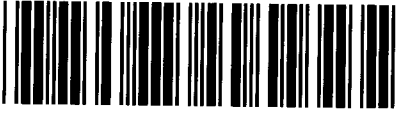


Control Number: 43069



Item Number: 47

Addendum StartPage: 0

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P.U.C. DOCKET NO. 43069
SOAH DOCKET NO. 473-16-3408.WS

**APPLICATION OF INLINE
DEVELOPMENT LLC FOR A
RATE/TARIFF CHANGE**

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§

**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO INLINE DEVELOPMENT LLC
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-17**

Pursuant to 16 Tex. Admin. Code (TAC) § 22.144, the Staff of the Public Utility Commission of Texas (Staff) requests that Inline Development LLC (Inline) by and through its attorneys of record, provide the following information and answer the following question(s) under oath. The question(s) 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 question(s) 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.

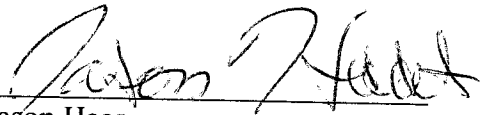
Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

Dated: April 4, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director-Legal Division

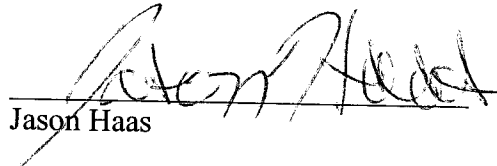
Karen S. Hubbard
Managing Attorney - Legal Division



Jason Haas
Attorney-Legal Division
State Bar No. 24032386
(512) 936-7295
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 4, 2016 in accordance with 16 TAC § 22.74.



Jason Haas

**P.U.C. DOCKET NO. 43069
SOAH DOCKET NO. 473-16-3408.WS**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO INLINE DEVELOPMENT LLC
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-17**

DEFINITIONS

- 1) "Inline", "the Company" or "you" refers to Inline Development LLC 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 the Company's 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 not exist and these documents will be provided.

**P.U.C. DOCKET NO. 43069
SOAH DOCKET NO. 473-16-3408.WS**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO INLINE DEVELOPMENT LLC
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-17**

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(g)(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.

P.U.C. DOCKET NO. 43069
SOAH DOCKET NO. 473-16-3408.WS

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO INLINE DEVELOPMENT LLC
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-17**

Staff 2-1 Please provide the following information for each of the assets listed in the trending study:

- a) For the assets listed as wells, such as “2-Complete well”, provide the following for each well listed in the trending study:
 - i) State of Texas Well Report (well driller’s log) for each well.
 - ii) Cementation report.
 - iii) Engineering site plan (including appropriate scale and north direction arrow) of the public water system (PWS) that shows the well(s), wellhead, pump(s), treatment systems, storage and pressure tank(s), etc.
 - iv) Detailed map or plat (including appropriate scale and north direction arrow) identifying:
 - A. Property boundaries of property owned by the PWS.
 - B. Location of the PWS and well(s);
 - C. Intruder resistant fences and access roads;
 - D. Dedicated road easements, and
 - E. Pump Test.
 - F. Copy of property deed.
 - v) Provide a copy of TCEQ or predecessor agency approvals for all well construction, well use, fencing and access roads claimed in the trending study.
- b) For the assets listed as treatment facilities, such as “Cl₂ facilities or plant sewers”, provide the assets that are included in the treatment facilities, the capacity of each asset and a labeled photograph of each asset listed in the trending study. Provide a copy of TCEQ or predecessor agency approvals for each asset’s construction or installation claimed in the trending study.
- c) For the assets listed as pumps or lift stations, provide the type and capacity of each pump or lift station and a labeled photograph of each pump or lift station listed in the trending study. Provide a copy of TCEQ or predecessor agency approvals for all pump or lift station installations or construction claimed in the trending study.

