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Filing Date - 2024-02-12 01:07:48 PM

Control Number - 54966

Item Number - 61

**SOAH DOCKET NO. 473-24-09299.WS
PUC DOCKET NO. 54966**

PETITION OF ARIZA GOSLING	§	BEFORE THE STATE OFFICE
OWNER LLC APPEALING THE	§	
WATER RATES ESTABLISHED BY	§	OF
NORTH HAMPTON MUNICIPAL	§	
UTILITY DISTRICT	§	ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
NORTHAMPTON MUNICIPAL UTILITY DISTRICT
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-27**

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 Northampton Municipal Utility District, 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: February 12, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

John York Harrison
Senior Managing Attorney

/s/ Kevin Pierce
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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 February 12, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Kevin Pierce
Kevin Pierce

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DEFINITIONS

- 1) "Northampton" or "you" refers to Northampton Municipal Utility District 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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QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-27**

- STAFF 2-1** Please admit or deny that Northampton completed a cost of service study before voting to adopt the water and sewer rate increases that are the subject of this appeal. If admit, please produce a copy, in native format with all formulae intact, of the cost of service study or identify a previous RFI response that contains the study responsive to this request.
- STAFF 2-2** Please state the methodology Northampton used to establish the water and sewer revenue requirements that were used to calculate the rates that are the subject of this appeal. In your response, please specify whether Northampton used the utility method or cash needs method, if applicable.
- STAFF 2-3** Please identify the 12-month period used to determine the water and sewer revenue requirements that were used to calculate rates that are the subject of this appeal.
- STAFF 2-4** Please describe in detail the calculations used to determine the water rates that are the subject of this appeal. Provide the water usage and tiers, if applicable, used to determine each tiered gallonage rate.
- STAFF 2-5** Please identify the revenue requirement, in native format with all formulae intact, that was used to calculate the water rates that are the subject of this appeal.
- STAFF 2-6** Please identify the individual expenses that comprise the revenue requirement that was used to calculate the water rates that are the subject of this appeal.
- STAFF 2-7** Please provide all documentation, such as general ledgers, approved budgets, contracts for services, invoices, etc. supporting the expenses included in the revenue requirement used to calculate the water rates that are the subject of this appeal.
- STAFF 2-8** Please provide Northampton's total water customer count by meter size and class of customer, if any (e.g. retail, wholesale, residential, etc.) at the time the water rates that are the subject of this appeal were adopted.
- STAFF 2-9** Please provide the names and job titles of employees working for Northampton and provide the following information by employee:
- a. hire date and termination date (if applicable);
 - b. total number of hours worked per week for water;
 - c. whether the employee is salaried or paid hourly;
 - d. copies of test year as well as calendar year 2022 and 2023 Federal Forms W-2 for each employee claimed in the cost of service;

- e. for salaried employees, provide the annual salary, and for employees paid by the hour, provide the hourly wage amounts; and
- f. job description, including the duties performed by each staff member.

STAFF 2-10 For laborers and professional staff hired under contract to provide services for Northampton, please provide the following:

- a. copy of the contract for each laborer and/or professional staff member;
- b. name, job title and job description of each contractor;
- c. Federal forms 1099 for any contract labor claimed;
- d. contract start date and end date (if applicable); and
- e. if the contract includes services for other functions of Northampton outside of the provision of water and sewer service, please specify what portion of the contract applies to water and include the annual contract amount paid for water contract services.

STAFF 2-11 Please describe in detail the calculations used to determine the sewer rates that are the subject of this appeal.

STAFF 2-12 Please provide the revenue requirement, in native format with all formulae intact, that was used to calculate the sewer rates that are the subject of this appeal.

STAFF 2-13 Please identify the individual expenses that comprise the revenue requirement that was used to calculate the sewer rates that are the subject of this appeal.

STAFF 2-14 Please provide all documentation, such as general ledgers, approved budgets, contracts for services, invoices, etc. supporting the expenses included in the revenue requirement used to calculate the sewer rates that are the subject of this appeal.

STAFF 2-15 Please provide Northampton's total sewer customer count by meter size and class of customer, if any (e.g. retail, wholesale, residential, etc.) at the time the water rates that are the subject of this appeal were adopted.

STAFF 2-16 For any expenses that are not exclusively incurred to provide either water or sewer service, please explain how Northampton allocated these expenses between the revenue requirement used to calculate the appealed water rates and the revenue requirement used to calculate the appealed sewer rates.

STAFF 2-17 Please provide a copy of the budget that was in effect at the time Northampton adopted the rates that are the subject of this appeal.

STAFF 2-18 Please provide a copy of historical budget information for the three years prior to the year in which the rate increases that are the subject of this appeal took effect.

STAFF 2-19 Please provide any and all information not provided in response to the preceding requests for information that was available to Northampton at the time that it made

the decision to change its water and sewer rates and that was used to make the decision to change the rates that are the subject of this appeal.

STAFF 2-20 Please provide a copy of the Board order or other document approving the water and sewer rates that are the subject of this appeal.

STAFF 2-21 Please provide a copy of Northampton's current tariff or other document stating its rates and service policies.

STAFF 2-22 Please identify the amount of legal expenses included in the water and sewer revenue requirements used to calculate the rates that are the subject of this appeal that are one-time expenses and explain why it is appropriate to recover these expenses annually through rates.

STAFF 2-23 Please provide all detailed invoices supporting any rate case expenses for which Northampton intends to request recovery 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.

STAFF 2-24 Please provide a copy of all engagement letters or contracts for services between Northampton and any professionals and attorneys for which rate-case expense recovery is requested.

STAFF 2-25 Please provide an affidavit signed by each professional or attorney stating that the rate charged is the normal hourly billing rate charged by the professional or attorney, is comparable to the hourly rate charged by other professionals or attorneys for similar services provided to other Texas utilities and is the normal hourly billing rate charged by the professional or attorney for services to non-regulated entities.

STAFF 2-26 Please provide evidence and testimony or affidavits showing the reasonableness of the cost of all professional services included in rate-case expenses, including but not limited to:

- a. The nature, extent, and difficulty of the work done by the attorney or other professional in the rate case;
- b. The time and labor required and expended by the attorney or other professional;
- c. The fees or other consideration paid to the attorney or other professional for the services rendered;
- d. The expenses incurred for lodging, meals and beverages, transportation, or other services or materials;
- e. The nature and scope of the rate case, including:
 - i. The size of the utility and number and type of consumers served;
 - ii. The amount of money or value of property or interest at stake;
 - iii. The novelty or complexity of the issues addressed;

- iv. The amount and complexity of discovery;
- v. The occurrence and length of a hearing; and
- vi. The specific issue or issues in the rate case and the amount of rate-case expenses reasonably associated with each issue.

STAFF 2-27 Please provide the methodology and duration by which Northampton seeks recovery of rate-case expenses.