE, including the furnishing of advice from time to time on securities market conditions and the form and timing of financing; and assistance in the preparation of necessary papers, documents, registration statements, petitions, applications, and declarations. Integra will prepare reports to be filed with, and reply to inquiries made by, security holders and bond and mortgage trustees.

Integra will assist AFFILIATE in treasury and cash management functions, including arrangements for bank credit lines, establishment of collection policies, and development of temporary investment programs.

G. Human Resources: Integra may assist in obtaining qualified personnel for AFFILIATE; in establishing appropriate rates of pay for those employees; and in negotiating with bargaining units, if any, representing AFFILIATE's employees. Integra may advise or assist and/ or carry out training programs for the development of personnel and advise and assist AFFILIATE regarding personnel. Integra may also advise and assist AFFILIATE in regard to group employee insurance, pension and benefit plans and in the drafting or revising of those plans when required. Integra may provide advice regarding employment laws and procedures and controls for compliance with such laws.

H. Information Systems: Integra will make available to AFFILIATE electronic data processing systems, networks, applications, and services. Integra will maintain a computer network, data communications system, database and applications services, desktop and laptop computers, and peripheral equipment along with periodic upgrades, data backups and recovery procedures for the benefit of AFFILIATE.

I. Operation: Upon request, periodic operational reviews may be performed by Integra and recommendations for improvements will be reported to AFFILIATE.

J. Rates and Regulatory Support: Integra personnel may make recommendations for changes in rates, tariffs, rules and regulations and assist AFFILIATE in the conduct of proceedings before, and in their compliance with the rulings of PUC regulatory bodies having jurisdiction over AFFILIATE's operation. Accounting personnel may assist in the preparation of rate filings or applications and the supporting documents and exhibits requested or required by AFFILIATE and their respective regulatory commissions. Integra may also provide qualified personnel to testify on behalf of AFFILIATE as required during any regulatory proceedings.

K. Risk Management: Integra will provide a risk management program to review the exposures to accidental loss, recommend methods of protection, either through the purchase of insurance, self-insurance or other risk management techniques and arrange for the purchase of insurance coverage. Integra will also supervise investigation procedures, review claims and negotiate and assist in, and evaluate proposals for, settlement at the request of AFFILIATE. Integra will advise AFFILIATE on specific safety and security programs required to comply with insurance coverages.

L. Legal: Integra may assist AFFILIATE in retaining outside council retained to represent AFFILIATE. This may include finding qualified legal counsel for specific legal matters and assisting with negotiating fees and terms.

Corporate Charges

Allocations Manual

Summary

Integra Water, LLC, (the "Integra") was formed on 10/27/2004. Integra consists of officers and employees ("employees") who are familiar with the water and wastewater utility business and have experience and expertise in management, financing, accounting, customer service, rates, and regulatory matters of water and wastewater utilities. The employees of Integra are qualified to aid, assist and advise Water and Wastewater Companies in their business. Integra employees provide corporate management services. Cost related to these services are collected and allocated to the appropriate subsidiaries and affiliated companies of Integra through an allocation process to be described in this document.

All officers, managers and employees of the Integra track and report the hours worked on a subsidiary or affiliated entity on their payroll timesheet. The employee's payroll timesheet is processed through our payroll with the appropriate hours recorded into our payroll database.

The expenses of the Integra are classified into two main categories under which a bill is produced. The expenses are classified as either a service expense or a sundry expense. Service expense is defined as labor and overheads of employees of Integra. Labor is defined as actual base pay of employees of Integra. Overhead is defined as costs incurred by the company in order to obtain the services of said employees. They include, but are not limited to, healthcare, employer payroll taxes, retirement benefits, office rent, and employee incentive compensation. These overhead costs exclude any employee related contributions for employee payroll taxes and employee contributions to Simple IRA.