- d) For assets listed as generators such as “Diesel generator”, provide:
 - i) Type and capacity of each generator and a labeled photograph of each generator listed in the trending study.
 - ii) Provide a copy of TCEQ or predecessor agency approvals for all generators claimed in the trending study.
- e) For assets listed as tanks, such as “12,000 gallon pressure tank”, provide the following for all tanks listed in the trending study:
 - i) Any information on coating system, particularly for the interior of the tank. Information about last paint contractor, pictures of leftover paint, and photos during painting.
 - ii) Particular information such as size, dimensions, materials of construction and documentation of construction.
 - iii) Labeled photographs of each tank’s name plates, vents, openings, access panels, vent screens, ladders, handrails, and inside walls.
 - iv) Yearly inspection records for each tank (five year retention required by TCEQ rules). TCEQ rules also require “Each of the system's ground, elevated, and pressure tanks shall be inspected annually by water system personnel or a contracted inspection service”.
 - v) Provide a copy of TCEQ or predecessor agency approvals for all tank construction claimed in the trending study.
- f) For assets listed as distribution or collection facilities, such as water mains, transmission mains, service lines, yard piping, etc., provide the following for each asset listed in the trending study:
 - i) Any distribution or collection maps available.
 - ii) Hydrant pressure and flushing records for distribution.
 - iii) Repair records, purchase orders and labeled photographs for pipes, valves, and appurtenances.
 - iv) Any subsurface utility engineering (SUE) records (such as potholing to determine pipe type).
 - v) Operator interviews on type and condition of pipes.
 - vi) Provide a copy of TCEQ or predecessor agency approvals for all distribution or collection line construction claimed in the trending study.
- g) For all other assets listed in the trending study, such as “Buildings, Misc. – 3 phase, meters and services, sewer service, electrical controls”, provide the following information:

- i) Provide a labeled photograph of each asset listed in the trending study.
- ii) Any subsurface utility inspection records if applicable (such as potholing to determine pipe type).
- iii) Operator interviews on type and condition of pipes.
- iv) Provide a copy of TCEQ or predecessor agency approvals for each asset's construction or installation claimed in the trending study.

- Staff 2-2 Please provide an explanation/calculation and supporting documentation such as bids or quotes obtained from non-affiliated entities to show how the current and trended values were determined for each asset listed in the trending study.
- Staff 2-3 Were the Inline Development water and wastewater systems originally developed as the Sugarberry Place and Cottage Garden water and wastewater systems?
- Staff 2-4 Did the developer constructed both the Sugarberry Place and Cottage Garden systems?
- Staff 2-5 Was the Cottage Gardens water and wastewater systems originally phase 2 of the Sugarberry Place development?
- Staff 2-6 Have there been any replacement assets installed since the public water and wastewater systems for Cottage Gardens and Sugarberry Place were originally installed?
- Staff 2-7 Did the Cottage Gardens and Sugarberry Place water and wastewater systems receive approval from TCEQ for construction?
- Staff 2-8 For the current trending study, was there any subsurface inspection or other means to determine that the distribution system was constructed as set out in the construction drawings used to determine the value of the distribution system?
- Staff 2-9 Please provide the documentation for the sale of Inline Development Corporation to Inline Utilities, LLC.
- Staff 2-10 Has the utility included any plant in service funded by customer or developer contributions or donations in invested capital?
- Staff 2-11 If the utility has included plant in service funded by customer or developer contributions or donations in invested capital provide the following:
- a. A description of the asset;
 - b. The dollar amount of the asset;
 - c. The amount of contribution associated with the asset;
 - d. Indicate where in the application the asset is included; specifically, the schedule and line.

- Staff 2-12 Did the lot sales for the subdivision served by this utility pay for a portion of the water plant and/or sewer plant (water/sewer) cost?
- Staff 2-13 If part of the cost of the water/sewer was paid for by lot sales, provide the dollar amount of the plant that was paid for by lot sales.
- Staff 2-14 In the applicant's response to Staff 1-1-(b), the applicant referenced attachment 3, for the sewer expenses. However, the invoiced in the amount of \$1,220.77 and \$749.33, reflects that the expense is a water expense in the description. Please provide an explanation why the invoices were included in sewer expenses.
- Staff 2-15 Provide copies of all invoices exceeding \$500.00 for the water repair and maintenance that totaled \$40,280 included in the application revenue requirement column of Table VI.A, October 29, 2014 filing.
- Staff 2-16 Describe the business relationship between Michael Martz and Inline Development LLC. Include information regarding the ownership of Inline or other business affiliations in your response.
- Staff 2-17 Provide a brief explanation for why the number of water and sewer connections differ, specifically for 669 water customers and 1,084 sewer customers.