

Accounts Payable Coding Form

Vendor # in Navision: USFILTD Company: DDC
 Vendor Name: US FILTER Department: CONSTRUCTION
 New Vendor Name: Location: RETREAT
 New Address or Change of Address: HIGHLIGHT "SPECIAL or RUSH ONLY"
 Phone #: Return check for: _____
 Date required: _____

Invoice #	Invoice Date	Amount	Company	G/L Acct. #	DEPT.	G/L Comment (20 Characters or Less)	Amount
8308573	4/19/02	18,900.45	05521	1850-0080		3,000 FT. OF PVC PIPE	9,450.23
			05521	1850-0080		3,000 FT. OF PVC PIPE	9,450.22
RECEIVED							
MAY 13 2002							
Grand Total:							18,900.45

ACCOUNT # AND/OR P.O.#: 210-725388
 Manager(s) Comments: CODED BY BURNIE WESTERN
 Explain Variance to Budget:

Prepared by: MELISSA DLOUD 5/13/02 DATE PREPARED
 Approved by: MELISSA DLOUD Signature
 Accounting Use Only: 100116
 Field Batch #: _____
 Acc'y Approval: _____
 A/P Batch #: 2336

Accounts Payable Coding Form

Vendor # in Navision: USFILTD
 Vendor Name: US FILTER
 New Vendor Name:
 New Address or
 Change of Address:
 Phone #:

Company: DDC
 Department: CONSTRUCTION
 Location: RETREAT

HIGHLIGHT "SPECIAL or RUSH ONLY"

Return check to:
 Date required:

Invoice #	Invoice Date	Amount	Company	GIL Acct. #	DEPT.	GIL Comment (20 Characters or Less)	Amount
8300988	4/22/02	4,761.26	05521	1650-0060		N-12 PROLNK PIPE, PIPE WST CPLG	4,761.26
9306688	4/23/02	528.68	05521	1650-0060		36X36 ADS N-12 T-WYE, SPLIT CPLG	528.68
GRAND TOTAL:							5,289.94

RECEIVED
MAY 13 2002

ACCOUNT # AND/OR P.O. #:
 Manager(s) Comments: NO P.O. #S
 Explain Variance to Budget: CODED BY BURNIE WESTERN

Prepared by: MELISSA DOUD DATE PREPARED: 5/13/02
 Approved by: MELISSA DOUD Signature(s): Melissa Doud
 Accounting Use Only: Kash
 Field Batch #: 2337, 2338
 A/P Batch #:

DDU008438

Double Diamond Properties C

Vendor No: B08000
Bobcat Contracting

Check No : 6079

06/11/02

Reference	Invoice Date	Gross Amount	Description	Net Amount Paid
Invoice 12880	06/14/02	16,775.00	Invoice 2378	16,775.00 **
Totals :		16,775.00		16,775.00

Double Diamond Properties Const
10100 N. Central Expressway, Suite 4
Dallas, TX 75231

Chase Bank of Texas
Dallas, Texas 32-115/1110

Check Amt	\$ 16,775.00
Check Date	06/11/02
Check No	6079

Pay **** SIXTEEN THOUSAND SEVEN HUNDRED SEVENTY FIVE AND 0/100 DOLLARS

To the order of :
Bobcat Contracting
P. O. Box 883
Hillsboro, TX 76645

*** COPY ***
Your Signature Here

DDU008469

WBSR-51

Double Diamond Properties C

Vendor No : 30BCCO
Bobcat Contracting

Check No : 6262

07/17/02

Reference	Invoice Date	Gross Amount	Description	Net Amount Paid
Invoice 13147	08/10/02	11,275.00	Invoice 2482	11,275.00
Invoice 13251	08/16/02	5,225.00	Invoice 2483	5,225.00
Totals :		16,500.00		16,500.00

124400
1205

Double Diamond Properties Const 10100 N. Central Expressway, Suite 4 Dallas, TX 75231	JPMorgan Chase Bank Dallas, Texas 32-115/1110	Check Amt \$ 16,500.00 Check Date 07/17/02 Check No 6262
Pay ***** SIXTEEN THOUSAND FIVE HUNDRED AND 0/100 DOLLARS		*** COPY *** Your Signature Here
To the order of : Bobcat Contracting P. O. Box 863 Hillsboro, TX 76646		

15,675
77837.50

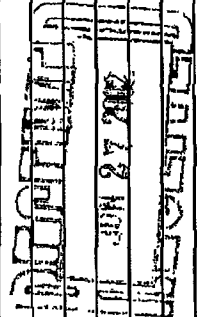
DDU008505

WBSR-53

Accounts Payable Coding Form

Vendor # **BOBCCON** Company: **DDC**
 Vendor Name: **BOBCAT CONTRACTING, LLC** Department: **CONSTRUCTION**
 Vendor Address: Location: **RETREAT**
 New vendor HIGHLIGHT "SPECIAL SITUATIONS ONLY"
 or address change:

Return check to:
Date required:

Invoice #	Invoice Date	Amount	Job #	Cost Code	Company	GIL Acct. #	DEPT.	GIL Comment (20 Characters)	Amount
13147	6/10/02	11,275.00	6026	02082		1650-0060		4,100 FT. OF MAIN LINE INSTALLED	11,275.00
									
Grand Total:									11,275.00

Check Stub Comment: NO P.O. #, CODED BY BURNIE WESTERN
 Manager Comments:
 Explain variance to budget:

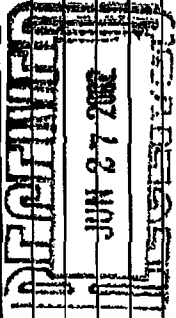
Prepared by: MELISSA DOUD 6/27/02
 Approved by: MELISSA DOUD DATE PREPARED
 Signature:  Signature
 Accounting Use Only: 2492
 Acctg Approval: [Signature]
 A/P Batch #: 2492 Field Batch #:

Accounts Payable Coding Form

Vendor # BOBCCON
 Vendor Name: BOBCAT CONTRACTING, LLC
 Vendor Address: _____
 New vendor _____
 or address change: _____

Company: DDC
 Department: CONSTRUCTION
 Location: RETREAT
 HIGHLIGHT "SPECIAL SITUATIONS ONLY"

Return check by _____
 Date required: _____

Invoice #	Invoice Date	Amount	Job #	Cost Code	Company	G/L Acct. #	DEPT.	G/L Comment (20 Characters)	Amount
13251	6/18/02	5,225.00	6026	02081		1650-0060		1,600 FT. OF MAIN LINE INSTALLED	4,400.00
			6045	13850		1650-0060		CUT FOOTING	825.00
									
