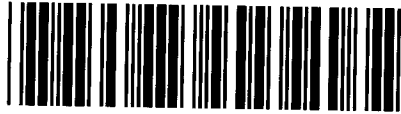




Control Number: 43585



Item Number: 16

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
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

M. Howell
REC 1/21/03

ARMBRUST & BROWN, L.L.P.
ATTORNEYS AND COUNSELORS

100 CONGRESS AVENUE, SUITE 1300
AUSTIN, TEXAS 78701-2744
(512) 435-2300

TELECOPIER (512) 435-2360

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TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION
UTILITY AND DISTRICTS

JOHN J. CARLTON
(512) 435-2308
JCARLTON@ABAUSTIN.COM

October 11, 2002

Via Facsimile and Via First Class Mail

John Deering
Geoffrey Kirshbaum
Office of the Public Interest Counsel
Texas Commission on Environmental Quality - MC 173
P.O. Box 13087
Austin, Texas 78711-3087

Re: SOAH Docket No. 582-02-3056; *In the Matter of the Applications of the City of Austin for a Water Certificate of Convenience and Necessity (No. 33562-C) and a Wastewater Certificate of Convenience and Necessity (No. 33563-C), Application of Hornsby Bend Utility Company to Amend Certificate of Convenience and Necessity No. 20650*

Dear Mr. Deering and Mr. Kirshbaum:

Enclosed please find the following documentation in regard to the above matter:

1. Hornsby Bend Utility Company's Responses to Executive Director's First Request for Disclosure, Interrogatories & Production.

Sincerely,

John J. Carlton

John J. Carlton

JJC/ks
Enclosures.

cc: Scott Humphrey
Mark Zeppa
Kenneth Ramirez
Ron Freeman

Via Facsimile and Via First Class Mail
Via Facsimile and Via First Class Mail
Via Facsimile and Via First Class Mail
Via Facsimile and Via First Class Mail

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SOAH DOCKET NO. 582-02-3056

IN THE MATTER OF THE	§	BEFORE THE STATE OFFICE
APPLICATIONS OF THE CITY OF	§	
AUSTIN FOR A WATER	§	
CERTIFICATE OF CONVENIENCE	§	OF
AND NECESSITY (NO. 33562-C) AND	§	
A WASTEWATER CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY	§	ADMINISTRATIVE HEARINGS
(NO. 33563-C)	§	
	§	
APPLICATION OF HORNSBY	§	BEFORE THE STATE OFFICE
BEND UTILITY COMPANY	§	
TO AMEND CERTIFICATE	§	OF
OF CONVENIENCE AND	§	
NECESSITY NO. 20650	§	ADMINISTRATIVE HEARINGS

**HORNSBY BEND UTILITY COMPANY'S RESPONSES TO
EXECUTIVE DIRECTOR'S FIRST REQUEST FOR
DISCLOSURE, INTERROGATORIES & PRODUCTION**

TO: Executive Director, Texas Commission on Environmental Quality, by and through its designated representatives, John Deering and Geoffrey Kirshbaum, Office of Legal Services, P.O. Box 13087 (MC 173), Austin, Texas 78711-3087.

Pursuant to Texas Rule of Civil Procedure 194 and 1 TAC §155.31, Hornsby Bend Utility Company ("Utility") serves these answers to Executive Director, Texas Commission on Environmental Quality's requests for disclosure.

ANSWERS TO REQUESTS FOR DISCLOSURE

1. Response to request under Rule 194.2(a): To the best of our knowledge and belief, the parties have been correctly named.
2. Response to request under Rule 194.2(b): Utility knows of no further potential parties to this suit.
3. Response to request under Rule 194.2(c): The legal theories and, in general, the factual bases of Utility's claims are as follows:

The Utility satisfies the statutory criteria as set forth in Chapter 13 of the Water Code and the Rules of the Texas Commission on Environmental Quality and is thus entitled to the granting of the requested applications. The Utility is in a better position than the City to provide service to its requested areas, based on financial

considerations, as well as considerations of physical capacity, location, proximity, efficiency, proven track record, and, perhaps most importantly, existence, of its current facilities contiguous to the requested areas.

