



## **Filing Receipt**

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**SOAH DOCKET NO. 473-25-00480**  
**PUC DOCKET NO. 56665**

<b>APPLICATION OF TEXAS WATER</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
<b>UTILITIES, LP FOR AUTHORITY TO</b>	<b>§</b>	<b>OF</b>
<b>CHANGE RATES</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>

**OFFICE OF PUBLIC UTILITY COUNSEL’S**  
**SECOND REQUEST FOR INFORMATION TO**  
**TEXAS WATER UTILITIES, LP**

Pursuant to 16 Texas Administrative Code (“TAC”) § 22.144, the Office of Public Utility Counsel (“OPUC”) submits this Second Request for Information to Texas Water Utilities, LP (“TWU” or “the Company”). OPUC requests that TWU provide answers to the request for information under oath as required by 16 TAC § 22.144(c)(2)(F) within the timeframe specified in the procedural schedule in this proceeding, or pursuant to 16 TAC § 22.144(c)(1) if a procedural schedule has not yet been adopted. OPUC further requests that TWU provide an answer to the questions and sub-questions in the order listed below with sufficient detailed information to provide a complete and accurate answer to each question and sub-question.

**Definitions**

1. “TWU,” the “Company,” “Applicant,” “You,” and “Your” refer to Texas Water Utilities, LP and its affiliates, subsidiaries, 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” and “documents” include any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tape, film, electronic facsimile, computer storage device, or any other media, including, but not limited to, electronic mail (e-mail), memoranda, notes, analyses, minutes, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers, observations, commercial

practice manuals, reports, summaries of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form.

### **Instructions**

1. The Definitions, Instructions, and Claim of Privilege sections set forth in this request for information apply to these questions.
2. In providing an answer to each question, please furnish all of the information that is in your possession, custody, or control, as defined by Texas Rules of Civil Procedure (Tex. R. Civ. Proc.) 192.7(b), including information in the possession, custody, or control of your affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
3. Please answer each question based upon your knowledge, information, or belief, and state whether each answer is based upon your knowledge, information, or belief.
4. If you have possession, custody, or control, as defined by Tex. R. Civ. Proc. 192.7(b), of an original requested document, please produce the original requested document or a complete copy of the original requested document and all copies that are different in any way from the original requested document, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of an original requested document, please produce copies of the document, however made, in your possession, custody, or control. If any requested document is not in your possession, custody, or control, please explain why the document is not in your possession, custody, or control and provide the current location and custodian of the requested document or any copy, summary, or other form of the requested document thereof.
6. If there is any confusion about a question, please contact the undersigned counsel for clarification.
7. In providing your response to a question, please start each response on a separate page and type, at the top of the page, the question that is being answered by the response.
8. As part of the response to each question, please state, at the bottom of the answer to the question, the name and job position of each person(s) who participated in any way, other

than by providing clerical assistance, in the preparation of the answer to the question. If the question has sub-parts, please identify each person(s) by name and job position that participated in any way, other than by providing clerical assistance, in the preparation of the answer for each sub-part of the question.

9. Please state the name of the witness in this docket who will sponsor the answer to the question and/or sub-part of the question and who will swear to the truthfulness of the answer to the question and/or sub-part of the question.
10. Please provide individual responses to questions as each response becomes available, rather than waiting to provide all of the responses to the questions at the same time.
11. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer to a question between the time of your original response and the time of the hearing, then you should submit, under oath, a supplemental response to your earlier answer to the question.
12. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue. Furthermore, if you object to any question on the grounds that the question seeks confidential information, or on any other grounds, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue.
13. If the response to any question is voluminous, please make available all of the voluminous material at a designated location in Austin. Please provide a detailed index for the voluminous material with your response to the question to enable efficient review of the material. The index should include information sufficient to locate each individual document by page, file, and box number, date of each document, title of each document, description of each document if no document title exists, name of the preparer of each document, and length of each document.
14. If the requested information is included in previously furnished exhibits, workpapers, or responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references to the previously furnished information.