The employees of Integra Water, LLC can be categorized into the following types of services:

- Operations
- Accounting & Financial
- Customer Service

All service related expenses are billed to the subsidiaries and affiliates of Integra at cost, by using an employee specific billing rate. The billing rate for an employee is calculated by dividing total annual labor and overhead expenses by that employee's annual billable hours.

Sundry expenses are departmental costs associated with the normal operations of Integra and can also be categorized as listed above.

Employees are instructed to charge time directly to a system or group of entities for whom they are performing a service. Employees of Integra can allocate their billing hours as a direct allocation or as an indirect allocation. The employee makes this determination based upon the work they are performing

and record this information on their bi-weekly timesheets. System and allocation codes have been developed to allow the employee to determine the most appropriate billing of their time. Allocation codes are created for AFFILIATE with a common factor. For example, an employee providing a service to AFFILIATE but not a specific system would be considered an indirect allocation. However, an employee working specifically on a specific system would be a direct allocation to the individual system.

Direct allocations are charged 100% to the individual system identified on the employee's timesheet by the individual system managed by AFFILIATE. Indirect allocations are identified on the employee's timesheet by the appropriate allocation code. The billing time associated with these allocation codes are allocated to the individual utility systems identified.

The method used to allocate these indirect allocations is residential equivalent unit ("REU"). The REU is calculated by using year end customer totals of each subsidiary or affiliated company for the year immediately preceding the current year. REUs are not adjusted throughout the year unless there is a substantial acquisition during the year, at which time all allocations will be updated with the most current quarter end REUs.

Allocations

After the monthly closing and posting of payroll for the month is done, all service related costs will be appropriately distributed to the subsidiaries and affiliates of Integra, including AFFILIATE. These allocations are pooled by REUs and distributed to the subsidiary and affiliates based on a predetermined allocation method. Methods and REUs are adjusted from year to year as needed.

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-23: Please provide the percentage and amount of every expense category (legal, human resources, IT, accounting, etc.) allocated and/or direct billed from the affiliated companies that were included in this rate change application.

RESPONSE: The table below delineates expense categories by dollar amount and affiliate expense percentage.

Category	Amount	Percentage
Personnel	\$ 19,177	73%
Insurance	1,346	5%
Office Expenses	2,236	9%
IT	1,630	6%
Miscellaneous	1,900	7%
Total	\$ 26,289	100%

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC
Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

