

Control Number: 42867



Item Number: 18

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
Legislature, Regular Session, transferred the functions  
relating to the economic regulation of water and sewer  
utilities from the TCEQ to the PUC effective  
September 1, 2014.

SOAH DOCKET NO. 582-13-4617  
TCEQ DOCKET NO. 2013-0865-UCR

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PETITION OF NORTH AUSTIN § BEFORE THE STATE OFFICE  
UTILITY DISTRICT NO. 1, §  
NORTHTOWN MUNICIPAL UTILITY §  
DISTRICT, TRAVIS COUNTY WATER §  
CONTROL AND IMPROVEMENT §  
DISTRICT NO. 10 AND WELLS § OF  
BRANCH MUNICIPAL UTILITY §  
DISTRICT, FROM THE RATEMAKING §  
ACTIONS OF THE CITY OF AUSTIN §  
AND REQUEST FOR INTERIM RATES §  
IN WILLIAMSON AND TRAVIS §  
COUNTIES § ADMINISTRATIVE HEARINGS

SOAH DOCKET NO. 582-14-3145  
TCEQ DOCKET NO. 2014-0489-UCR

PETITION OF NORTH AUSTIN § BEFORE THE STATE OFFICE  
MUNICIPAL UTILITY DISTRICT NO. §  
1, NORTHTOWN MUNICIPAL §  
UTILITY DISTRICT, AND WELLS §  
BRANCH MUNICIPAL UTILITY §  
DISTRICT FROM THE RATEMAKING § OF  
ACTIONS OF THE CITY OF AUSTIN §  
AND REQUEST FOR INTERIM RATES §  
IN WILLIAMSON AND TRAVIS §  
COUNTIES § ADMINISTRATIVE HEARINGS

CITY OF AUSTIN'S AMENDED FIRST SET OF INTERROGATORIES  
PROPOUNDED TO NORTHTOWN MUNICIPAL UTILITY DISTRICT

TO: Northtown Municipal Utility District, care of Randall B. Wilburn, Attorney at Law, 3000  
South I.H. 35, Suite 150, Austin, Texas 78704, Phone 512-535-1661, Fax 512-535-1678;

and

Northtown Municipal Utility District, care of John Carlton, The Carlton Law Firm,  
P.L.L.C., 2705 Bee Cave Road, Suite 200, Austin, Texas 78746, Phone 512-614-0901,  
Fax 512-900-2855

The City of Austin ("the City," "Austin," or "Respondent") serves this Amended First Set of Interrogatories Propounded to Northtown Municipal Utility District ("Northtown," "District" or "Petitioner"), as allowed by Texas Rules of Civil Procedure 197. *Northtown must answer the following interrogatories, in writing, within 20 days after service, in accordance with the Administrative Law Judge's Order No. 9.*

**This document reflects the ruling of the Administrative Law Judge in Order No. 9 and a conference with Petitioners' counsel on April 29, 2014. These interrogatories are a re-issuance of the interrogatory requests propounded to Petitioner on March 3, 2014.**


Respectfully submitted,

**KAREN KENNARD,**  
City Attorney

**D. CLARK CORNWELL**  
Assistant City Attorney

**WEBB & WEBB**  
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By:

  
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ATTORNEYS FOR CITY OF AUSTIN

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested on all parties whose names appear on the attached mailing list on this the 23rd day of July, 2014.

