

Control Number: 43990



Item Number: 54

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

## SOAH DOCKET NO. 582-06-0425 E V E D TCEQ DOCKET NO. 2005-1516-UCR

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APPLICATION OF TAPATIO SPRINGS SERVICE COMPANY, INC., TO AMEND CERTIFICATES OF CONVENIENCE AND NECESSITY NOS. 12122 AND 20698 IN KENDALL COUNTY, TEXAS BEFORE THE STATE OFFICE PUBLIC UTALITY COMMISSION FILING CLERK OF

ADMINISTRATIVE HEARINGS

# RATEPAYERS' SECOND RESPONSE TO APPLICANT'S MOTION TO QUASH

## TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Ratepayers and bring this Response to Applicant in support thereof would show the Court the following:

I.

In compliance with Rules 191.2 and 199.2 as previously stated, Ratepayers sent a letter to Applicant's counsel on April 24, 2006 requesting dates the identified parties could be available for deposition. This letter clearly stated the depositions would be conducted at the office of counsel for Ratepayers. Applicant offered no suggestion of alternative locations or any objections. Applicant did not comply with the very rules of procedure that they now quote. See Texas Rules of Civil Procedure Rule 191.2 and

II.

Rules and customs dictate that any objection to the location should be put forth as to allow agreement on the date and location of depositions. Applicant did not object or suggest any alternative locations. Applicant has not offered any evidence or facts indicating a overtly hostile or abusive environment. The only hostility exhibited has been

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the filing of the Civil Suit by Applicant against Ratepayers for asking questions of their public utility. See Exhibit A, Applicant's Petition Suing Ratepayers. The assertions of Ratepayers' hostility are untrue.

Applicant filed the suit against Ratepayers on April 28, 2006 the day after they requested dates for deposition. See File Stamp on Exhibit A. Applicant did not give Ratepayers available dates until May 2 and May 9, 2006 thus any modification of dates due to the lawsuit could have been requested. Applicant did not so request

Ratepayers are strenuously arguing that Applicant abused Ratepayers' good faith attempts to schedule depositions and are now seeking the Court's Order to require Ratepayers to start all over in securing testimony to be used at trial. Applicant is seeking to incur additional expense and inconvenience and thwart the Ratepayers attempts to have full disclosure in these proceedings.

The Applicant failed to inform Ratepayers of any objection to the deposition location but now uses it as an excuse to argue for a continuance and delay the depositions that the Ratepayers have sought since April 24, 2006. This is an attempt to avoid answering questions determinative to the matter before the Court.

III.

As for the Applicant's request for modification of dates, Ratepayers' counsel has scheduled other matters in reliance on the Applicant's suggested dates of availability. Any modification of those dates would be prejudicial and unfair to the Ratepayers in consideration of the deadlines set by the Court.

IV.

Furthermore, Applicant displays its' contempt of the proceedings and this Court

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by ignoring Order No. 3 and refusing to serve copies to counsel for Ranger Creek Homeowners Association as directed by the Court order.

#### PRAYER

WHEREFORE, PREMISES CONSIDERED, Ratepayers pray that the Court Deny Applicant's Motion to Quash and the Depositions be taken at the place and time agreed to by the Applicant and Noticed by the Ratepayers and for such and further relief that may be awarded at law or in equity.

Respectfully submitted,
LAW OFFICE OF ELIZABETH R MARTIN

By: Land MARTIN
Texas Bar No. 24027482
106 WEST BLANCO, STE. 206
BOERNE, Texas 78006
Tel. (830)816-8686
Fax (830)816-8282
Attomey for Ratepayers

#### CERTIFICATE OF SERVICE

I certify that on May 16, 2006, a true and correct copy of Ratepayers Response to Applicant's Motion to Quash was served via FAX Transmission to all parties on the tollowing mailing list.

MAILING LIST TAPATIO SPRINGS SERVICE COMPANY, INC. SOAH DOCKET NO. 582-06-0425 TCEQ DOCKET NO. 2005-1515-URC

ADMINISTRATIVE LAW JUDGE

Mike Rogan

Administrative Law Judge

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State Office of Administrative Hearing

300 West Fifteenth Street

Austin, TX 78701 512 475-4993 512 475-4994 FAX

FOR THE CHIEF CLERK:

LaDonna Castañuela

Office of the Chief Clerk, MC-105

Texas Commission on Environmental Quality

P O Box 13087

Austin, TX 78711-3087

512 239-3300 512 239-3311 FAX

FOR THE APPLICANT:

Patrick Lindner

Davidson & Troilo, P.C.

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FOR THE EXECUTIVE DIRECTOR:

Kathy Humphreys Brown

Staff Attorney

Environmental Law Division, MC-173

Texas Commission on Environmental Quality

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FOR THE PUBLIC INTEREST

COUNSEL:

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Assistant Public Interest Counsel, MC-175 Texas Commission on Environmental Quality

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FOR RANGER CREEK HOA:

Eric Sherer

Attorney at Law

11124 Wurzbach Road, Suite 100

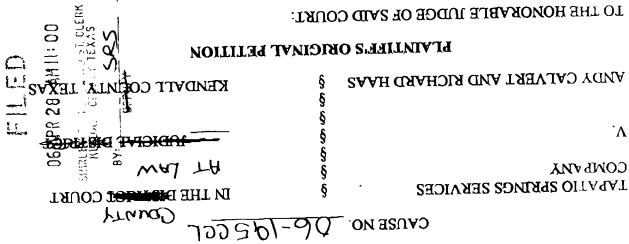
San Antonio, TX 78232

210 696-9730 210 696-9675 FAX

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Exhibit "A"

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COMES NOW Plaintiff Tapatio Springs Services Company ("Tapatio") complaining of

Defendants Andy Calvert and Richard Haas (collectively referred to as "Defendants") and for

cause of action shows:

### DISCOAEBA FEAEF I'

Tapatio requests that this case be conducted under a Level 2 Discovery Control Plan in

accordance with Rule 190.3 of the Texas Rules of Civil Procedure.

