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DOCKET NO. 56665

APPLICATION OF TEXAS WATER	§	PUBLIC UTILITY COMMISSION
UTILITIES, LP FOR AUTHORITY TO	§	
CHANGE RATES	§	OF TEXAS

**COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION
TO TEXAS WATER UTILITIES, L.P.
QUESTION NOS. STAFF RFI 5-1 THROUGH NO. STAFF 5-26**

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 Texas Water Utilities, LP, 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: September 10, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

Ian Groetsch
Managing Attorney

/s/ David Skawin
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CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on September 10, 2024, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ David Skawin
David Skawin

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**COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION TO
TO TEXAS WATER UTILITIES, L.P.
QUESTION NOS. STAFF RFI 4-1 THROUGH NO. STAFF 4-41**

DEFINITIONS

- 1) "TWU" or "you" refers to Texas Water Utilities, LP 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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**COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION TO
TO TEXAS WATER UTILITIES, L.P.
QUESTION NOS. STAFF RFI 5-1 THROUGH NO. STAFF 5-26**

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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**COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION TO
TO TEXAS WATER UTILITIES, L.P.
QUESTION NOS. STAFF RFI 5-1 THROUGH NO. STAFF 5-26**

Please provide the following:

Tax Other Than Income Taxes

- STAFF 5-1** Does TWU pay the Texas Franchise Tax? If yes, please provide the 2022 and 2023 Texas Franchise Tax Reports in which TWU's operations that generated franchise taxes were reported, including all supporting documentation and workpapers. Provide all calculations for TWU's portion of the 2022 and 2023 Texas Franchise Tax. If TWU requested an extension for its report due May 2024, please provide a copy of the extension request
- STAFF 5-2** Please provide the State Gross Receipts Tax Reports for 2022 and 2023 in which TWU's operations that generated gross receipts tax were reported, including all supporting documentation and workpapers. Provide all calculations producing TWU's portion of the 2022 and 2023 gross receipts tax.
- STAFF 5-3** 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, and 1099, and 1096.
- STAFF 5-4** 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.

Regulatory Assets

- STAFF 5-5** Does TWU's rate base include a regulatory asset related to COVID-19? If yes, please provide the amount by component and the requested regulatory treatment of the COVID-19 asset.
- STAFF 5-6** Please provide a line-item, detailed listing of all expenditures which comprise any other TWU regulatory assets included in TWU's request.

STAFF 5-7 Does TWU seek recovery of any regulatory assets related to hauled water costs? If so, why? If not, why not?

Other Expenses

STAFF 5-8 Please indicate whether TWU 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).

STAFF 5-9 Please provide details of all transactions, including receipts, which account for TWU's requested travel and entertainment expenses.

STAFF 5-10 Please indicate the entire cost of outside counsel obtained by TWU 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 matters, if available.

STAFF 5-11 Please provide copies of any and all contracts for contract labor expenses incurred during the test year and the year following the test year.

STAFF 5-12 Please identify any entities or individuals who provided contract labor or services to TWU during the test year, and provide the following::

- a.) Name of the entity or individual;
- b.) A detailed written description of the type of services contracted for, or the job functions performed by any individual;
- c.) Amount of contract;
- d.) The total amount paid to each entity or individual identified; and
- e.) A detailed expense report for each total payment identified in item (d).

STAFF 5-13 Does TWU'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.

STAFF 5-14 Please provide a historical level of professional services expenses and provide the amounts for the fiscal years ending 2022 and 2023 by NARUC account..

STAFF 5-15 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.

STAFF 5-16 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.

Benefits

STAFF 5-17 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.

STAFF 5-18 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.

STAFF 5-19 Does TWU'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.

STAFF 5-20 Reference TWU's response to Staff x-21. 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.

STAFF 5-21 Please provide a copy of TWU's policy for payments of moving allowances and signing bonuses.

STAFF 5-22 Does TWU'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 TWU's policies regarding the payment of such perquisites, and the amount of such payments included in the revenue requirement by NARUC account.

Self-Insurance

STAFF 5-23 Does TWU have a 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.

Construction Work in Progress

STAFF 5-24 Does TWU'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.

Tariffs

STAFF 5-25 Please provide a copy of the current, approved water and sewer tariff for TWU. If available, provide the tariff in electronic (Microsoft Word) format.

STAFF 5-26 Please provide a copy of the current, approved water and sewer tariff for TWU with redlines showing the changes requested in this rate change application. If available, provide the tariff in electronic (Microsoft Word) format.