Grand Total									5,225.00

Check Stub Comment: _____
 Manager Comments: _____
 Explain variance to budget: _____

NO P.O. # CODED BY BURNIE WESTERN

Prepared by: MELISSA DOUD 6/27/02
DATE PREPARED

Approved by: MELISSA DOUD
DATE

SIGNATURE

Accounting/Use Only
 Accg Approval: 106627
 AP Batch #: 2483
 Field Batch #: _____

Accounts Payable Coding Form

Vendor # USFILTD
 Vendor: US FILTER - DALLAS, TX
 New Address: _____

Company: DDC
 Department: CONSTRUCTION
 Location: THE RETREAT

HIGHLIGHT "SPECIAL SITUATIONS ONLY"

Return check to:
 Date required:

Invoice #	Invoice Date	Amount	Job #	Cost Code	Company	GIL Acct. #	DEPT.	GIL Comment (20 Characters)	Amount
8771834	9/27/02	\$ 38,124.77	6027	05521		1650-0060		PVC PIPE	\$ 38,124.77
8801714	9/27/02	\$ 6,662.13	6027	05521		1650-0060		PVC PIPE	\$ 6,662.13
RECEIVED OCT 28 2002									
									\$ 44,786.90

Check Stub Comment: A/C #128185
 Manager Comments: CODED BY BURNIE WESTERN
 Explain variance to budget: NO P.O. #

Prepared by: MELISSA DOUBHELISSA DATE PREPARED: 10/24/02
 Approved by: RANDY GRACY Field Batch #: _____
 Accounting, Use Only: _____
 Acctg Approval: [Signature]
 AP Batch #: 2997.2998

DOUBLE DIAMOND, INC.

048651

DATE	INVOICE NO	COMMENT	AMOUNT	DISCOUNT	NET AMOUNT
12/01/96	120196	WATER & SEWER LINES	9,960.00	.00	9,960.00

1500 water bore

*12/1/96
B. J. W.*

CHECK: 048651 01/21/97 SHOWS UTILITIES, INC.

CHK TOTAL: 9,960.00

DDU009459

WBSR-58

DOUBLE DIAMOND, INC.

split
049795

DATE	INVOICE NO	COMMENT	AMOUNT	DISCOUNT	NET AMOUNT
02/28/97	1257007	PVC PIPE	13,879.82	.00	13,879.82
02/28/97	1258015	PVC TEE/GATE VALVE	2,068.42	.00	2,068.42
02/28/97	1260516	PVC PIPE CL 160	9,634.68	.00	9,634.68

16/2/96

CHECK: 049795 03/24/97 U.S. FILTER

CHK TOTAL: 25,582.92

DDU009472

WBSR-59

DOUBLE DIAMOND, INC.

DATE	INVOICE NO	COMMENT
03/01/97	03197	UNIT 40
03/29/97	32997	PIPE

AMOUNT	DISCOUNT	NET AMOUNT
7,600.00	.00	7,600.00
28,420.00	.00	28,420.00

500 sewer bore
split

164/20

CHECK: 050249 04/25/97 SHOWS UTILITIES, INC.

CHK TOTAL: 36,020.00

DDU009478

WBSR-60

Vendor No.:

Vendor Name:

Vendor Address:

(if new vendor or change)

Company: DDI

Department: ALL

Location: WHITE BLUFF

New Vendor Only:

Tax ID:

Corporation:

(yes/no)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No:	Cost Code	IG/L Account No.	Check Comment	Amount
13197	3-1-97	7600.00		9120	150307	8052-0908	Unit 40 Server base Hotel band	6600.00 500.00 500.00
				9122	03006			
Total								7600.00
Total								7600.00

Explanation:

Prepared: LISA LOWRY

Approved:

Return to: [Signature]
Date required: 2-4-97

STANDARD TERMS - PAYABLE WITHIN 30 DAYS OF INVOICE DATE

Accounting Approval: [Signature]

Please Staple Anything to be Sent with Check Here (DO NOT PAPERCLIP)

DDU009479

WBSR-61

VENDOR # 2080

VENDOR NAME SHOWS UTILITIES, INC.

Vendor Address: 608 SHOWS LANE

(if new vendor or address change) CHINA SPRING, TEXAS 76633

Company: DD PROP CONST CO

Department: CONSTR

Location: THE CLIFFS

Tax ID: _____ Corporation: _____ (V assNo)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount
32997	3/29/97	\$28,420.00		8108	15-030	2	PIPE	\$22,900.00
				8090	15-030	2	PIPE	\$2,920.00
				8119	15-030	3	PIPE	\$2,600.00
							FC	
							APR 02 1997	
Total							Total	\$28,420.00

Explanation: PIPE FOR WATER/SEWER PHASE X

DAWN PENNINGTON

4/2/97

Return to:

(Date Prepared)

Approved: *Bull*

Date required:

(Special Situation Only)

STANDARD TERMS - PAYABLE WITHIN 30 DAYS OF INVOICE DATE

Accounting Approval: _____

(Special Situation Only)

Please Staple Anything to be Sent with Check Here (DO NOT PAPERCLIP)

DDU009481

WBSR-62

DOUBLE DIAMOND, INC.

050775

DATE	INVOICE NO	COMMENT	AMOUNT	DISCOUNT	NET AMOUNT
04/01/97	040197	UNIT 40 COMPLETE	15,950.00	.00	15,950.00

CHECK: 050775 05/22/97 SHOWS UTILITIES, INC. *W*

CHK TOTAL: 15,950.00

DDU009483

WBSR-63

Vendor No.:

Vendor Name: Shaw's Utilities

Vendor Address: 608 Shaws Lane

(if new vendor or charge) Chico Springs TX

76633

Company: DDI

Department: ALL

Location: WHITE BLUFF

New Vendor Only

Tax ID: _____

Corporation: _____

(years)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	GL Account No.	Check Comment	Amount
44197	4-1-97	15950.00	V 9180	15050			Unit HO Complete	14950.00
							Water Base (8050-90)	500.00
							San Base (8052-90)	500.00
Total								15950.00

Explanation: Unit HO Water & Sewer

Prepared: LISA LOWBY [Signature] Return to: _____

Approved: [Signature] Date required: _____

Accounting Approval: [Signature]

Accounting Approval: [Signature]

DDU009484

WBSR-64

STANDARD TERMS - PAYABLE WITHIN 30 DAYS OF INVOICE DATE

Please Staple Anything to be Sent with Check Here (DO NOT PAPERCLIP)