## II.

- Tapatio Springs Services Company is a Texas corporation and public utility doing
- Dusiness in Kendall County, Texas.

  2. Andy Calvert is an individual residing in Kendall County, Texas and may be
- served at 108 Jack Rabbit Circle, Boeme, Texas 78006.
- 3. Richard Haas is an individual residing in Kendall County, Texas and may be

served at 436 Paradise Point, Boeme, Texas 78006.

## DEFAMATORY STATEMENTS

On numerous occasions, including on April 21, 2006, Defendants stated the following:

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- Plaintiff was poorly managed and was not capable or expanding its services.
- 2. Plaintiff loaned money to a third party interest free in violation of law.
- 3. Plaintiff is bordering on bankruptcy and is like Enron in its financial structure.
- 4. Plaintiff is self-dealing with commercial customers and operates to benefit other businesses of Plaintiff's owners.
  - 5. Plaintiff's pass through of certain costs to ratepayers is improper

#### IV. SLANDER PER SE

These defamatory statements constitute slander per se in that they suggested that the Plaintiff is engaged in criminal activity, is dishonest, has engaged in business improprieties and is not creditworthy and almost bankrupt.

#### V. PUBLICATION

The Defendants published the defamatory statements on numerous occasions, including on April 21, 2006 in the *Boerne Star & Recorder* newspaper. The statements were made to the entire circulation of the newspaper.

## VI. FALSE STATEMENTS

The defamatory statements set forth above are false.

#### VII. DAMAGES

As a direct and proximate result of the Defendants' false and defamatory statements, the Plaintiff has endured shame, embarrassment, humiliation, and mental pain and anguish. Additionally, Plaintiff has and will in the future be seriously injured in its business reputation, good name, standing in the community, and will be exposed to the hatred, contempt, and ridicule

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of the public in general, as well as its business associates and customers. Consequently, the Plaintiff seeks actual damages in a sum within the jurisdictional limits of this Court.

## VIII. BUSINESS DISPARAGEMENT

Defendants' false statements also constitute business disparagement. The statements were made with malice. Plaintiff sucs for its actual and special damages proximately caused by Defendants' false and malicious statements.

#### IX. PRAYER

Plaintiff requests that Defendants be cited to appear and answer and that on final trial, the Plaintiff have the following:

- 1. Judgment against Defendants for actual damages in a sum within the jurisdictional limits of the Court.
- Judgment for exemplary damages against Defendants in a sum determined by the trier of fact.
- Prejudgment and post-judgment interest as provided by law.
- 4. Costs of suit.
- 5. Such other and further relief to which Plaintiff may be justly entitled.

Respectfully submitted,

BRACEWELL & GIULIANI LLP 106 South St. Mary's Street, Suite 800

San Antonio, Texas 78205 Telephone: 210/226-1166

210/226-1133 Facsimile:

Annalyn G. Smith

State Bar No. 18532500

Frank Z. Ruttenberg

State Bar No. 17465400

ATTORNEYS FOR PLAINTIFF TAPATIO SPRINGS SERVICES COMPANY

01.q

CLERK OF THE COURT

Shirlev R. Stehling 201 E San Antonio, Suite 201 Boeme, TX 78006

ATTORNEYS FOR PLAINTIFF

Bracewell & Giuliani LLP 106 South St. Mary's Street, Suite 800 San Antonio, TX 78205

## THE STATE OF TEXAS

NOTICE TO DEFENDANT: "You have been sued. You may employ an attorney If you or your attorney do not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty (20) days after you were served this citation and perition, a default judgment may be taken against you"

Richard Haas TO 436 Paradise Point Boerne, TX 78006

Defendant, Greeting.

You are hereby commanded to appear by filing a written answer to the PLAINTIFF'S ORIGINAL PETITION on or before ten o'clock A.M. of the Monday next after the expiration of twenty (20) days after the date of service of this citation before the Honorable County Court at Law of Kendall County, Texas at the Courthouse of said County in Boerne, Texas. Said document was filed on the 28th day of April A.D., 2006, in this cause numbered 06-195CCL on the docket of said court, and styled,

TAPATIO SPRINGS SERVICES COMPANY

VS.

ANDY CALVERT AND RICHARD HAAS

The nature of Plaintiff's demand is fully shown by a true and correct copy of the PLAINTIFF'S ORIGINAL PETITION which is attached to this citation and made a part hereof.

The Officer executing this writ shall promptly serve the same according to requirements of law, and the mandates thereof, and make due return as the law directs.

Issued and given under my hand and seal of said Court at Boerne, Texas, this the 28th day of April, 2006.

SHIRLEY R. STEHLING, District Clerk Kendall County, Texas

#### FACSIMILE TRANSMITTAL SHEET

l'o	
Honorable Mike Rogan	512/ 475-4994
''atrick Lindner	210/ 349-0041
Kathy Humphreys Brown	512/ 239-0606
LaDonna Castañuela	512/ 239-3311
Mary Alice Boehin-McKaughan	512/ 239-6377
Eric Sherer	210/696-9675



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U FOR REVIEW   PLEASE REPLY   HARD COPY WILL FO	ODLOW     HARD COPY WILL   NOT FOLLOW

## RATEPAYER'S RESPONSE TO MOTION TO QUASH NOTICE OF DEPOSITION

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106 W BLANCO STE 206 BOERNE, TEXAS 78006