15. If a question requests the production of copyrighted material, you may provide a list of such material, including the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

#### **Claim of Privilege**

If any document is withheld under any claim of privilege, please provide a list that identifies each document for which a privilege is being claimed, including the date, sender, recipient(s) of the privileged document, recipient(s) of copies of the privileged document, subject matter of the privileged document, and the basis upon which a privilege is being claimed by the Company.

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**PUC Docket No. 56665**  
**OPUC's Second Request for Information to**  
**Texas Water Utilities, LP**

- 2-1. Please refer to excel file titled "2024.06.24 (56665) TWU Rev Req Model (2023 TY):"
- a. Regarding tab "II-A-1," please describe where the Miscellaneous Expenses and Miscellaneous Expenses - Affiliate as listed on the bottom of the page in cells F78, F79- F82 and F83 came from. Please provide all source documentation and/or analysis that supports these amounts.
  - b. Regarding tab "II-A-2.1(W)," please describe where each line item in Columns F and G came from. Please provide source documentation and/or analysis that supports these amounts.
  - c. Regarding tab "II-A-2.1(S)," please describe where each line item in Columns F and G came from. Please provide source documentation and/or analysis that supports these amounts.
  - d. Regarding tab "II-A-2.2(W)," please describe where each line item in Columns I and J came from. Please provide source documentation and/or analysis that supports these amounts.
  - e. Regarding tab "II-A-2.2(S)," please describe where each line item in Columns I and J came from. Please provide source documentation and/or analysis that supports these amounts.
  - f. Regarding tab "II-A-2.3," please provide transaction detail supporting each amount for each line item in Columns F, G, and H. Please also describe where the percentages in cells J9 and K9 came from. Please provide source documentation and/or analysis that supports these amounts.
  - g. Regarding tab "II-A-2.3(1)," please provide transaction detail supporting each amount for each line item in Columns F, G, and H. Please also describe where the percentages in cells J7 and K7 came from. Please provide source documentation and/or analysis that supports these amounts.
  - h. Regarding tab "II-A-3," please provide the underlying accounting records that were relied upon in generating these amounts. Please also provide the analysis and underlying supporting documentation that was utilized to generate the amounts presented in Column G "Normalizing and Annualizing Adjustments (e)" and Column H "Known and Measurable Adjustments (f)".
  - i. Regarding tab "II-A-3.10," please provide the underlying accounting records and/or analysis that was used to arrive at the amounts presented in cells F13, F14, and F15.
  - j. Regarding tab "II-B," please provide the underlying accounting records and/or analysis that was used to arrive at the amounts presented in cells E26, E27, G26, J26, J27, K26, and K27.

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- k. Regarding tab "II-B(W)," please provide the underlying accounting records and/or analysis that was used to arrive at the amounts presented in cells G17, E26, E27, G26, and G27.
- l. Regarding tab "II-B(S)," please provide the underlying accounting records and/or analysis that was used to arrive at the amounts presented in cells G17, E26, E27, G26, and G27.
- m. Please provide the underlying accounting records that were utilized to generate the schedules on the following tabs:
 

II-B-1(W),	II-B-11,	II-E'2,
II-B-1(S),	II-C-1,	II-E-2.1,
II-B-1(SH),	II-D-1.2(W),	II-E.3.1,
II-B-1.2(W),	II-D-1.2(S),	II-E-3.5,
II-B/2(S),	II-D-1.2. (SH),	II-E-4,
II-B-1.2(SH),	II-D-4,	II-F.a,c,d,
II-B-2,	II-D-9,	II-G-1.g (W),
II-B-3(W),	II-D.9.1.b,	II-G.1.g(S),
II-B-3(S),	II-D-9.3.c,	II-G-1-h,
II-B-3(SH),	II-D-9.3.e,	II-G-1.2(W),
II-B-7.h(S),	II-E-1(W),	II-G-1.2(S),
II-B-7.h(W),	II-E-1(S),	II-G-1.4 (W), and
II-B-10,	II-E-1(SH),	II-G-1.4 (S).
- n. Regarding tab "II-B-3(5)," please provide the underlying accounting records and/or analysis that was used to arrive at the amounts presented in column G.
- o. Regarding tab "II-B-6," please provide the underlying accounting records and/or analysis that was used to arrive at the amounts presented in column F and G.
- p. Regarding tab "II-C-4," please provide underlying loan documents for the loans listed. Please also explain why the loan listed in Column E with an issuance date of 9/12/2005 and issuance amount of \$20,000,000 still has a currently outstanding balance of \$19,920,756.
- q. Regarding tab "II-D-1," for each item listed on Attachment 1, please explain the reason for the increase/decrease. Please provide a transaction listing for 2022 and 2023 for each of these line items. Please also provide the underlying accounting records that support this Schedule.