FOR JUDGE SHENOY:

Honorable Pratibha J. Shenoy  
Administrative Law Judge

Honorable Beth Bierman  
Administrative Law Judge

State Office of Administrative Hearings  
300 W. 15<sup>th</sup> Street, Suite 504  
Austin, Texas 78701  
Phone: 512-475-4993  
Fax: 512-322-2061  
via Electronic Upload

FOR THE SOAH DOCKET CLERK:

Ms. Monica Luna, Docketing Clerk  
State Office of Administrative Hearings  
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Austin, Texas 78701  
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FOR THE TCEQ CHIEF CLERK:

Ms. Bridget Bohac, Chief Clerk  
MC 105  
Texas Commission on Environmental Quality  
P.O. Box 13087  
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FOR PETITIONERS:

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FOR THE TCEQ EXECUTIVE DIRECTOR:

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STEPHEN P. WEBB

## I. INSTRUCTIONS

These interrogatories are served pursuant to the Texas Rules of Civil Procedure, and shall be answered under oath within twenty (20) days after the date of service. In answering these interrogatories, you are required to furnish all non-privileged information that is available or subject to reasonable inquiry by you, your attorneys, officers, agents, advisors, experts, or other persons directly or indirectly in your employment or control. If these interrogatories cannot be answered in full, you are required to answer them to the extent possible, and specify the reason for your inability to answer the remainder.

Pursuant to Texas Rules of Civil Procedure 197, your duty to answer these interrogatories is ongoing. You are required by law to seasonably supplement or correct your responses with new information, whenever appropriate.

Each interrogatory herein is followed by space for your answer. You must answer in the space provided, or, if the provided space is insufficient for your answer, you must set forth each interrogatory immediately preceding your answer to it. Where the answer to an interrogatory may be derived or ascertained from business records or other documents in your possession, in lieu of a written answer to the interrogatory, you may submit the document itself, pursuant to Texas Rules of Civil Procedure.

The singular shall be deemed to include the plural and vice versa so as to bring within the scope of this request all documents which might otherwise be construed to be outside the scope.

Each interrogatory to which no objection is interposed shall be answered separately and fully in writing, and under oath. If any response is withheld under a claim of privilege, please provide the following information with respect to any such response so as to aid the Court and the parties hereto in determining the validity of the claim of privilege, objection or other protection:

- a. The identity and job title of the person(s) who prepared the response;
- b. The basis on which any privilege or other protection is claimed; and
- c. The statute, rule, or decision, which is claimed to give rise to the privilege.

In responding to each interrogatory state whether the information furnished is within the personal knowledge of the person answering and, if not, the name of each person to whom the information is a matter of personal knowledge.

If you maintain that any document or record which refers or relates to anything about which these interrogatories ask has been destroyed, set forth the contents of said document, the location of any copies of said document, the date of such destruction and whether or not the destruction was intentional or accidental. If intentional, state the name of the person who ordered or authorized the destruction.

## **II. DEFINITIONS**

The following definitions shall have the following meanings, unless the context provides otherwise:

1. "Northtown Municipal Utility District" or "District" or "Northtown" means Petitioner, its agents, representatives, and all other persons acting in concert with it, or under its control, whether directly or indirectly, including any attorney.

2. "Austin" or "the City" means the City of Austin, Texas, its agents, representatives, and all other persons acting in concert with it, or under its control, whether directly or indirectly, including any attorney.

3. "You" or "your" means the Northtown Municipal Utility District, its successors, predecessors, divisions, subsidiaries, present and former officers, agents, employees, consultants, and all other persons acting on behalf of Northtown Municipal Utility District, including successors, predecessors, divisions, and subsidiaries.

4. The term "document" is used in its broadest sense to mean all writings or records of any kind, including but not limited to the original, any drafts, and all non-identical copies (whether different from originals by reason of notation made on such copies or otherwise) of all correspondence, letters, emails, memoranda, telegrams, diaries, appointment calendars, books, reports, records, handwritten notes, working papers, statements, journals, worksheets, charts, plans, diagrams, sketches, brochures, pamphlets, manuals, newspapers, magazines, bulletins, circulars, contracts, proposals, written agreements, interoffice communications, photographs, pictures, slides, films, microfilm, voice recordings, tapes, videotapes, computer input and output material, electronic data and other writings or communications of any kind or description whatsoever, in the possession, custody or control of Northtown Municipal Utility District, its attorneys, officers, employees and/or agents.

