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SOAH DOCKET NO. 473-24-09299.WS
PUC DOCKET NO. 54966
STAFF'S RESPONSE TO NORTHAMPTON MUNICIPAL UTILITY DISTRICT'S
FIRST REQUEST FOR INFORMATION TO COMMISSION STAFF

RFI 1-1 Identify all analyses performed to determine whether the District established the tax-exempt multi-family residential customer class consistent with Texas Water Code ("TWC") § 49.2122(a).

RESPONSE

Commission Staff has no documents responsive to this request.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-2 Identify all analyses performed to determine what factors the District considered in establishing the Tax-Exempt Multi-Family Residential customer class.

RESPONSE

Commission Staff has no documents responsive to this request.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-3 Identify all analyses performed to determine whether Ariza Gosling demonstrated the District acted arbitrarily and capriciously in weighing and considering those factors to establish the tax-exempt customer class under TWC § 49.2122(b).

RESPONSE

Commission Staff has no documents responsive to this request.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-4 Identify all analyses performed to determine whether Ariza Gosling demonstrated the District acted arbitrarily and capriciously in weighing and considering those factors to establish the rates under TWC § 49.2122(b).

RESPONSE

Commission Staff has no documents responsive to this request.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-5 Identify all analyses performed by Commission Staff to determine whether the District acted arbitrarily or capriciously in establishing the tax-exempt customer class.

RESPONSE

Commission Staff has no documents responsive to this request.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-6 Confirm Commission Staff's position as to whether a district is permitted to consider the ad valorem tax revenues of its customers when establishing customer classes and/or rates under TWC § 49.2122.

RESPONSE

Confirm. See Commission Staff's Response to Northampton MUD's Motion to Dismiss, filed on August 18, 2023.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-7 Confirm that Commission Staff recommends eliminating the Tax-Exempt Multifamily Residential Customer Class for all customers. If your answer is anything other than "confirm," please explain your answer in detail.

RESPONSE

Deny. No Commission Staff witness recommends eliminating the Tax-Exempt Multifamily Residential Class. Ethan Blanchard's testimony provides the calculation of Staff's recommended Tax-Exempt Multifamily Residential Class rates.

Preparer: Legal Counsel

Sponsor: Ethan Blanchard

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RFI 1-8 Confirm that Commission Staff is not proposing changes to any other customers' rates other than Ariza Gosling. If your answer is anything other than "confirm," please explain your answer in detail.

RESPONSE

Confirm, provided Ariza Gosling is the only ratepayer in the Tax-Exempt Multifamily Residential Class.

Preparer: Legal Counsel

Sponsor: Ethan Blanchard

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RFI 1-9 Provide the estimated annual revenue impact to the District of Commission Staff's proposed rates for Ariza Gosling.

RESPONSE

Commission Staff has no documents responsive to this request.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-10 Confirm whether Commission Staff recommends the District be permitted to recover the value of the annual revenue impact from other residential customers and, if so, how?

RESPONSE

No Commission Staff witness has provided a recommendation on other customer classes or customers.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-11 Identify all analyses performed by Commission Staff to determine the impacts to the District from reducing Ariza Gosling's rates. Please explain and provide details supporting that analysis.

RESPONSE

Commission Staff has no documents responsive to this request.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-12 Identify all analyses performed by Commission Staff to determine the reasonableness of the cost the District incurs to provide security, recreational facilities, or fire protection to its customers?

RESPONSE

Commission Staff has no documents responsive to this request.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-13 Confirm that Commission Staff's recommended rates do not include any costs the District incurs to provide security, recreational facilities, or fire protection to its customers. If your answer is anything other than "confirm," please explain your answer in detail.

RESPONSE

Confirm

Preparer: Legal Counsel

Sponsor: Kathryn Eiland

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RFI 1-14 Does Commission Staff recommend the District recover from other residential customers costs the District incurs to provide security, recreational facilities, or fire protection to Ariza Gosling? If so, how? If not, how does Staff's proposal preserve the financial integrity of the District pursuant to TWC § 13.043(j)?

RESPONSE

No Commission Staff witness has provided a recommendation on cost recovery for security, recreational facilities, or fire protection. The provision of security, recreational facilities or fire protection are not functions of a retail public utility under TWC § 13.043.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-15 Identify all analyses performed by Commission Staff to determine the impacts on other customers if its proposed rates for all customers were adopted by the District. Please explain in detail the results of the analysis with cross-references to testimony.

RESPONSE

Commission Staff has no documents responsive to this request.

Preparer: Legal Counsel

Sponsor: Legal Counsel

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RFI 1-16 Identify all analysis performed by Commission Staff to determine whether its proposed rates would be unreasonably preferential, prejudicial or discriminatory under TWC § 13.043(j) other residential customers. Please explain in detail the results of the analysis with cross-references to testimony.

RESPONSE

See the Direct Testimony and workpapers of Staff witnesses Gayatri Bitracanti, Emily Sears, Kathryn Eiland, and Ethan Blanchard.

Preparer: Legal Counsel

Sponsor: Ethan Blanchard, Kathryn Eiland, Emily Sears, Gayatri Bitracanti

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RFI 1-17 Identify all analyses performed by Commission Staff to confirm its proposed rates are “sufficient, equitable, and consistent in application to each class of customers” under TWC § 13.043(j). Please explain in detail the results of the analysis with cross-references to testimony.

RESPONSE

See the Direct Testimony and workpapers of Staff witnesses Gayatri Bitracanti, Emily Sears (whose analysis regarding debt service and debt service coverage was conducted system-wide), Kathryn Eiland, and Ethan Blanchard., including Mr. Blanchard’s testimony (6:4-8, 7:5-11, and Attachment ENB-3), which provides a set of rates associated with the revenue requirement provided by Kathryn Eiland’s testimony (5:7-13 and Attachment KE-3).

Preparer: Legal Counsel

Sponsor: Ethan Blanchard, Emily Sears, Kathryn Eiland, Gayatri Bitracanti

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RFI 1-18 Refer to the Preliminary Order in this proceeding, Section II(2), which states that "Section 49.2122(a)(4) explicitly permits a municipal utility district to consider ad valorem tax revenues received by a customer class relative to the cost of service in establishing different rates among customer classes." Please explain how Staff's recommendation considers the ad valorem tax revenues received by multifamily residential customers relative to the cost of service in establishing different rates for tax-exempt customers. Provide all analyses to support your response.

RESPONSE

See Direct Testimony of Kathryn Eiland, at 4:20-5:5 and Direct Testimony of Ethan Blanchard. Staff's proposed rates for the TEMF class are based on the cost of providing water service assuming no ad valorem tax revenue contribution to offset such costs. Because Ariza does not pay ad valorem taxes, staff did not need to consider tax revenues in establishing the revenue requirement used to establish its rates.

Preparer: Legal Counsel

Sponsor: Kathryn Eiland, Ethan Blanchard