PUC DOCKET NO. 54940

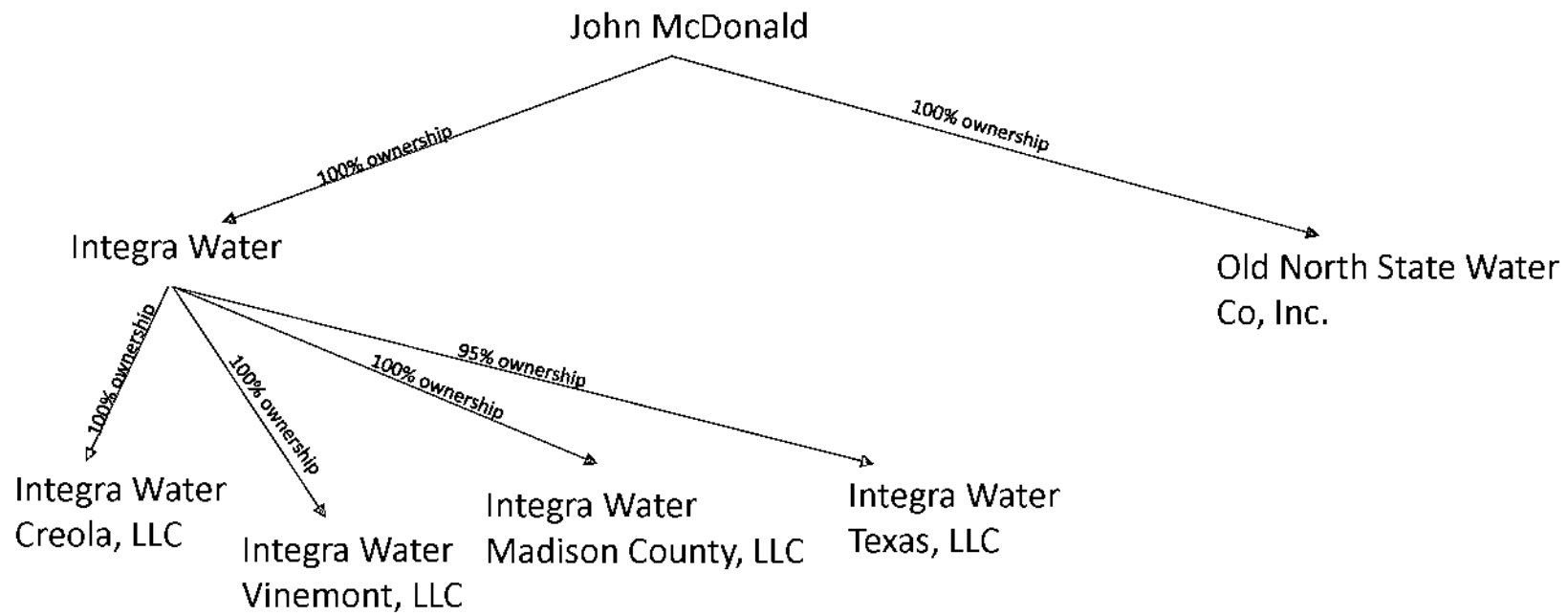
INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-24: Please provide a list of all companies owned by the affiliates of Integra, including but not limited to water and wastewater utility companies. Please include copies of an organizational chart demonstrating parent and affiliated companies, if any.

RESPONSE: Please see Attachment Staff 3-24.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell



PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-25: Please provide a list of services, if any, provided by Integra to any affiliate during the test year.

RESPONSE: Please see Confidential Attachment Staff 3-13 at Bates 1, Column E for employee services provided by Integra to affiliates. Column E states that Erica Cochran provides "Business Development." To specify further, Ms. Cochran is the development and construction manager. As such, she manages all new construction and site inspections for Integra affiliates.

Please also see Attachment Staff 3-22 for Integra's Affiliate Services Agreement.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-26: For each of the expenses listed in response to Staff 1-2, please explain how the price charged to Integra is no higher than the price charged to any third-party entity and provide supporting documentation demonstrating the prices charged to third party entities.

RESPONSE: Integra allocates all these costs to the affiliated companies in accordance with the affiliated services agreement. See Attachment Staff 3-22.

There is no markup.

Prepared by: John McDonald
Sponsored by: John McDonald.

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-27: Please describe Integra's accounting policies for setting up and writing off bad debts. In responding, please provide any written policy or documents that describe Integra's procedures for writing off bad debts from allowance of bad debts and receivable account.

RESPONSE: There are no written policies.

Management estimates an allowance for doubtful accounts based on analysis of historical experience, economic conditions, and other relevant information.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-28: Please explain and provide any study, analysis, basis, assumptions, or policy used in calculating allowance for probable losses and writing-off bad debts.

RESPONSE: Management estimates an allowance for doubtful accounts based on analysis of historical experience, economic conditions, and other relevant information.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-29: Has Integra or its affiliates protested property tax valuations in Texas in the past three years? If yes, provide the results of such protests and any documents related to the result.

RESPONSE: There have been no protested property tax valuations in Texas.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-30: For any current property tax valuation protest(s), provide documents related to such protest(s).

RESPONSE: There are no documents that are related to such protests.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-31: With regards to the calculation of property tax expense, does Integra apply a construction work in progress (CWIP) and/or obsolescence factor to its gross plant in service balance? If yes, provide those factors for the test year and previous three calendar years.