First, the Utility has the immediate financial ability to provide safe, adequate, efficient, and reasonable service, while the City has shown no evidence of immediate ability or even planning or intent to provide such service. Additionally, the Utility has the physical facilities and the instrumentalities in place such that fulfilling any existing or future requests for service will require mere extension of those existing facilities as opposed to all-new construction. Finally, the Utility is able to more efficiently provide water than the City based on the fact that it utilizes groundwater, as opposed to surface water, which requires less processing, which, in turn, decreases costs, which savings are passed along to the customer.

The Utility has the managerial and technical capabilities to provide continuous and adequate service to its proposed areas. The Utility has a proven record for providing continuous and adequate water and wastewater service, whereas the City has a compliance history tainted by violations as well as both financial and physical inefficiency. Moreover, the Utility has adequate water to provide such service, as evidenced by hydrology studies indicating ample water supply.

Importantly, the Utility will suffer grave damage if not granted the CCN's for its proposed areas, both from an economic as well as practical standpoint. It will be prevented from fulfilling legitimate requests for and demonstrated need for water and wastewater service. Its development will be in short and disjointed stages and, thus, inefficient, by virtue of having to develop incrementally. The customers will also suffer the consequences by virtue of fragmented development and less efficient physical planning.

4. Response to request under Rule 194.2(d): Not applicable.
5. Response to request under Rule 194.2(e): The name, address (work and home) and telephone number (work and home) of persons having knowledge of relevant facts, with a brief statement of each person's connection with the case, are as follows:

Reynaldo Cantu, P.E., Assistant Director, City of Austin Water and Wastewater
625 E. 10th Street, Suite 415, PO Box 1088, Austin, Texas 78767-8859

Reynaldo Cantu has been involved in discussions regarding wastewater plant site investigations that were to have been conducted by the City of Austin in the future 15 to 30 year range.

Gail Hamrick-Pigg, Senior Project Manager, Roy F. Weston, Inc., 3500 Bee Caves Road, Building One, Suite 100, Austin, Texas 78746-5225

Ms. Hamrick-Pigg has been involved in discussions regarding attempts at evaluation of possible sites for wastewater treatment facilities to be constructed 15 to 30 years in the range.

Randy Pohren, Water and Wastewater Utility Facility, Engineer Division, Waller Creek Center, 625 E. 10th Street, Suite 415, Austin, TX 78701.

Mr. Pohren has been involved in discussions regarding attempts at evaluation of possible sites for wastewater treatment facilities to be constructed 15 to 30 years in the future range.

Bart Jennings, Water and Wastewater Utility Wholesale Department, City of Austin, 625 E. 10th Street, Suite 800, Austin, TX 78701.

Bart Jennings has been involved in discussions with representatives of Hornsby Bend Utility regarding the issues involved in this CCN application.

George Murfee, Murfee Engineering, Capitol of Texas Highway South, Building D, Suite 110, Austin, Texas 78746 327-9204

George Murfee has been involved in issues dealing with the CCN application and engineering issues with Hornsby Bend Utility Company matters.

Chase Baromeo, Travis Associates Engineering , 512/ 295-3465

Travis Associates is and has done numerous engineering work for Hornsby Bend Utility in its ongoing operations.

Tony Elmer, ECO Resources, Inc., 9511 Ranch Road 620 North, Austin, Texas 78726 219-2291

Tony Elmer is the contract manager responsible for the operation and maintenance of Hornsby Bend Utility Company, Inc. current water and wastewater operations and is therefore more familiar with the day to day operations of the plant and facilities

Bill Jasura, Windermere Utility Co., Inc., 2700 Pecan Street West #406, Pflugerville, Texas 78660 512 / 990-4322

Vice President, Hornsby Bend Utility Company.

Bill Jasura is an officer, vice president, of Hornsby Bend Utility Company, Inc and is involved in the financial aspects of and attending to the books and records of Hornsby Bend Utility Company, Inc.