Vendor No.: _____
Vendor Name: C.S. Filter Company: DDI
Vendor Address: _____ Department: ALL
(if new vendor or change) Location: WHITE BLUFF
New Vendor Only: _____ Corporation: _____
Tax ID: _____ (N/A)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount
6229660	4-10-97	1236.58		9120	15000		Unit 40	1236.58
SENT TO								
APR 25 1997								
TOWNE OFFICE								
APR 29 1997								
Total								1236.58

Explanation: Unit 40 chimney Return to: _____
Prepared: LISA LOWRY (Date Prepared) _____
Approved: [Signature] (Date Prepared) _____
Date required: _____
Accounting Approved: [Signature] (Special Situation Only)
Please Stamp Anything to be Sent with Check Here (DO NOT PAPERCLIP)

DDU009486

STANDARD TERMS - PAYABLE WITHIN 30 DAYS OF INVOICE DATE

Vendor No.: _____
Vendor Name: US Filter

Vendor Address: _____
(if new vendor or change)

SENT TO
OCT 21 1997
HOME OFFICE

Company: DDI
Department: ALT Construction
Location: WHITE BLUFF
New Vendor Only: _____

Tax ID: _____ Corporation: _____ (Yearly)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount
1288820	4-18-97	1476.53		9129	15030		4" x 2 1/2" Gate Valves	1476.53
(Handwritten initials and signature)								
							RECEIVED OCT 22 1997 BY _____	
Total							1476.53	1476.53

Explanation: Unit 41 Utility Const We never received original invoice.
Prepared: Teresa Martin 2/16/1997
Approved: [Signature] Date required: _____
Return to: _____
Accounting Approval: _____
(Special Situation Only)
Please Staple Anything to be Sent with Check Here (DO NOT PAPERCLIP)

DDU009488

Accounts Payable Coding Form

Please Staple Upper Left Corner of Backup Documents Here

Vendor No.:

Vendor Name: PURESTREAM

Company: DDI

Vendor Address:
(if new vendor or change)

Department: CONST

Location: WB

New Vendor Only:

Tax ID: Corporation: (Year)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount
020290	4/23/97	\$ 116,377.00		40015	150305		SEWER TREATMENT PLANT	\$ 116,377.00
Total								116,377.00

Explanation:

Prepared: L. MILES 4/30/97

Approved: [Signature]

Return to: (Special Situation Only)

Date required: (Special Situation Only)

FINCKUS Applications Coding Form

Office Use Only

Accounting Approval: [Signature]

Batch No.:

DDU009491

WBSR-67

Accounts Payable Coding Form

Vendor No.: _____

Vendor Name: U.S. Filter

Vendor Address: _____
(if new vendor or change)

Company: Double Diamond
Department: Cost Allocation/Rm/rach
Location: White Bluff

_____ New Vendor Only _____
Tax ID: _____ Corporation: _____ (state)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount
<u>4110571</u>	<u>6-16-97</u>	<u>1273.02</u>		<u>9129</u>	<u>1770 15005</u>		<u>2" PVC Pipe</u>	<u>1273.02</u>
							<u>SENT TO</u>	
							<u>JUL 1 1997 JUL - 2 1997</u>	
							<u>HOME OFFICE</u>	
Total							Total	1273.02

Explanation: Unit 41

Prepared: Teresa Martin 6/24/97 Office Use Only

Approved: [Signature] 6-27-97 Accounting Approval

Return to: [Signature] Batch No. 1000

Date required: _____
(Special Situation Only)

[Handwritten Initials]

DDU009497

WBSR-68

Accounts Payable Coding Form

Vendor No.:

Vendor Name: US Filter

Company: Double Diamond

Vendor Address:
(if new vendor or change)

Department: Construction

Location: White Bluff

New Vendor Only

Tax ID:

Cooperation

(Yes/No)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount	
4117879	6-19-97	3373.07		9129	15000 15030S		4" PVC PIPE	3373.07	
							SENT TO		
							JUL 1 1997		
							HOME OFFICE		
							JUL - 2 1997		
Total								3373.07	
								Total	3373.07

Explanation: Unit 41

Prepared: Teresa Martin 6/25/97

Office Use Only

Approved: [Signature] 6-23-97 Accounting Approval: [Signature]

Return to: [Signature] Batch No: 60108

Date required:

(Special Situation Only)

(Special Situation Only)

F:\WICKLE\FORMS\XLS\Coding Form

DDU009499

WBSR-69

DOUBLE DIAMOND, INC.

052064

DATE INVOICE NO COMMENT
07/01/97 070197 UNIT 41

AMOUNT	DISCOUNT	NET AMOUNT
7,910.00	.00	7,910.00

22 00

CHECK: 052064 08/21/97 SHOWS UTILITIES, INC.

AD CHK TOTAL: 7,910.00

DDU009501

WBSR-70

DOUBLE DIAMOND, INC.

052542

DATE INVOICE NO COMMENT
08/01/97 080197 UNIT 41

AMOUNT	DISCOUNT	NET AMOUNT
9,750.00	.00	9,750.00

CHECK: 052542 09/25/97 SHOWS UTILITIES, INC.

GH CHK TOTAL: 9,750.00

DDU009504

WBSR-71

DD PROPERTIES CONSTRUCTION CO.

010160

DATE	INVOICE NO	COMMENT	AMOUNT	DISCOUNT	NET AMOUNT
07/07/97	615	LABOR & MATERIALS-SEWER	806.40	.00	806.40

CHECK: 010160 02/19/98 A.N.A. CONSULTANTS L.L.C.

49 CHK TOTAL: 806.40

DDU009510

WBSR-72

ACCOUNTS PAYABLE>Loading Form

Vendor No.:

Vendor Name: US Filter

Company: Double Diamond

Vendor Address:
(if new vendor or change)

FT TO
SEP 2 1997

Department: Cost Allocation/Rmd/Ranch
Location: White Bluff

HOME OFFICE

New Vendor Only

Tax ID:

Corporation:

(Yes/No)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount
4160168	7-25-97	350.39		9129	15030		ck Value, Tees, Ell, Etc.	350.39
Total								350.39

Explanation: Unit 41

Prepared: Teresa Martin

Office Use Only

Approved: [Signature]

Accounting Approval [Signature]

Return to: [Signature]

Batch No:

Date required: _____

(Special Situation Only)

(Special Situation Only)

U.S. GOVERNMENT PRINTING OFFICE: 1988 O-484-214

ENTERED SEP 0 4 1997

DDU009514

WBSR-73

Vendor No.:

Vendor Name: US Filter

Vendor Address:
(if new vendor or change)

