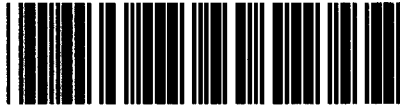


Control Number: 43922



Item Number: 41

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

43927

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

RECEIVED

2014 DEC -9 AM 9:58

2009 OCT 20 PM 2:28

SOA DOCKET NO. 582094288
TCEQ DOCKET NO. 2609-0505-UCR

CHIEF CLERKS OFFICE

APPLICATION OF DOUBLE § BEFORE THE STATE OFFICE
DIAMOND UTILITIES COMPANY, §
INC. TO CHANGE WATER RATE § OF
TARIFF FOR SERVICE IN HILL, §
PALO PINTO, AND JOHNSON § ADMINISTRATIVE HEARINGS
COUNTIES §

White Bluff Subdivision Ratepayers' Second Set of Interrogatories and Requests for Production to Double Diamond Utilities Company, Inc.

To: Double Diamond Utilities Company, Inc. by and through its attorney of record, Ali Abazari Attorney for Double Diamond Utilities Company, Inc., Jackson Walker, LLP, 100 Congress Ave. Suite 1100, Austin, TX 78701

The White Bluff Subdivision Ratepayers serve these Requests for Disclosure, Interrogatories, Requests for Production, and Requests for Admission on Double Diamond Utilities Company, Inc. (the "Applicant" or "DDU"), as allowed by Texas Rules of Civil Procedure 196-198. Pursuant to the Texas Government Code § 2001.001 *et seq.*, 30 Texas Administrative Code §80.151, and Texas Administrative Code §155.23, you must respond to each interrogatory under oath in writing, produce the responsive documents to each request, and respond to the requests for admission and requests for disclosures within 30 days after service of these requests. Please deliver your responses to Shari Heino, Mathews & Freeland, 327 Congress #300, Austin, Texas 78701. In accordance with Commission rules, all other parties should be provided copies of your responses.

I. DEFINITIONS

THE APPLICANT

As used herein, the terms "Double Diamond Utilities Company, Inc.," "Applicant," "DDU," "you," "your," or "yourself," refer to DDU as well as to DDU's predecessors, present and former officers, employees, agents, and representatives and attorneys acting on their behalves *if the context so requires*. These terms may also include DDU's parents, subsidiaries and affiliates *if context so allows*.

PERSON

As used herein, the term "person" means any natural individual in any capacity whatsoever or any entity or organization, including divisions, departments and other units therein, and shall include, but not be limited to, a public or private corporation, partnership, joint venture, voluntary or unincorporated association, organization, proprietorship, trust, estate, governmental agency, commission, bureau, municipality, or department.

DOCUMENT

As used herein, the term "document" means any medium upon which information can be recorded or retrieved, and includes, without limitation, the original and each copy, regardless of origin and location, of any book, pamphlet, periodical, letter, memorandum (including any memorandum or report of a meeting or conversation), invoice, bill, order form, receipt, financial statement, accounting entry, diary, calendar, telex, telegram, cable, facsimile transmission, report, record, contract, agreement, study, handwritten note, draft, working paper, chart, paper, print, laboratory record, drawing, sketch, graph, index, list, tape, photograph, microfilm, data sheet or data processing card, computer tape or disk, or any other written, recorded, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody, or control. The term "document" further means a copy of any document, as referred to above, if such copy contains notes, writings or is in any way different from or an alteration of the original document.

COMMUNICATION

As used herein, the term "communication" means any oral or written utterance, notation or statement of any nature whatsoever, by and to whomsoever made, including, but not limited to, correspondence, conversations, dialogues, discussions, interviews, consultations, agreements and other understandings between or among two or more persons.

IDENTIFICATION

As used herein, the terms "identification," "identify," or "identity," when used in reference to: (a) a natural individual - require you to state his or her full name and business address; (b) a corporation - require you to state its full corporate name and any names under which it does business, its state of incorporation, the address of its principal place of business, and the addresses of all of its offices; (c) a business - require you to state the full name or style under which the business is conducted, its business address or addresses, the types of businesses in which it is engaged, the geographic areas in which it conducts those business, and the identity of the person or persons who own, operate, and control the business; (d) a document - require you to state the number of pages and the nature of the document (e.g., letter or memorandum), its title, its date, the name or names of its authors and recipients, and its present location and custodian; (e) a communication - require you, if any part of the communication was written, to identify the document or documents which refer to or evidence the communication, and, to the extent that the communication was non-written, to identify the persons participating in the communication and to state the date, manner, place and substance of the communication.