Thom Farrell, 3223 Park Hills Drive, Austin, Texas 78746, 512/ 327-0869

Thom Farrell is a corporate director of Hornsby Bend Utility Company, Inc. and is familiar with the CCN application matters and the development issues in the immediate Hornsby area. Additionally, Mr. Farrell is the President of Metro H2O Utilities, Inc., the general partner of a limited partnership which owns land within the area that is included in the CCN application area.

Michael Quinn, Suburban Water Systems, 1211 East Center Court Dr., Covina, Ca 91724, 626) 966-2090 Ext 570

Michael Quinn is the President of Hornsby Bend Utility Company, Inc. and is involved in the Hornsby Bend planning matters as a corporate director and officer.

Peter Moerbeek, Southwest Water Company, 12946 Dairy Ashford, Suite 400, Sugarland, Texas 77478 (281) 207-5800

Pete Moerbeek is a director of Hornsby Bend Utility Company, Inc. and is involved in the corporate workings of Hornsby Bend Utility Company, Inc.

David Goodrum, ECO Resources, Inc., ECO Resources, Inc., 9511 Ranch Road 620 North, Austin, Texas 78726 219-2291

David Goodrum is the ECO personnel individual that is responsible for the CCN matters with Hornsby Bend Utility Company, Inc.

Latius R. Prikryl, Phillips & Prikryl, LLP, 515 Congress Avenue, Suite 2600, Austin, Texas 78701 512/ 476-9990.

Mr. Prikryl, Phillips & Prikryl, LLP, is attorney for Hornsby Bend Utility Company, Inc. on a project by project basis. He has also been an assistant officer for momentary periods of time from time to time for Hornsby Bend Utility Company, Inc. in order to execute certain documents as needed from time to time. Mr. Prikryl is also one of the principals of the general partner of Winding Prairie Grass Trails, Ltd. which is the owner of certain acreages within the area being requested for the CCN application for wastewater. This entity has requested that its lands be included in the CCN area of Hornsby Bend.

Steve Held, ECO Resources, Inc., 9511 Ranch Road 620 North, Austin, Texas. Steve Held is in charge of the regional office of ECO Resources, Inc. located in Austin, Texas, and is the supervisor for ECO Resources, Inc., Tony Elmer and David Goodrum and is knowledgeable as to their involvement in the Hornsby Bend Utility Company, Inc. matters.

Eric Morgan, ECO Resources, Inc., 9511 Ranch Road 620 North, Austin, Texas.

John Lloyd, 4111 LAKEPLACE LANE, AUSTIN, TEXAS 78746, 328-0860
John Lloyd is involved as a landowner in the area and is the developer of Forest Bluff Subdivision under the name JBDI Development, Inc.

Bruce Cash, Cash Construction Company of Texas, Inc., P.O. Box 1279, Pflugerville, Texas 78691 251-7872

Bruce Cash is involved with the development of the Forest Bluff Subdivision as a member of JBDI Development, Inc.

Barth Timmerman, 3208 Hampton Road, Austin, Texas 78705, (512) 479-6614
Barth Timmerman is a landowner within the CCN application area that has expressed interest in being included in the Hornsby Bend CCN application area.

Larry Beard, 6200 Gilbert Road, Austin, Texas 78724, 512/ 276-7200.
Project coordinator for Austin Estates Limited Partnership. Austin Estates Limited

Partnership is the owner of approximately 1536 acres of land within the CCN area requested pursuant to the amendments and/or currently certificated to the Hornsby Bend Utility for wastewater. Mr. Beard is familiar with needs for his subdivision and plans therefore.

Steven A. Stratton, 4104 Belmont Park Drive, Austin, Texas 78746-1147, 512-347-8001

Steven A. Stratton is the owner of and/or the representative for some 165 acres of land that is to be developed within the CCN area being sought as part of this amendment by Hornsby Bend Utility Company, Inc. and/or is part of the existing CCN of Hornsby Bend Utility Company, Inc.