Company: DDI

Department: Construction

Location: WHITE BLUFF

SENT TO

New Vendor Only

SEP 3 1997

Corporation:

(rate)

HOME OFFICE

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	GL Account No.	Check Comment	Amount
4194658	8-22-97	1277.16		9129	150302		Gate Valves	1277.16
4179568	8-20-97	415.24		9129	150302		Cross, Union, Bushing, Etc.	415.24
Total								1692.40

Explanation: Unit 41 Construction @ Sugar Plant Construction

Prepared: Teresa Martin 2/1/97
(Date Prepared)

Return to:

Approved: [Signature] 9-2

(Special Station Only)

Date required:

ENTERED SEP 0 1997

Accounting Approval: [Signature]

STANDARD TERMS - PAYABLE WITHIN 30 DAYS OF INVOICE DATE

Please Staple Anything to be Sent with Check Here (DO NOT PAPERCLIP)

Accounts Payable Coding Form

Vendor # in Navision: USFILTER Company: DDC - DDU PO - 9216
 Vendor Name: US FILTER Department: UTILITY
 New Vendor Name: Dollar Location: WHITE BLUFF
 New Address or Change of Address: HIGHLIGHT "SPECIAL or RUSH ONLY"
 Phone # & Fed I.D. #: _____ Return check to: _____
 Date required: _____

Invoice #	Invoice Date	Amount	Company	GL Acct #	DEPT.	GL Comment (20 Characters or Less)	Amount
8279858	4/8/02	358.52	DDU	8460-0000	9090	BUSHINGS, C/PLG HXH	65.58
			DDU	8420 0000	9090	TU BALL VLV	292.94
RECEIVED MAY 03 2002 Sent to MAY 13 2002 Home Office							
RECEIVED MAY 14 2002 RECEIVED							
Grand Total:							358.52
Grand Total:							358.52

Check Stub Comment: P011 9016
 Manager(s) Comments: _____
 Explain Variance to Budget: _____

Prepared by: TERESA MARTIN Accounting Use Only: _____
 Approved by: BURNIE WESTERN Acctg Approval: 905119
 Signature: [Signature] Field Batch #: WB-5-10-2
 Date Prepared: 4-22-02 A/P Batch #: APF-229
 Print Name(s): 4-29

Accounts Payable Coding Form

Vendor # In Navision: USFILTD
 Vendor Name: US FILTER
 New Vendor Name:
 New Address or
 Change of Address:
 Phone # & Fed I.D. #:

Company: DDC - DDU
 Department: UTILITY
 Location: WHITE BLUFF
 HIGHLIGHT "SPECIAL or RUSH ONLY"

PO - 9230

Return check to:
 Date required:

Invoice #	Invoice Date	Amount	Company	G/L Acct. #	DEPT.	G/L Comment (20 Characters or Less)	Amount
8287558	4/10/2002	47.28	DDU	8455-0000	9090	EPOXY Coupling	47.28
Sent to MAY 3 2002 Home Office							
REC'D MAY 09 2002 MAY 14 2002 RECEIVED DEPT. OF REVENUE							
Grand Total:							47.28

PO# 9230

Check Stub Comment
 Manager(s) Comments:
 Explain Variance to Budget:

Accounting Use Only
 Acctg Approval: Rosilk
 A/P Batch #: AP1-229

Field Batch #: WB-5-1C-3

Prepared by: TERESA MARTIN

Approved by: BURNIE WESTERN

[Signature] 4-29-02
 DATE PREPARED
[Signature] *[Signature]*
 SIGNATURE(S)

DDU008428

WBSR-76

Accounts Payable Coding Form

Company: DDC - DDU
 Department: UTILITY
 Location: WHITE BLUFF

PO-9265

Vendor # USFILTD
 Vendor Name: US FILTER

Vendor Address:
 Highlight new vendor
 or address change

Reference to:
 Date received:

HIGHLIGHT SPECIAL SITUATIONS ONLY

Invoice #	Invoice Date	Amount	Job #	Cost Code	Company	G/L Acct. #	DEPT.	G/L Comment (20 Characters)	Amount
8312038	4/18/02	1,065.59			DDU	8510-0000	9090	MTR PCKG,BRS SAD,ETC	655.65
					DDU	8520-0000	9090	ADPT,PIPE,CPLG,ETC	284.35
					DDU	8460-0000	9090	PVC PIPE	40.59
					DDU	8465-0000	9090	PVC PIPE & BUSHING	46.76
					WBP	8423-0000	9070	BLIND FLANGE, FLG ACC	38.24
Grand Total:									1,065.59

RECEIVED
 MAY 16 2002
 SENT TO
 MAY 14 2002
 Home Office

RECEIVED
 MAY 15 2002

PO# 9265

Check Stub Comment:
 Manager Comments:
 Explain variance to budget:

Accounting Use Only
 Acctg Approval: [Signature]
 A/P Batch #: MM-219

Field Batch #: WB-5-3A-1

Prepared by: Teresa Martin (Signature)
 Approved by: Burnie Westberry (Signature)
 Print Name: Joe Hutchison
 Signature: Joe Hutchison
 Date: 5-1-02

Accounts Payable Coding Form

Company: DDC - DDU
 Department: UTILITY
 Location: WHITE BLUFF
 HIGHLIGHT "SPECIAL or RUSH ONLY"

Vendor # in Navision: USFILTD
 Vendor Name: US FILTER
 New Vendor Name:
 New Address or
 Change of Address:
 Phone # & Fed ID. #:

Company: DDC - DDU
 Department: UTILITY
 Location: WHITE BLUFF
 HIGHLIGHT "SPECIAL or RUSH ONLY"

Return check to:
 Date required:

Invoice #	Invoice Date	Amount	Company	G/L Acct. #	DEPT.	G/L Comment (20 Characters or Less)	Amount
8311942	4/18/02	494.56	DDU	8460-0000	9090	RW GV OL 6" PIPE	437.18
			DDU	8465-0000	9090	4" PIPE	57.38
RECEIVED MAY 16 2002 RESERVE							
RECEIVED MAY 14 2002 Home Office							
Grand Total:							494.56

Check Stub Comment: PO# 9157
 Manager(s) Comments:
 Explain Variance to Budget:

Prepared by: TERESA MARRIN DATE PREPARED: 5-1-02 Accounting Use Only
 Approved by: BURNIE WESTERN Field Batch #: WB-5-3A-2 Accg Approval: [Signature]
 AP Batch #: 11-1-229

Vander No.:

Accounts Payable Coding Form

Please Staple Upper Left Corner of Backlog Documents Here (DO NOT PAPERCLIP)