RESPONSE: No.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC

Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-32: Is Integra's CWIP subject to any *ad valorem* taxes? If so, state whether the taxes are expensed or capitalized. Provide the amount of *ad valorem* tax associated with any requested CWIP adjustments. If Integra has included the associated expense in its requested revenue requirement, please identify where.

RESPONSE: No.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC

Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-33: Does Integra pay taxes on plants leased to others? If so, is Integra reimbursed for these taxes?

RESPONSE: No.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-34: Does Integra's request for *ad valorem* taxes include taxes on property values deemed imprudent by the Commission? If so, please identify the amount of taxes and the associated plant balance.

RESPONSE: No.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC
Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-35: Does Integra's request for *ad valorem* taxes include taxes on property which is not used and useful in providing utility service? If so, please identify the amount of taxes and the associated plant balance.

RESPONSE: No.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC

Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-36: Provide the following regarding Integra's *ad valorem* taxes:

- a) Total taxes paid for the prior two calendar years in Texas and other states (if applicable)
- b) Accounting distribution of taxes paid in each state for the prior three calendar years (expense, capital, and other by NARUC account).
- c) Total gross and net book values upon which such taxes were assessed and paid in each jurisdiction for the prior three calendar years. Distinguish by component as applicable (plant in service, materials and supplies, CWIP, etc.).
- d) Property taxes charged to wastewater expenses for each month of the test year by NARUC account.

RESPONSE: Not applicable.

Integra did not have any *ad valorem* taxes during the prior two calendar years.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-37: Describe in detail the assessment of property taxes on materials and supplies.

RESPONSE: There are no materials or supplies inventory on hand. Therefore, Integra has not assessed property taxes on materials and supplies.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-38: Does Integra take advantage of all *ad valorem* tax discounts available? If not, why not?

RESPONSE: No.

Integra is headquartered out of state and is not aware of any available *ad valorem* tax discounts.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-39: Please provide the documentation for the \$63 difference between the \$3,459 on the I-1 Revenue Requirement Summary line 23 and property tax for \$3,396 on schedule IV-2. Schedule IV-2, Colum F, Line 8 is blank when compared to I-1 Revenue Requirement Summary line 23.

RESPONSE: The \$63 difference is for Paracorp—Integra's registered agent—and is therefore related to property taxes.

The \$63 difference is associated with a license fee.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-40: Does Integra pay the Texas Franchise Tax? If yes, please provide the 2021 and 2022 Texas Franchise Tax Reports in which Integra's operations that generated franchise taxes were reported, including all supporting documentation and workpapers. Provide all calculations for Integra's portion of the 2021 and 2022 Texas Franchise Tax.

RESPONSE: Integra inadvertently did not file its 2021 and 2022 Texas Franchise Taxes. This was an unintentional oversight.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-41: Please provide the State Gross Receipts Tax Reports for 2021 and 2022 in which Integra's operations that generated gross receipts tax were reported, including all supporting documentation and workpapers. Provide all calculations producing Integra's portion of the 2021 and 2022 gross receipts tax.

RESPONSE: Integra inadvertently did not file its 2021 and 2022 State Gross Receipt Tax. This was an unintentional oversight.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-42: Please provide copies of income tax forms filed with the IRS for the test year which include the Company's utility operations. Please include copies of federal forms W-2, W-3, 1099, and 1096.

RESPONSE: Contractors performed all work related to Integra Water Texas, LLC during the test year.

See Confidential Attachment Staff 3-42 for 1099 forms issued by Integra Water Texas, LLC for the test year.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

**Attachment Staff 3-42 is
CONFIDENTIAL
(provided in a subsequent filing)**

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-43: Please provide copies of invoices for the 1% regulatory assessment fees paid to the Texas Commission on Environmental Quality (TCEQ) during the test year. Please indicate the accounting classification for the regulatory assessment fee.