Harris Baker, HBH Development, Inc., 5656 Bee Caves Road Suite 201, Austin, Texas 78746, 306-0073 x26

Harris Baker is the principal in HBH Development, Inc. HBH Development, Inc. has developed lots for single family residential housing within the Hornsby Bend existing CCN area as well as is in the process of attempting to develop property adjacent to the existing CCN area of Hornsby, part of which is being requested to be included in the CCN of Hornsby pursuant to the current amendments.

John Harris, Centex Homes, 8140 N. Mopac, Bldg. 4, Suite 150 B, Austin, Texas 78759 795-0170

Mr. Harris is the principal representing Centex Homes which is building homes within and developing property within the existing CCN area of Hornsby Bend Utility Company, Inc. Additionally, John Harris is the same principal of Centex Homes, Inc. who is in the process of dealing with additional properties that might become involved in development in the CCN area of Hornsby Bend Utility Company, Inc.

Wade Shumaker, 2900 F.M. 973 N., Austin, Texas 78725 928-0008

Wade Shumaker is a landowner along FM 973 south of FM 969 who has expressed interest in and indicated a desire to be included within the CCN of Hornsby Bend Utility Company, Inc. for both water and wastewater.

Tony Graf, General Manager, Manville WSC, 108 N. Commerce, Coupland, TX 78615 272-4044

Karl Moeller, Attorney, Manville WSC, 108 N. Commerce, Coupland, TX 78615 272-4044

John Tresnicky, Attorney, City of Austin, 114 W. 7th Street, Austin, Texas 78701 974-2159

Randy Goss, LCRA, 3700 Lake Austin Blvd, Austin, Texas 78703 473-3589.

Hank Kidwell, C.E., Murfee Engineering, 1101 Capitol Of Texas Highway South, Building D, Suite 110, Austin, Texas 78746

Robert Ferguson, C.E., Murfee Engineering, 1101 Capitol Of Texas Highway South, Building D, Suite 110, Austin, Texas 78746

Dan Ryan, C.E., Murfee Engineering, 1101 Capitol Of Texas Highway South, Building D, Suite 110, Austin, Texas 78746

Mike Erdman, former employee, City of Austin, unknown.

Darrell Waldock

David Byer

Toby Futrell, City of Austin, 114 W. 7th Street, Austin, Texas 78701.

This list incorporates by reference those persons listed by the other parties to this suit in response to the request to identify persons having knowledge of relevant facts. This list will be supplemented as discovered.

6. Response to request under Rule 194.2(f): Utility has not yet designated any experts.
7. Response to request under Rule 194.2(g): None known.
8. Response to request under Rule 194.2(h): None known.
9. Response to request under Rule 194.2(i): Utility will provide the Executive Director the opportunity to examine and copy responsive documents on an agreed date at an agreed time and location.
10. Response to request under Rule 194.2(j): Not applicable.
11. Response to request under Rule 194.2(k): Not applicable.

ANSWERS TO INTERROGATORIES

1. For each person the Hornsby Bend Water Company expects to call as a fact witness at the evidentiary hearing in this matter, please provide: (a) the person's name and business address and telephone number; and (b) a brief description of the testimony Hornsby Bend Water Company expects that person to provide.

Response: The Utility has not yet designated any fact witnesses to testify in this matter. The

Utility will supplement its response to this request as the information becomes available.

2. For each expert not listed in the response to the Request for Disclosure whom Hornsby Bend Water Company has consulted and whose mental impressions and opinions have been reviewed by an expert Hornsby Bend Water Company expects to testify in this matter, please provide: (a) the consulting expert's name and business address and telephone number; (b) the facts known by the expert that relate to or form the basis of the expert's mental impressions and opinions formed or made in connection with this matter, regardless of when and how the factual information was acquired; (c) the expert's mental impressions and opinions formed or made in connection with this matter and any methods used to derive them; and (d) a curriculum vitae or other detailed description of the expert's qualifications.