Vendor Name: Shows Utilities
Vendor Address: 608 Shows Lane
(if new vendor or change) China Springs TX

Company: DOUBLE DIAMOND
Department: CONST UTIL./ALLOC./RMW RANCH
Location: WHITE BLUFF

New Vendor Only:

Tax ID: Corporation: (month)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount
182716A	3/29/96	18,750.00	4/10/96	9092	150305		Unit 33	6390.00
	3/29/96			9092	150305		Unit 34	9240.00
				9095	150305		Unit 35	1050.00
				9043	030305	8050-0908	Water Dept (W)	1500.00
				9039	150305		Hotel (H)	420.00
							Townhouse (TW)	150.00
							SENT TO	
							MAR 1 11 5C	
							MAR 0 8 1996	
							HOME OFFICE	
							ANSWERED MAR 1 6 1996	
Total								18,750.00

Explanation: Sewer & Water lines hauling to Hotel & Etc for Townhouse

Prepared: LISA LOWRY
Approved: [Signature]
Return to: [Blank]
Date required: 3-7-96

STANDARD TERMS - PAYABLE WITHIN 30 DAYS OF INVOICE DATE

Accounting Approval: [Signature]

Vendor No.:

Accounts Payable Coding Form

Please Staple Upper Left
Corner of Backup
Documents Here (DO
NOT PAPERCLIP)

Vendor Name: Shaws Utilities

Company: DOUBLE DIAMOND

Vendor Address: 608 Shaws Lane

Department: CONST. UTIL. / ALLOC. / R/W RANCH

(If new vendor or
change) Chico Springs TX

SENT TO

Location: WHITE BLUFF

7/6/33

New Vendor Only:

JUN 14 1996

Tax ID: _____

Corporation: _____

HOME OFFICE

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount
5194	5-1-96	25551.00		9098	150305		Unit 36	9020.00
				9109	150305		Unit 38	6250.00
				9074	170305		New Golf Course	1781.00
				9041	150305		Marina ext Road	500.00
				9043	150305		Hotel	500.00
				9072	150305		Mailbox	500.00
						90500990	Water Utilities	1000.00
Total								25551.00

RECEIVED
JUN 17 1996
BY: _____

Explanation: Water & Sewer

Prepared: LISA LOWRY

Approved: _____

Return to: _____

Date required: _____

STANDARD TERMS - PAYABLE WITHIN 30 DAYS OF
INVOICE DATE

Accounting Approval: 1/13 70996

DDU009452

Vendor No.:

Vendor Name:

Vendor Address:
(if new vendor or change)

Shows Utilities

Accounts Payable Coding Form

Company:

Department:

Location:

Double Diamond

CONG. UTILITY ALLOCATION /
WHITE BLUFF KMWG BANK

Please Staple Upper Left
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Documents Here (DO
NOT PAPERCLIP)

Tax ID:

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount
10196	01-16-1996	1676.00		9074	13030			1676.00
				9074	17010			
						8050-0018	water tap	8636.00
							now golf course	9000.00
Total								18176.00

Explanation:

Prepared:

Approved:

Return to:

Date required:

DMISE CALANCA 7-25-96
7-22-96

STANDARD TERMS - PAYABLE WITHIN 30 DAYS OF INVOICE DATE

Accounting Approval:

(Special Situation Only)

(Special Situation Only)

Please Staple Anything to be Sent with Check Here (DO NOT PAPERCLIP)

RECEIVED JUL 2 1996
7-25-96

Vendor No.:

Vendor Name: Shaws Utilities

Vendor Address: 608 Shaws Ave

(if new vendor or change) Chico Springs TX

76033

Company: DDI

Department: AKK Const/Util.

Location: WHITE BLUFF

New Vendor Only

Tax ID: _____

Corporation: _____

(Yes/No)

Invoice Number	Invoice Date	Invoice Total	Due Date	Job No.	Cost Code	G/L Account No.	Check Comment	Amount
73150	7-31-96	19482.00		9107	15030		Water	19482.00
		18482.00		9107	15030	7712.20	NGC	4222.00
						805309090	FOR 6014 Pump	1050.00
						805009090	Subst Base	2000.00
							Base	2000.00
							DPF = 18,482.00	
							DPF = 1050.00	
							SENT TO	
							RECEIVED	
							AUG 8 1996	
							HOME OFFICE	
							BY: _____	18482.00
								1050.00
								19482.00
								19482.00

Explanation: Chilly Base & New Golf Course

Prepared: LISA LOWRY

Approved: _____

8/5

(Date Prepared)

Return to: _____

Date required: _____

(Special Situation Only)

ENTERED 808 3 1 1996

STANDARD TERMS - PAYABLE WITHIN 30 DAYS OF INVOICE DATE

Accounting Approval: _____

Please Staple Anything Sent with Check Here (DO NOT PERCLIP)

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

2009 OCT 20 PM 4: 01

CHIEF CLERKS OFFICE

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 20, 2009

Ali Abazari
Jackson Walker, L.L.P.
100 Congress Avenue, Suite 1100
Austin, Texas 78701

Re: Water Rate/Tariff Change Application of Double Diamond Utilities Co., Certificate of Convenience and Necessity No. 12087, in Hill, Palo Pinto, and Johnson Counties, Texas, Application No. 36220-R; SOAH Docket No. 582-09-4288; TCEQ Docket No. 2009-0505-UCR

Dear Mr. Abazari:

Please find enclosed the Executive Director's Responses to Double Diamond Utilities Co.'s First Request for Disclosure, Interrogatories, Requests for Admissions, and Requests for Production. Please let me know if you have any questions.

Sincerely,

Stefanie Skogen
Staff Attorney
Environmental Law Division

Enclosure

cc: Mailing List

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

2009 OCT 20 PM 4:01

CHIEF CLERKS OFFICE

SOAH DOCKET NO. 582-09-4288
TCEQ DOCKET NO. 2009-0505-UCR

WATER RATE/TARIFF CHANGE § BEFORE THE STATE OFFICE
APPLICATION OF DOUBLE DIAMOND §
UTILITIES CO. IN HILL, PALO PINTO, § OF
AND JOHNSON COUNTIES, TEXAS, §
APPLICATION NO. 36220-R § ADMINISTRATIVE HEARINGS

**EXECUTIVE DIRECTOR'S RESPONSES TO DOUBLE DIAMOND UTILITIES CO.'S
FIRST REQUEST FOR DISCLOSURE, INTERROGATORIES, REQUESTS FOR
ADMISSIONS, AND REQUESTS FOR PRODUCTION**

TO: **DOUBLE DIAMOND UTILITIES CO., INC.**

c/o Ali Abazari
Jackson Walker, L.L.P.
100 Congress Avenue, Suite 1100
Austin, Texas 78701

I. REQUESTS FOR DISCLOSURE

Rule 194.2(a): The correct names of the parties to the lawsuit.