5. "Relating to" means consisting of, referring to, reflecting, containing, discussing, describing, evidencing, substantiating, memorializing, prepared in connection with, used in preparation for, pertaining to, having any relationship to, or in any way being factually, legally,

or logically connected to, in whole or in part, the stated subject matter. "Relating to" also means, without limitation, embodying, mentioning or concerning, directly or indirectly, the subject matter identified in the request.

6. "Possession, custody, or control" of an item means that the person either has physical possession of the item or has a right to possession that is equal or superior to the person who has physical possession of the item.

7. "File" means any collection or group of documents maintained, held, stored, or used together, including, without limitation, all collections of documents maintained, held or stored in folders, notebooks, or other devices for separating or organizing documents.

8. "Person" means any natural person, corporation, firm association, partnership, joint venture, proprietorship, governmental body, or any other organization, business, or legal entity, and all predecessors or successors in interest.

9. "Concerning" means, in whole or in part, directly or indirectly, referring to, relating to, connected with, commenting on, responding to, showing, describing, analyzing, reflecting, and constituting.

10. "Communication" means any oral or written communication of which Northtown Municipal Utility District has knowledge, information, or belief.

11. "Date" means the exact date, month, year, if ascertainable, or, if not, the best available approximation.

12. "Describe" and "identify," when referring to a person, are defined to require that you state the following:

- a. The full name;
- b. The present or last known residential address;
- c. The present of last known residential and office telephone numbers;
- d. The present occupation, job title, employer, and employer's address at the time of the event or period referred to in each particular request; and
- e. In the case of any person other than an individual, identify the officer, employee, or agent most closely connected with the subject matter of the request and identify the officer who is responsible for supervising that officer or employee.

13. "Describe" and "identify," when referring to a document, are defined to require that you state the following:

- a. The nature (e.g., letter, handwritten note) of the document;
  - b. The title or heading that appears on the document;
  - c. The date of the documents and the date of each addendum, supplement, or other addition or change;
  - d. The identity of the author and of the signor of the document, and of the person on whose behalf or at whose request or direction the document was prepared or delivered; and
  - e. The present location of the document, and the name, address, position, or title, and telephone number of the person or person having custody of the document.
14. The word "and" means "and/or."
15. The word "or" means "or/and."

### **III. REQUESTS FOR INTERROGATORIES**

1. For the current year and past five (5) years, please describe, with specificity, Northtown's method for allocating each year's overall operating expenses into various categories of services that are provided by Northtown. Please explain the rationale and percentage basis for assigning each expense to water.

**Answer:**

2. For the current year and past five (5) years, please describe, with specificity, Northtown's method for allocating each year's overall capital expenses into various categories of services that are provided by Northtown. Please explain the rationale and percentage basis for assigning each expense to water.

**Answer:**

3. Please describe, with specificity, how Northtown non-utility services are fully excluded from water or sewer costs.

**Answer:**

4. Please describe how often detailed water rate studies are performed that explicitly address direct and common cost allocations between the various Northtown service functions and water.



**Answer:**

5. Please describe, in detail, the methodology by which your District's water and sewer rates are adjusted in the intervening years between detailed rate studies.

**Answer:**

6. Please describe, with specificity, what facilities owner by the City of Austin do you use to comply with the Texas Commission on Environmental Quality's ("TCEQ") 0.6 gpm water delivery and gals/fire and reliability connection water storage requirements.

**Answer:**

7. Please list all water capital items (>\$10k) funded over the last five (5) years and the source of funds (cash or debt) used to pay for each project.

**Answer:**

8. Please provide the percent of your annual water revenue requirement for water capital facilities that are funded through available reserves.

**Answer:**

## VERIFICATION

I, \_\_\_\_\_, a duly authorized representative of Northtown Municipal Utility District, states that I have read the foregoing Answers to Interrogatories, and that they are true and correct as I verily believe.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_