Response: The Utility has not yet designated any experts to testify in this matter. The Utility will supplement its response to this request as the information becomes available.

3. If Hornsby Bend Water Company proposes to provide water service only in any of the proposed area, please describe how sewer service will be provided in that area.

Response: The Utility does not plan to provide water only and not wastewater to any of its proposed area. However, the Utility does plan to provide wastewater in areas where it will not provide water, more specifically, in those areas where Manville Water Supply Corporation is the certificated provider.

4. Please describe the proximity of the area covered by Hornsby Bend Water Company's application to any existing facilities currently operated by Hornsby Bend Water Company or to any facilities Hornsby Bend Water Company proposes to construct.

Response: Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

5. Please describe whether Hornsby Bend Water Company has written requests for service from potential customers in the proposed area.

Response: Written requests for service include, but are not limited to, the following, and this response will be supplemented with additional information:

- a) Hornsby Bend has received written requests for service from Austin Estates Limited Partnership (AELP) for approximately 1536 acres of land that is owned by AELP and which is all located in the area requested by Hornsby Bend to be included in their wastewater CCN and/or parts of which have already been included in the Hornsby Bend wastewater CCN.
- b) Hornsby Bend has received written requests for service from Winding Prairie Grass Trails, Ltd. which is a landowner located within the wastewater CCN application

area. The land consists of approximately 144 acres just west of proposed SH 130 and east of FM 973.

- c) Hornsby Bend has received written request from Metro H2O, Ltd. for inclusion of approximately 50 acres of land which is included in the CCN application area located along Gilbert Road on its west side and 30 plus acres part of which is along FM 969. Parts of these tracts are within ¼ mile of Hornsby Bend's existing CCN for water and wastewater.
- d) Hornsby Bend has received request for service for property along Gilbert Road from Steve A. Stratton, Trustee. This land is east of Gilbert lane and within ¼ mile of Hornsby Bend's existing CCN for wastewater.
- e) Hornsby Bend has received request for service from Barth Timmerman for tracts of land located within the wastewater CCN application area just south of the city of Manor.
- f) Hornsby Bend has received requests for service from Wade Schumaker for tracts of land along FM 973 that are in the application area which is within the water and wastewater CCN application area.

6. If there are no requests for service in the proposed area, please describe in detail the need for service in the Hornsby Bend Water Company proposed area.

Response: Not applicable.

7. Please state whether, to the best of your knowledge, if people are already living in the area Hornsby Bend Water Company has requested to add to its certificate of convenience and necessity ("CCN"). If so, please state whether those people are currently receiving water and/or sewer utility service and identify the service provider(s).

Response: There are people already living in the area the Utility has requested to add to its CCN. To the best of our knowledge, the people living in the proposed wastewater area are receiving water from Manville; others, we believe, are on private wells. The wastewater service for such landowners is by septic tank.

8. Please describe in detail the ability of Hornsby Bend Water Company to provide adequate water service to proposed area.

Response: In the near term, ground water sources are to be used. The Utility has made inquiry to the LCRA, who indicated to the Utility the availability of water rights, far in excess of what the Utility would request, for a surface water treatment plant. Murfee Engineering has performed a rough cost analysis of such surface treatment plant. The Utility also exploring and has engaged in active discussions with potential providers for service

from the Craizzo-Wilcox Aquifer. Additionally, the Utility is in the process of drilling at least one additional well and the Utility's board has authorized the expenditure of \$275,000 for additional hydrology studies by Mike Thornhill to develop an exploratory well plan of property adjacent to the Utility's existing facilities.

9. Please state your position concerning the effect of the granting of a water CCN to the City of Austin with respect to the area that overlaps the proposed area of Hornsby Bend Water Company. This should include the financial consequences, both current and projected, changes in customer base, potential changes in rates charge by both entities.