Response: The following have been designated as parties:

- The Applicant, Double Diamond Utilities Co. (DDU)
- The Executive Director (ED) of the Texas Commission on Environmental Quality (TCEQ or Commission)
- Office of Public Interest Counsel of the TCEQ
- White Bluff Subdivision Ratepayers
- The Cliffs Utility Committee
- The Retreat Homeowners Group

Rule 194.2(b): The name, address, and telephone number of any potential parties.

Response: The ED is not aware of any potential parties.

Rule 194.2(c): The legal theories and, in general, the factual bases of the responding party's claims or defenses.

Response: The ED does not have any claims or defenses at this time. The ED's role in this case is to review DDU's rate/tariff change application to determine if the proposed rates are just and

reasonable based on the applicable statutory and regulatory criteria in chapter 13, subchapter F of the Texas Water Code and title 30, chapter 291, subchapter B of the Texas Administrative Code. The ED will make this determination based on the information submitted in DDU's water rate/tariff change application, obtained by ED staff during their audit/inspection of the utility, obtained during the discovery process, and presented in prefiled testimony and during the evidentiary hearing.

Rule 194.2(e): The name, address, and telephone number of persons having knowledge of relevant facts, and a brief statement of each identified person's connection with the case.

Response: The following persons are all located at 12100 Park 35 Circle, Austin, Texas 78753; P.O. Box 13087, Austin, Texas 78711:

Office of Legal Services, Building A, MC-173, (512) 239-0600
Stefanie Skogen, Staff Attorney assigned to this case
Todd Galiga, Senior Attorney, Water Utilities Section

Utilities and Districts Section, Building F, MC-153, (512) 239-4691
Doug Holcomb, Section Manager
Vera Poe, Team Leader, Utilities Technical Review Team
Tammy Holguin-Benter, Team Leader, Utilities Financial Review Team
Brian Dickey, Engineer, completing the technical review
Elsie Pascua, Auditor, completing the financial review
Leila Guerrero-Gantioqui, Auditor, completed the administrative review

Rule 194.2(f): For any testifying expert:

- (1) the expert's name, address, and telephone number;
- (2) the subject matter on which the expert will testify;
- (3) the general substance of the expert's mental impressions and opinions and a brief summary of the basis for them, or if the expert is not retained by, employed by, or otherwise subject to the control of the responding party, documents reflecting such information;
- (4) if the expert is retained by, employed by, or otherwise subject to the control of the responding party:
 - (A) all documents, tangible things, reports, models, or data compilations that have been provided to, reviewed by, or prepared by or for the expert in anticipation of the expert's testimony; and
 - (B) the expert's current resume and bibliography.

Response: (1) Brian Dickey, 12100 Park 35 Circle, Austin, Texas 78753; P.O. Box 13087, MC-153, Austin, Texas 78711; (512) 239-4691.

Elsie Pascua, 12100 Park 35 Circle, Austin, Texas 78753; P.O. Box 13087, MC-153, Austin, Texas 78711; (512) 239-4691.

- (2) Mr. Dickey will review DDU's application, including any attachments and all other information subsequently submitted by the parties in this case; develop the depreciation schedules according to the TCEQ's rules and statutes based on DDU's capital assets which were used and useful for providing service; provide Ms. Pascua with calculations for annual depreciation, accumulated depreciation, and net plant for determining the utility's cost of service; analyze the amount of water pumped and the amount of water billed to the customers to calculate the average line loss; analyze the most recent inspection reports for DDU's water systems; and calculate the ED's recommended water rates according to the TCEQ's rules and statutes using the revenue requirement provided by Ms. Pascua.

Ms. Pascua will review DDU's application, including any attachments and all other information subsequently submitted by the parties in this case; analyze DDU's test year revenue requirement, requested adjustments to the test year cost of service, and proposed rate of return; and present the ED's recommendation as to the cost of service and revenue requirement for the test year and explain any adjustments proposed by the ED to DDU's requested revenue requirement.

- (3) Based upon their initial review of the rate application under the applicable statutory and regulatory criteria in the Texas Water Code and TCEQ rules and their audit/inspection of the utility, Ms. Pascua and Mr. Dickey have some questions regarding the appropriateness of some of the costs and expenses claimed in the application and anticipate recommending some adjustments to the revenue requirement and proposed rates. However, as discovery is ongoing and prefiled testimony has not yet been filed by the other parties in this proceeding, Ms. Pascua and Mr. Dickey's opinions and recommendations are still being developed and will be fully discussed in the ED's prefiled testimony.
- (4)(A) Any documents that currently fit this description were provided to the ED by DDU.
- (4)(B) Mr. Dickey's and Ms. Pascua's current resumes are attached.

Rule 194.2(i): Any witness statements described in Rule 192.3(h).

Response: The ED is not aware of any witness statements.

II. INTERROGATORIES

Interrogatory No. 1: Identify each individual component in DDU's proposed capital structure you believe should not be included in ratemaking formulas in this Application and explain the basis for your opinion.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, on July 10, 2009, the Executive Director sent a letter to DDU requesting that it provide all invoices for the water assets listed in the application. As of October 16, 2009, DDU has not provided all the requested supporting information.

Interrogatory No. 2: What rate of return do you believe is appropriate in determining cost of service in this Proceeding? Explain the basis of your response, including the manner in which you arrived at your calculated rate of return.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the appropriateness of the rate of return. The ED will note that on July 10, 2009, the ED sent a letter to DDU requesting that it complete and provide the rate of return calculation worksheet. As of October 16, 2009, DDU has not provided the requested information.

Interrogatory No. 3: Identify and describe all alternative rate design methodologies you believe are more appropriate for use in this Proceeding and explain the basis for your opinion.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not yet determined if an alternative rate design methodology should be used in this case.

Interrogatory No. 4: Identify each element of DDU's proposed tariff you believe is not appropriate for approval in this Proceeding and explain the basis for your opinion.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the appropriateness of DDU's proposed tariff.

Interrogatory No. 5: Identify and describe by name and address (if known) each DDU service area that you contend is receiving poor or inadequate water service and explain the basis for your opinion.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to whether any of DDU's service areas are receiving poor or inadequate water service.