RESPONSE: Please see Attachment Staff 3-43.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

INVOICE

COMPANY: INTEGRA WATER TEXAS
ACCOUNT: 89921126

DETACH BOTTOM PORTION AND RETURN WITH PAYMENT - KEEP TOP PORTION FOR YOUR RECORDS -

PAGE 1

ACCOUNT NO.	INCLUDES PAYMENTS THROUGH	COLL. COST RECOVERY	LATE FEES	BALANCE DUE
89921126	APR12,23	0.00	3.32	69.79

INVOICE DATE	INVOICE NO.	DESCRIPTION	AMOUNT	BALANCE
FEB28,23	RAF0013075	ANNUAL REGULATOR 21126 REGULATORY ASMT FY23	66.47	66.47
APR10,23	SC00328164	ANNUAL REGULATOR LATE FEE - APR.2023	3.32	69.79

310-40810-00

Please return the original coupon with payment. For questions concerning this fee, please call 512-239-6963.

69.79

See REVERSE SIDE for Explanation of Charges and TCEQ Contact Telephone Numbers.

PLEASE PAY THIS AMOUNT INCLUDE ACCOUNT NUMBER ON CHECK

TCEQ VREP Form AR47A 02-17-2011

THIS CHECK IS VOID WITHOUT A COLORED BACKGROUND AND SECURE DOCUMENT WATERMARK ON THE BACK. HOLD AT ANGLE TO VIEW.

APR12,23

DETACH THIS PORTION AND RETURN WITH CHECK OR MONEY ORDER PAYABLE TO:

ACCOUNT NO.	BALANCE DUE
89921126	69.79



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

INTEGRA WATER TEXAS

3212 6TH AVE S STE 200

BIRMINGHAM AL 35222-2315

CHECK HERE IF YOUR ADDRESS HAS CHANGED. PLEASE INDICATE ADDRESS CHANGE ON BACK.

INVOICES NOT PAID WITHIN 30 DAYS OF INVOICE DATE WILL ACCRUE PENALTIES

0089921126 1533243 0000069790531235

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-44: Does Integra's rate base include a regulatory asset related to COVID-19? If yes, please provide the amount and the requested regulatory treatment of the COVID-19 asset.

RESPONSE: No.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC
Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-45: Please provide a line-item, detailed listing of all expenditures which comprise Integra's regulatory asset of xxx.

RESPONSE: Please see Confidential Attachment Staff 3-45.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC

Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

**Attachment Staff 3-45 is
CONFIDENTIAL
(provided in a subsequent filing)**

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-46: Please provide a line-item, detailed listing all expenditures which comprise Integra's regulatory expenses of \$28,584.

RESPONSE: Please see Confidential Attachment Staff 3-46.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC

Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

**Attachment Staff 3-46 is
CONFIDENTIAL
(provided in a subsequent filing)**

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-47: Please indicate whether Integra seeks to recover the cost of the Income Qualified Elderly Customers program from other customer classes in compliance with Texas Water Code § 13.182(b-1).

RESPONSE: No.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC
Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-48: Please provide details of all transactions, including receipts, which account for Integra's requested travel and entertainment expenses.

RESPONSE: Not applicable. Integra did not request travel and entertainment expenses.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-49: Please indicate the entire cost of outside counsel obtained by Integra that was included in the test year expenses. Please provide invoices which support the requested test year expenses associated with services provided by outside counsel and provide the Case or Docket Number for the specific matter, if available.

RESPONSE: Please see Confidential Attachment Staff 3-49. Case or Docket Numbers for all specific matters are not available.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

**Attachment Staff 3-49 is
CONFIDENTIAL
(provided in a subsequent filing)**

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-50: Please explain why counsel invoices are classified as management salaries and not professional services.

RESPONSE: Please see the application at Schedule I-1.

Because Schedule I-1 does not provide a line for "Professional Services," Integra entered the values in the next most appropriate locations. This entry should not impact the revenue requirement.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC

Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-51: Does Integra's requested revenue requirement include the recovery of social dues or charitable contributions? If yes, please identify and quantify these amounts and indicate where these amounts are presented in the application.