Response: The Utility would be forced to abandon its current development plans, which involves construction of a 500,000 gallon water tank. The Utility would be constrained in its development efforts, having to develop incrementally, which would involve, initially, constructing a 100,000 gallon tank rather than the 500,000 gallon tank. Because a 100,000 gallon tank does not have the capacity to support planned development in the Utility's entire area, the Utility would then be forced to not only build additional tanks, but would also be required to redevelop the LUE structure. In addition, the Utility would be placing current and pending Utility Service and related development deals in jeopardy. The fragmented development of the areas and the associated inconveniences and costs would be passed along to the customer, ultimately increasing consumer rates. Moreover, granting of a water CCN to the City with respect to the area that overlaps the proposed area of the Utility will cause duplicity of lines, and thus an intertwined and impractical, inefficient system.

10. Please describe the approximate time frame in which Hornsby Bend Water Company could provide water service in compliance with all applicable Commission rules and statutes to the proposed area including the outer boundaries of the requested area.

Response: With respect to areas that are adjacent to existing facilities, the Utility is capable of providing service immediately. With respect to areas not immediately adjacent to the Utility's existing facilities, such service will be provided and facilities extended in accordance with Utility's tariff upon developer or customer request.

11. Please describe in detail any effects on environmental integrity if the Commission approves Hornsby Bend Water Company CCN amendment application.

Response: Approval of the Utility's CCN amendment application will enable the Utility to plan a unified utility system and will minimize the number of projects, number of lift stations, etc. The result is a decrease in the risk of spills and other environmental hazards associated with fragmented development. Also, a centralized wastewater service system will significantly reduce the multiple existing private septic systems thus confining the environmental hazards to a central area. In addition, approval of the Utility's CCN

amendment application would eliminate duplicate construction of facilities, limiting the impact of construction projects on the land, e.g., holes, erosion, etc.)

12. Please describe the amount and type of all initial and long-term facility costs that will be passed onto customers in the proposed area if Hornsby Bend Water Company becomes the service provider for the proposed area.

Response: The developers in the area will fund the facility expansion as required under the tariff. The Utility will construct and finance all other necessary facility expansion. The costs of the Utility's investment will be borne by the customers, via the rates charged in accordance with the approved tariff.

13. Please describe the probable improvement in service or lowering of costs to consumers in the area proposed by Hornsby Bend Water Company if Hornsby Bend Water Company becomes the service provider for the proposed area that overlaps the portion of the area the City of Austin proposes to serve. Include historical data concerning water service reliability, historical water quality, and current and projected costs to consumers in the proposed area

Response: Service will be available to consumers more quickly because there are existing facilities in the proposed area, and the costs associated with extension are significantly less than those associated with construction of a new system. In addition, the Utility's system for water is based on ground water, which does not require the intense level of treatment required for surface water. These costs will all be borne by the ultimate users. The result is that the end user will pay less in the event the Utility is granted the CCN and becomes the service provider in the proposed area.

Further responsive information may be obtained by a review of documents, specifically, the Proposed Service Plan developed by Murfee Engineering and the Monthly Operations Reports, with no greater burden than if the information were compiled for this interrogatory. Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

14. Please describe in detail why you object to the amendments the City of Austin representative have requested in their certificates of convenience and necessity ("CCN").

Response: The Utility objects to the amendments requested by the City because they will interfere with the Utility's ability to provide efficient and cost-effective utility service within its proposed area. Specifically, the Utility will be required to construct its system in a fragmented and piecemeal manner, ultimately resulting in increased costs to all customers within the area. Further, City has yet to produce any requests and service demonstrating a need for their service in the project area.

15. Please describe the method for determining water rates for the Hornsby Bend Water Company proposed area.

Response: The Utility abides by the regulations set forth in Chapter 13 of the Texas Water Code and 31 TAC Chapter 291, Subchapter B.

RESPONSES TO REQUESTS FOR PRODUCTION

1. Please provide a Preliminary Engineering Report prepared by a registered engineer for Hornsby Bend Water Company.

Response: Hornsby Bend objects to this Request for the reason that it is vague, ambiguous, and is not sufficiently limited in time or scope.

2. Please provide any and all estimates of the capital costs for Hornsby Bend Water Company to increase the water plant capacity to provide service to the requested area.