Interrogatory No. 6: Identify the water rates you believe that DDU should charge and explain how those rates will recover all reasonable and necessary operating expenses, taxes, and depreciation on used and useful utility plant dedicated to public service and will provide a reasonable opportunity to earn a fair return on that same plant while maintaining the utility's financial integrity.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position regarding what DDU's water rates should be.

Interrogatory No. 7: For the rates identified in Interrogatory No. 6, please identify each component of your cost of service that these rates are recovering.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position regarding what DDU's water rates should be and, therefore, cannot identify cost of service components responsive to this interrogatory.

Interrogatory No. 8: Identify each cost, tax, assessment or expense in DDU's proposed water utility cost of service or revenue requirement you believe is not reasonable and/or necessary and should not be recovered partially or in its entirety through rates in this Proceeding, and explain the basis for your opinion.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of

the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the reasonableness and/or necessity of DDU's costs, taxes, assessments, or expenses.

Interrogatory No. 9: Identify each individual item, asset, or investment in DDU's proposed water utility rate base you believe is not priced reasonably or properly and that should not be included as a component of ratemaking in this Proceeding, and explain the basis of your opinion.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, at this time, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the reasonableness of DDU's item, asset, or investment prices. The ED will note that he has identified cash advances payable in the amount of \$307,376 that were included in the depreciation schedule. Pursuant to section 291.31(b)(1)(B), depreciation is computed based on original cost and on a straight-line basis over the useful life of the asset, as approved by the Commission. Depreciation is allowed on all currently used depreciable utility property owned by the utility. Cash advances payable are not considered utility property. If the cash advances were used to purchase equipment that is listed in the depreciation schedule, then the cash advance amounts will be recovered through the utility's annual depreciation and return. In addition, on July 10, 2009, the ED sent a letter to DDU requesting that it provide all invoices for the water assets listed in the application. As of October 16, 2009, DDU has not provided all the requested supporting information.

Interrogatory No. 10: Identify each individual item, asset or investment in DDU's proposed water utility rate base in this Application that you believe is not used and useful, and explain the basis of your opinion.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the use and usefulness of DDU's items, assets, or investments.

Interrogatory No. 11: Identify each cost of service allocation proposed by DDU that you believe is improperly used and/or should not be approved, and explain the basis of your opinion.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of

the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the appropriateness of DDU's cost of service allocations.

Interrogatory No. 12: Identify each rate base allocation proposed by DDU that you believe is improperly used and/or should not be approved, and explain the basis of your opinion.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the appropriateness of DDU's rate base allocations.

Interrogatory No. 13: Identify each individual element of DDU's proposed rate design or rate design methodology you believe is not appropriate in determining rates, and explain the basis of your opinion.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the appropriateness of DDU's rate design elements.

Interrogatory No. 14: Identify each instance of poor or inadequate water service by customer name, subdivision, city, date, nature of problem, to whom it was reported, what remedial action was taken and when the remedial action was taken.

Response: The ED objects to this interrogatory because it asks for information not reasonably available to the ED in violation of Texas Rule of Civil Procedure 193.1 and is overbroad by not being restricted in time. The ED doubts that even DDU or its customers are aware of every instance of poor or inadequate water service that DDU has provided to its customers. The ED also objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the provision of poor or inadequate water service by DDU. The ED will note that on July 10, 2009, the ED sent a letter to

DDU requesting that it provide its customer complaint log. As of October 16, 2009, DDU has not provided the requested information.

Interrogatory No. 15: Identify the manner and method in which rate case expenses incurred by DDU should be recovered through rates, i.e., included in the revenue requirement or surcharged, amortized or on a per connection basis.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, a utility can recover its rate case expenses, including attorney fees, incurred as a result of a rate change application only if the expenses are reasonable, necessary, and in the public interest and if otherwise permitted by section 291.28 of the TCEQ rules. Such expenses should be recovered through a surcharge charged to the utility's customers per month over a specific period of time.

Interrogatory No. 16: Is it your contention that certain property (real or personal) claimed by DDU as being property of the utility company in its Application is owned by a third party? If yes, please identify the property.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the ownership of real or personal property claimed by DDU to be its property.

Interrogatory No. 17: If you denied Request for Admission No. 6, in whole or in part, describe the basis for your denial.

Response: The ED has objected to Request for Admission No. 6 and, therefore, has not denied the request at this time. He reasserts his objections and the rest of his response to that request here.

Interrogatory No. 18: If you denied Request for Admission No. 14, in whole or in part, describe the basis for your denial.

Response: The ED has objected to Request for Admission No. 14 and, therefore, has not denied the request at this time. He reasserts his objections and the rest of his response to that request here. In addition, the ED notes that both systems are groundwater systems and have similar types of facilities, such as water wells, water pumps, distribution lines, and storage tanks.

Interrogatory No. 19: If you denied Request for Admission No. 15, in whole or in part, describe the

basis for your denial.

Response: The ED has objected to Request for Admission No. 15 and, therefore, has not denied the request at this time. He reasserts his objections and the rest of his response to that request here.

Interrogatory No. 20: If you denied Request for Admission No. 16, in whole or in part, describe the basis for your denial.

Response: The ED has objected to Request for Admission No. 16 and, therefore, has not denied the request at this time. He reasserts his objections and the rest of his response to that request here.

Interrogatory No. 21: Explain each and every method by which you believe a retail public utility can verify the original cost for an asset for which an invoice is not available. Include in your response a reference to any TCEQ regulations or any guidance documents.

Response: A utility can use a previous TCEQ order in which the utility's rate base was established. There also have been utilities in the past that used a trending analysis to determine the original cost of an asset. However, the utility must prove up the reasonableness of the trending analysis and must show that any assets that were trended were paid for by the utility and not by developer or customer contributions in aid of construction. The ED can also examine other documentation provided by a utility on a case-by-case basis to determine if it provides verification of the original cost of an asset.

Interrogatory No. 22: Identify every person who is expected to be called to testify at the evidentiary hearing, including your experts.

Response: At this time, the ED does not plan on calling any witnesses to testify who are not already listed in his response to DDU's request for disclosure under Texas Rule of Civil Procedure 194.2(f).

III. REQUESTS FOR ADMISSION

Request for Admission No. 1: DDU provided continuous and adequate water utility service within its certificated service areas during the test year ending December 31, 2007.

Response: The ED objects to this request for admission because it asks for information not reasonably available to the ED in violation of Texas Rule of Civil Procedure 193.1. The ED doubts that even DDU or its customers are aware if DDU always provided continuous and adequate water utility service during its test year. The ED also objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request

Request for Admission No. 2: DDU is providing continuous and adequate water utility service in its certificated service areas at this time.