RESPONSE: No.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-52: Please provide a historical level of professional services expenses and provide the amounts for the fiscal years ending 2021 and 2022 by NARUC account.

RESPONSE: Please see Attachment Staff 3-52.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC
Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

**Attachment Staff 3-52 is
CONFIDENTIAL
(provided in a subsequent filing)**

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-53: Admit or deny that expenses for legislative advocacy are included in the requested cost of service. If admit, please provide a detailed written explanation of the advocacy and any invoices supporting the expense.

RESPONSE: Deny.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-54: Admit or deny that expenses for advertising expenses, contributions, and donations are included in the requested cost of service. If admit, please provide a detailed written explanation for each account, and provide any invoices supporting the expense.

RESPONSE: Deny.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-55: Please provide a line-item, detailed listing of all expenditures which comprise Integra's miscellaneous expenses of \$9,468.

RESPONSE: Please see Attachment Staff 3-55.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC

Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC

**Attachment Staff 3-55 is
CONFIDENTIAL
(provided in a subsequent filing)**

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-56: For each employee who had a portion of their retirement benefits, health insurance, other medical or company benefits, and other remuneration included in the requested revenue requirement, provide the following:

- a) Employee name;
- b) Date hired and date of termination, if applicable;
- c) Position held; and
- d) The type and amount of each benefit received by the employee.

RESPONSE: Integra does not have a list of each individual employee's benefits. However, all employees, if they choose, receive Medical, Secondary Medical, Dental, Vision, PTO, and 401k match.

Please see "Notes" in Confidential Attachment Staff 3-13, Bates 1.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-57: Please provide all studies, work papers, or other documents supporting the reasonableness of the salaries, allowances, health insurance/medical benefits, pension/retirement benefits, and other compensation included in the requested revenue requirement.

RESPONSE: Integra does not have formal documentation for compensation.

Prepared by: Joseph Mitchell
Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-58: Does Integra's requested revenue requirement include any amounts for moving allowances, signing bonuses, or severance packages? If so, please specify by type amount, and NARUC account.

RESPONSE: No.

There have been no moving allowances, signing bonuses, or severance payments.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-59: Reference Integra's response to Staff 3-58. Please provide the level of moving allowances, signing bonuses, and severance payments for the previous three calendar years and the current calendar year to date.

RESPONSE: Not applicable.

There have been no moving allowances, signing bonuses, or severance payments for the previous three years and the current calendar year to date.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-60: Please provide a copy of Integra's policy for payments of moving allowances and signing bonuses.

RESPONSE: Integra does not have a formal written policy for moving allowances and signing bonuses.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-61: Does Integra's requested revenue requirement include amounts for executive perquisites such as financial planning and tax gross-ups? If so, please provide an explanation of the types of perquisites included, a copy of Integra's policies regarding the payment of such perquisites, and the amount of such payments included in the revenue requirement by NARUC account.

RESPONSE: No.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-62: Does Integra have self-insurance plan approved by the Commission or other regulatory authority? If yes, please provide details on the approved target amount for the reserve account and provide copies of documents supporting the policies and procedures for the plan.

RESPONSE: No.

Integra does not have any self-insurance plans. Rather, third parties provide liability and health insurance plans.

Prepared by: Joseph Mitchell

Sponsored by: Joseph Mitchell

PUC DOCKET NO. 54940

INTEGRA'S RESPONSE TO STAFF'S THIRD RFI

STAFF 3-63: Does Integra's requested rate base include construction work in progress (CWIP)?
If yes, please provide the following:

- a) Name or description of the asset;
- b) Date;
- c) Amount; and
- d) Location of the CWIP.

RESPONSE: No.

Prepared by: Chris Ekrut, NewGen Strategies & Solutions, LLC
Sponsored by: Chris Ekrut, NewGen Strategies & Solutions, LLC