Response: No documents responsive to this request have been identified.

3. Please provide any and all existing capital asset acquisition budgets.

Response: Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

4. Please provide any and all estimates of the capital costs for the line extension to provide service to the requested area.

Response: Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

5. Please provide any and all documents that contain or discuss the method and terms of financing the capital acquisition costs for Hornsby Bend Water Company.

Response: No documents responsive to this request have been identified.

6. Please provide map(s) of all water facilities currently in place in or within two miles of the requested service area for Hornsby Bend Water Company.

Response: Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

7. Please provide any and all written requests for service from any person in the proposed area.

Response: Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

8. Please provide any and all maps showing the location or locations of those persons requesting service in the Hornsby Bend Water Company proposed area.

Response: Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

9. Please provide any and all maps which indicate or show where Hornsby Bend Water Company is currently serving outside of its current certificated service area.

Response: Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

10. Please provide any and all responses from Hornsby Bend Water Company to the Texas Commission on Environmental Quality regarding the most recent inspection of the water system that is potentially going to be used to provide service to the requested area and any notices of violations thereof.

Response: Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

11. Please produce copies of any and all documents identified in your responses to Interrogatories Nos. one (1) through fifteen (15) listed above or used to assist you in responding to Interrogatories one (1) through fifteen (15).

Response (1): Not applicable.

Response (2): Not applicable.

Response (3): Not applicable.

Response (4): Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

Response (5): Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

Response (6): Not applicable.

Response (7): None.

Response (8): None.

Response (9): None.

Response (10): Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

Response (11): No documents responsive to this request have been identified.

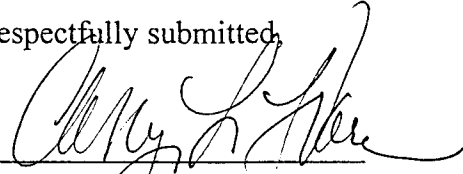
Response (12): No documents responsive to this request have been identified.

Response (13): Utility will provide the Executive Director the opportunity to examine and copy the responsive documents on an agreed date at an agreed time and location.

Response (14): No documents responsive to this request have been identified.

Response (15): No documents.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John C. Carlton", written over a horizontal line.

JOHN C. CARLTON

State Bar No. 03817600

CASEY L. WARE

State Bar No. 24033436

ARMBRUST & BROWN, L.L.P.

100 Congress Avenue, Suite 1300

Austin, Texas 78701-2744

(512) 435-2300 - Telephone

(512) 436-2360 - Telecopy

**ATTORNEYS FOR HORNSBY BEND
UTILITY COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Request has been sent by Facsimile and First Class Mail on this 11th day of October, 2002, to the following:

Scott Humphrey
Texas Natural Resource Conservation
Commission - MC 103
P.O. Box 13087
Austin, Texas 78711-3087
Tel. (512) 239-
Fax (512) 239-3434

Representing Public Interest Counsel

John Deering
Office of the Public Interest Counsel
Texas Commission on Environmental Quality - MC 173
P.O. Box 13087
Austin, Texas 78711-3087
Tel. (512) 239-6363
Fax (512) 239-6377

Representing Executive Director of TCEQ

Ken Ramirez
Attorney at Law
111 Congress Avenue, Suite 2300
Austin, Texas 78701
Tel. (512) 494-3611
Fax (512) 472-9123

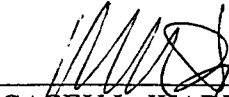
Representing City of Austin

Ron Freeman
Attorney at Law
2304 Hancock Dr., Ste. 6
Austin, Texas 78756
Tel. (512) 451-6689
Fax (512) 453-0865

Representing Lower Colorado River Authority

Mark Zeppa
Law Offices of Mark H. Zeppa, P.C.
4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759-8436
Tel. (512) 346-4011
Fax (512) 346-6847

Representing AquaSource Utility, Inc.,
AquaSource Development Company,
Creedmoor-Maha WSC, and City of Mustang
Ridge


By *per mission*
CASEY L. WARE