Response: The ED objects to this request for admission because it asks for information not reasonably available to the ED in violation of Texas Rule of Civil Procedure 193.1. The ED doubts that even DDU or its customers are aware if DDU is providing continuous and adequate water utility service to all its customers at this time. The ED also objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request.

Request for Admission No. 3: The water service that DDU provides customers in its certificated service areas meets the primary water standards of the TCEQ's rules and regulations.

Response: Admit to the extent that according to the TCEQ's last water quality samples, DDU is currently not in violation with regard to any regulated contaminant levels.

Request for Admission No. 4: DDU's proposed tariffs incorporate inclining block pricing for water service.

Response: Admit.

Request for Admission No. 5: Inclining block pricing promotes water conservation for single-family residences and landscape irrigation.

Response: Cannot admit or deny. Inclining block pricing can promote water conservation. However, this is not always the case.

Request for Admission No. 6: The inclining block pricing in the Application promotes water conservation for single-family residences and landscape irrigation.

Response: The ED objects to this request for admission because it asks for information not reasonably available to the ED in violation of Texas Rule of Civil Procedure 193.1. The ED also objects to this request for admission to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the

discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request.

Request for Admission No. 7: DDU's proposed rates provide it a reasonable opportunity to earn a fair and reasonable return on its used and useful invested capital over and above its reasonable and necessary operating expenses in order to preserve its financial integrity.

Response: The ED objects to this request for admission to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request.

Request for Admission No. 8: DDU's proposed rates are just, fair and reasonable.

Response: The ED objects to this request for admission to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request.

Request for Admission No. 9: Every individual component in DDU's proposed capital structure should be included in the ratemaking formulas in this Proceeding.

Response: The ED objects to this request for admission to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request.

Request for Admission No. 10: Every individual element of DDU's proposed tariffs is appropriate for approval in this Proceeding.

Response: The ED objects to this request for admission to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section

291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request.

Request for Admission No. 11: Every DDU service area is receiving adequate quality water service.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request.

Request for Admission No. 12: DDU has appropriately responded to every report of poor or inadequate service.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request. The ED will note that on July 10, 2009, the ED sent a letter to DDU requesting that it provide its customer complaint log. As of October 16, 2009, DDU has not provided the requested information.

Request for Admission No. 13: All property (real or personal) claimed by DDU as being property of the utility company is owned by the utility company.

Response: The ED objects to this interrogatory to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request.

Request for Admission No. 14: The facilities of the DDU water system that serves White Bluff are substantially similar to the facilities of the DDU water system that serves The Retreat.

Response: The ED also objects to this request for admission to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request.

Request for Admission No. 15: The quality of service of the DDU water system that serves White Bluff is substantially similar to the quality of service of the DDU water system that serves The Retreat.

Response: The ED objects to this request for admission because it asks for information not reasonably available to the ED in violation of Texas Rule of Civil Procedure 193.1. The ED also objects to this request for admission to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request. The ED will note that on July 10, 2009, the ED sent a letter to DDU requesting that it provide information demonstrating how its application meets the Texas Water Code section 13.145 requirements, and DDU refused to fully answer the question.

Request for Admission No. 16: The cost of service of the DDU water system that services White Bluff is substantially similar to the cost of service of the DDU water system that serves The Retreat.

Response: The ED objects to this request for admission because it asks for information not reasonably available to the ED in violation of Texas Rule of Civil Procedure 193.1. The ED also objects to this request for admission to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED can neither admit nor deny this request at this time, nor has he determined that he cannot admit or deny this request. The ED will note that on July 10, 2009, the ED sent a letter to DDU requesting that it provide information demonstrating how its application meets the Texas Water Code section 13.145 requirements, and DDU refused to fully answer the question.

IV. REQUESTS FOR PRODUCTION

Request for Production No. 1: All documents supporting your responses to the preceding Requests for Disclosure, Requests for Admissions and Interrogatories.

Response: Any documents responsive to this request were provided to the ED by DDU.

Request for Production No. 2: Copies of all documents, including studies, reports, correspondence, photographs, maps, charts, financial documentation, and other documents reviewed and relied upon by any witness for the Executive Director in this Proceeding.

Response: The ED objects to this request for production to the extent that it asks for information regarding testifying expert witnesses, which is a violation of Texas Rule of Civil Procedure 195.1. To the extent that the ED does not object, there are no documents responsive to this request at this time.

Request for Production No. 3: Copies of all documents, tangible items and other demonstrative evidence to be used by you at trial.

Response: The ED objects to this request for production because it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation of title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code.

Request for Production No. 4: Copies of all documentation that demonstrates that DDU cannot provide continuous and adequate water utility service to any portion of its certificated service area subject to this rate change proceeding.

Response: The ED objects to this request for production because it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation of title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the quality of DDU's service and, therefore, cannot identify any documents responsive to this request at this time.

Request for Production No. 5: Copies of all documentation that demonstrates that any cost, tax, assessment or expense in DDU's proposed water utility cost of service (or revenue requirement) is not reasonable and necessary.

Response: The ED objects to this request for production to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation of title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his

prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the reasonableness or necessity of DDU's costs, taxes, assessments, or expenses and, therefore, cannot identify any documents responsive to this request at this time.

Request for Production No. 6: Copies of all documentation that demonstrates that any item or asset or investment in DDU's proposed water utility rate base is not used and useful for ratemaking purposes.

Response: The ED objects to this request for production to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the use and usefulness of DDU's items, assets, or investments and, therefore, cannot identify any documents responsive to this request at this time.

Request for Production No. 7: Copies of all documentation that demonstrates that any component of DDU's proposed capital structure is inappropriate for water utility ratemaking purposes in this Proceeding.

Response: The ED objects to this request for production to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the appropriateness of DDU's proposed capital structure and, therefore, cannot identify any documents responsive to this request at this time.

Request for Production No. 8: Copies of all documentation that demonstrates that any DDU proposed rate of return on any component of its capital structure is inappropriate for water utility ratemaking purposes in this Proceeding.

Response: The ED objects to this request for production to the extent that it asks the ED to present his case prior to the filing of his prefiled testimony and exhibits in violation to title 30, section 291.25(f) of the Texas Administrative Code and because it asks the ED to present drafts of his prefiled testimony through discovery in violation of title 30, section 80.151 of the Texas Administrative Code. To the extent that the ED does not object, due to the ongoing nature of his review of the application during the discovery and prefiled testimony periods, the ED has not developed a final position with regard to the appropriateness of the rate of return and, therefore,