II. INSTRUCTIONS

IDENTIFICATION OF DOCUMENTS

With respect to each request, in addition to supplying the information requested, you are to identify all documents that support, refer to or evidence the subject matter of each request and your answer thereto.

If any or all documents identified herein are no longer in your possession, custody or control because of destruction, loss or any other reason, then do the following with respect to each and every such document: (a) describe the nature of the document (e.g., letter or memorandum); (b) state the date of the document; (c) identify the persons who sent and received the original and a copy of the document; (d) state in as much detail as possible the contents of the document; and (e) state the manner and date of disposition of the document.

If you contend that any material or information responsive to any of the interrogatories is privileged, state in response that: (a) the information or material responsive to the interrogatories has been withheld; (b) the interrogatory to which the information or material relates; and (c) the privilege or privileges asserted.

CONTENTION REQUESTS

When a request requires you to "state the basis of" a particular claim, contention, or allegation, state in your answer the identity of each and every communication and each and every legal theory that you think supports, refers to, or evidences such claim, contention, or allegation.

CONTINUING REQUESTS

These requests are to be considered continuing in nature and you are under a duty to timely supplement any response given to such request(s) as required by Rule 193.5 of the Texas Rules of Civil Procedure.

INTERROGATORIES

- INT 2-1 For any assets that are included in the Application for which DDU does not have original invoices and proof of payment from DDU (e.g., canceled check), please describe DDU's method for validating the claimed purchase price.
- INT 2-2 For each asset that is included in the Application, please describe how DDU paid for these assets (e.g., via its own funds and/or customer or developer contribution).
- INT 2-3 Please describe DDU's policy regarding developer contributions to system assets.

- INT 2-4 Please identify any employee or consultant of DDU who has spent time performing work relating to the Rock Creek development (water system) in the test year (2007), 2008 and 2009.
- INT 2-5 For DDU employees/consultants performing work relating to the Rock Creek development in the test year, what allocation was made of their salary and/or other personnel-related expenditures for work performed for the Rock Creek development?

REQUESTS FOR PRODUCTION


- RFP 2-1 Provide all documentation available for each labor transfer included in the Application.
- RFP 2-2 Provide all documentation and workpapers demonstrating the allocation of resort overhead for purposes of the application.
- RFP 2-3 Please provide the relevant portions of DDU's general ledgers for any relevant year showing installation of each asset claimed as part of this Application.
- RFP 2-4 Please provide the relevant portions of DDU's general ledgers for any relevant year showing (1) each loan made to DDU at the time the loan was initiated and (2) how the funds from each of those loans were spent.
- RFP 2-5 Please provide DDU's books and general ledgers for the test year at issue in this Application.
- RFP 2-6 Please provide Double Diamond Delaware, Inc's books and general ledgers for the test year at issue in this Application.
- RFP 2-7 Please provide all data and analysis which DDU intends to use to illustrate that DDU systems are substantially similar as required by Tex. Water Code §13.145(a).
- RFP 2-8 Please provide Attachment 1-D (consumption and count by customer class, by month, by consumption block) in larger format and/or electronic format that is legible.
- RFP 2-9 Please provide historical water pumpage data since 2006, by day, by well site.
- RFP 2-10 Please all provide invoices or bills and records of payment for all connections serving an affiliate of DDU. Documents provided should include water consumption and meter size for each of the connections to each utility for each of the systems for every DDU affiliate for each billing cycle for the years 2000 through 2009.
- RFP 2-11 Please provide copies of bank statements, by month, for DDU since 2006.