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- r. Regarding tab "II-D7 (W)," why did purchased water gallons decrease to 1,074,802,307 gallons in 2023 from 1,754,039,000 gallons in 2022?
  - s. Regarding tab "II-D-9.1.a," please provide the underlying accounting records and/or analysis that was used to arrive at the amounts presented in column E.
  - t. Regarding tab "II-E-3," please describe where the calculation presented in cell F32 was derived from.
  - u. Regarding tabs "II-G-1.a(W)," "II-G-1.a(S)," and "II-G-1.b," for each size of meter listed, please explain why the connections presented on II-G-1.b are not the same as the average determined by taking the total connections as of 1/1/2023 plus the total connections as of 1/1/204 and averaging the two.<sup>1</sup>
  - v. Regarding tab "II-G.1.c-e(W)," please provide the source documentation and/or analysis used to arrive at all numbers in column F, I, and J.
  - w. Regarding tab "II-G.1.c-e(S)," please provide the source documentation and/or analysis used to arrive at all numbers in Columns G and H.
  - x. Please provide the analysis that was used or relied upon to estimate future use, including use adjustments associated with systems acquired during the test year. Please indicate where this usage adjustment was made in this workbook.
- 2-2. Please refer to the Direct Testimony of Brian D. Bahr, page 099, at 14. Please confirm that the unauthorized overcharge in the amount of \$1,132.78 should be credited against the current rate case expenses.
- 2-3. Please refer to the Direct Testimony of Mujeeb Hafeez, page 14, at 3-14. Please provide detailed data regarding the compensation of executive and executive-support staff, including salaries, bonuses, benefits, and other forms of compensation that TWU seeks to include in this rate proceeding.
- 2-4. Please refer to page 27 of the direct testimony of Mujeeb Hafeez in which he states, "If [there were no CD team], TWU's three-factor allocation for the current Test Year would be 31.01%." Please provide all documentation and calculations supporting this.
- 2-5. Are the savings allocated to TWU that are attributable to the growth generated by CD greater than the costs that are allocated to TWU? Please provide all documentation and calculations supporting this.

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<sup>1</sup> For example, looking at tab "II-G-1.a(W)" there were 35,945 5/8" connections as of 1/3/2023 and 37,719 5/8" connections as of 1/4/2024. The average of these two numbers is 36,931. However, looking at II-G-1.b the total average connections stated for a 5/8" water connection is 36,436.



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- 2-6. Please refer to the Direct Testimony of Mujeeb Hafeez, page 15. Please provide detailed data regarding any incentive or performance-based compensation structures included in the executive costs.
- 2-7. Please refer the Direct Testimony of Robert Mustich at page 5. Do the referenced peer utilities pay executive compensation from rates charged to utility customers, or is their compensation drawn from profits irrespective of revenue requirements?

Date: September 27, 2024

Respectfully submitted,

Chris Ekoh  
Deputy Public Counsel  
State Bar No. 06507015

*Renee Wiersema*

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**ATTORNEYS FOR THE**  
**OFFICE OF PUBLIC UTILITY COUNSEL**

**CERTIFICATE OF SERVICE**  
SOAH DOCKET NO. 473-25-00480  
PUC DOCKET NO. 56665

I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 27<sup>th</sup> Day of September by facsimile, electronic mail, and/or first class, U.S. Mail.

*Renee Wiersema*

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Renee L. Wiersema