- RFP 2-12 Please provide documentation of any assets which are part of the Rock Creek water system. Documentation should include purchase price and payment information (*e.g.*, who paid for the asset and where the funds came from to pay for the asset).
- RFP 2-13 For the test year, please provide any documentation evidencing the time spent by DDU employees or consultants performing work relating to the Rock Creek water system.
- RFP 2-14 For every asset which the Applicant is seeking depreciation expense and/or return on investment, for which the Applicant has not provided an original receipt and/or invoice, provide the detailed work-papers, source documents, and analyses which validate the expense for each item.
- RFP 2-15 For every asset which the Applicant is seeking depreciation expense and/or return on investment, please provide copies of canceled checks which were paid to vendors.
- RFP 2-16 For every asset which the Applicant is seeking depreciation expense and/or return on investment, please provide copies of bank statements which detail the expenditure.
- RFP 2-17 For every asset which the Applicant is seeking depreciation expense and/or return on investment, please provide copies of General Ledgers, Journal Entries, Check Registers, Asset Inventories, and Balance Sheets which document the date and means in which the asset appeared on the Applicants books.
- RFP 2-18 For every asset which the Applicant is seeking depreciation expense and/or return on investment, please provide any internal reports, work-orders, cost-approval sheets, etc kept by the Application or its subsidiaries.
- RFP 2-19 For every asset which the Applicant is seeking depreciation expense and/or return on investment, please provide copies of any and all documentation not already requested above kept by the Applicant or its subsidiaries, which document the price of the asset, the date of installation, the resort which the asset was installed, the means which the asset was paid for, the account and transaction for which the asset was paid for, description of the asset, plans/specifications for that asset, etc,
- RFP 2-20 For every expenditure reported in the Application, please provide copies of receipts and/or invoices.
- RFP 2-21 For every expenditure included in the Application, please provide copies of canceled checks which were paid to vendors.
- RFP 2-22 For every expenditure included in the Application, please provide copies of bank statements which detail the expenditure.
- RFP 2-23 For every expenditure included in the Application, please provide copies of General Ledgers, Journal Entries, Check Registers, Inventories, and Income Statements which

document the date and means in which the expenditure appeared on the Applicants books.

- RFP 2-24 For every expenditure included in the Application, please provide any internal reports, work-orders, cost-approval sheets, etc kept by the Application or its subsidiaries.
- RFP 2-25 For every expenditure included in the Application, please provide copies of any and all documentation not already requested above kept by the Applicant or its subsidiaries, which document the expense, what the expense was for, the location of the work performed, the account for which the expense was paid, work-orders, and all other available documentation which validates that expenditure.
- RFP 2-26 Please provide copies of all invoices for electricity expenses included in the Application.
- RFP 2-27 Please provide documentation showing water consumption and customer count, by month, by individual utility system for 2000 through 2009.
- RFP 2-28 Please provide documentation showing water consumption and customer count, by individual utility system, for each billing tier requested in the Application, by year for 2000 through 2009.
- RFP 2-29 Provide all documentation of landscaping requirements for the developments served by the water systems described in the Application.
- RFP 2-30 Please provide copies of all documents which have not been produced or that do not fall under the previous requests for production that support or otherwise relate to your answers to each of your responses to the Interrogatories above.

MATHEWS & FREELAND, L.L.P.

By:  _____

Shari Heino

State Bar No. 90001866

327 Congress Ave., Ste. 300

Austin, Texas 78701

Telephone (512) 404-7800


Facsimile (512) 703-2785

shari@mandf.com

ATTORNEYS FOR THE WHITE BLUFF SUBDIVISION
RATEPAYERS

CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of October, 2009, a true and correct copy of the foregoing document was sent by hand delivery, first class, agency mail, email and/or facsimile to the persons listed below.



Shari Heino

Docket Clerk
Texas Commission on Environmental Quality
Office of the Chief Clerk
PO Box 13087
Austin, TX 78711-3087

Ali Abazari
Attorney for Double Diamond Utilities Company, Inc.
Jackson Walker, LLP
100 Congress Ave. Suite 1100
Austin, TX 78701

Phillip Day
Representative for the Cliffs Utility Committee
90 Glen Abbey Dr. S
Graford, TX 76449

Jack D. McCartney and John T. Bell
Representatives for the Retreat Homeowners Group
6300 Annahill Street
Cleburne, TX 76033-8957

James Murphy
Office of the Public Interest Counsel
P.O. Box 13087
Austin, TX 78711-3087

Stefanie Skogen
Staff Attorney
TCEQ, MC-173
P.O. Box 13087
Austin, TX 78711-3087

CHIEF CLERK'S OFFICE

2009 OCT 20 PM 2: 28

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY