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**PUC DOCKET NO. 44541**  
**SOAH DOCKET 473-16-0193.WS**

2015 SEP 23 PM 1:58

**APPLICATION OF CITY OF HEATH  
TO AMEND A CERTIFICATE OF  
CONVENIENCE AND NECESSITY  
AND TO DECERTIFY A PORTION  
OF FORNEY LAKE WATER SUPPLY  
CORPORATION'S SERVICE AREA  
IN ROCKWALL COUNTY**

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**PUBLIC UTILITY COMMISSION**  
FILING CLERK  
**OF TEXAS**

**CITY OF HEATH'S SECOND  
REQUEST FOR INFORMATION TO FORNEY LAKE WSC**

TO: Forney Lake Water Supply Corporation by and through its attorney of record, Arturo Rodriguez, Jr., Russell & Rodriguez LLP, 1633 Williams Dr., Building 2, Suite 200, Georgetown, Texas 78628.

Pursuant to P.U.C. PROC. R. 22.144, the City of Heath ("Heath") propounds its Second Request for Information (Exhibit A) to Forney Lake Water Supply Corporation ("Forney Lake").

Pursuant to Order No. 1, Responses should be provided within twenty (20) days to:

Jim Mathews  
Mathews & Freeland, LLP  
8140 N. MoPac Expy Ste. 2-260  
Austin, Texas 78759  
(512) 404-7800  
[jmathews@mandf.com](mailto:jmathews@mandf.com)

**DEFINITIONS AND INSTRUCTIONS**

- A. Pursuant to P.U.C. PROC. R. 22.144(c)(2)(F), Heath requests that answers to the requests for information be made under oath. Each answer should identify the person responsible for preparing that answer (other than the purely clerical aspects of its preparation) and the name of the witness in this proceeding who will sponsor the answer and who can vouch for its accuracy.
- B. In producing documents pursuant to this request for information, please indicate the specific request(s) to which the document is being produced.
- C. These requests are continuing in nature, and should there be a change in circumstances which would modify or change an answer supplied by you, such changed answer should be submitted as a supplement to your original answer pursuant to P.U.C. PROC. R. 22.144(i).

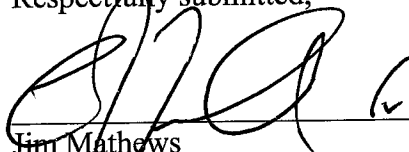
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- D. Please answer each request and sub-request in the order in which they are listed and in sufficient detail to provide a complete and accurate answer to the request.
- E. Heath requests that each item of information be made available as it is completed, rather than upon compilation of all information requested.
- F. "Forney Lake" refers to Forney Lake Water Supply Corporation, its parent, subsidiaries and affiliates, past or present; its employees, officers, directors, agents, consultants, attorneys, and all persons acting under contractual arrangements with or acting or purporting to act on behalf of Forney Lake; any merged or consolidated predecessors or predecessor in interest; and any merged or consolidated successors in interest.
- G. The terms "document" or "documents" are used in their broadest sense to include, by way of illustration and not limitation, all written or graphic matter of every kind and description whether printed, stored, produced or reproduced by any process whether visually, magnetically, mechanically, electronically or by hand, whether final or draft or deleted, original or reproduction, whether or not claimed to be privileged or otherwise excludable from discovery, and whether or not in your actual or constructive possession, custody, or control. The terms include, but are not limited to, writings, correspondence, telegrams, memoranda, studies, reports, surveys, statistical compilations, diagrams, schematic and other drawings, engineering plans and drawings, maps, studies, notes, calendars, tapes, computer disks, data on computer drives, existing and deleted e-mail, electronic recordings, tape recordings, cards, records, contracts, agreements, easements, invoices, licenses, diaries, journals, accounts, ledgers, pamphlets, books, publications, microfilm, microfiche, photographs, video recordings, and any other data compilations from which information can be obtained and translated, by you if necessary, into reasonably usable form. "Document" or "documents" shall also include every copy of a document where the copy contains any commentary or notation of any kind that does not appear on the original or any other copy.
- H. Pursuant to Tex. R. Civ. P. 196.4, Heath specifically requests that any electronic or magnetic data (which is included in the definition of "document") that is responsive to a request herein be produced on CD-Rom in a format that is compatible with Microsoft and be produced with your response to these requests.
- I. The terms "and" and "or" shall be construed both disjunctively and conjunctively as necessary to make the request inclusive rather than exclusive.
- J. "Each" shall be construed to include the word "every" and "every" shall be construed to include the word "each."
- K. "Any" shall be construed to include "all" and "all" shall be construed to include "any."
- L. The term "concerning," or one of its inflections, includes the following meanings: relating to; referring to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically or factually

connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.

- M. The term "including," or one of its inflections, means and refers to "including but not limited to."
- N. "Relating to," "regarding," "concerning" and similar terms mean addressing, analyzing, referring, discussing, mentioning in any way, explaining, supporting, describing, forming the basis for, or being logically or causally connected in any way with the subject of these discovery requests.
- O. "Explain the basis" means provide all information on or describe every fact, statistic, inference, estimate, consideration, conclusion, study, and analysis known to Forney Lake that was relied upon in support of the expressed contention, proposition, conclusion or statement.
- P. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- Q. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- R. Pursuant to P.U.C. PROC. R. 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- S. If the information requested is included in previously furnished exhibits, workpapers, responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.
- T. If a data response is available in EXCEL format, provide the EXCEL version of the data response.
- U. If any document is withheld under any claim of privilege, please furnish a privilege log identifying each document for which a privilege is claimed, together with the following information: date and title of the document; the preparer or custodian of the information; to whom the document was sent and from whom it was received; subject matter of the document; and explain the basis upon which the privilege is claimed.
- V. Words and phrases used in this request that also are used in the PUC Chapter 24 Rules shall have the same meaning as given to those words and phrases in those rules.

Respectfully submitted,

  
\_\_\_\_\_  
Jim Mathews  
State Bar No. 13188700

Mathews & Freeland, LLP  
8140 N. MoPac Expy Ste. 2-260  
Austin, Texas 78759  
Telephone (512) 404-7800  
Facsimile (512) 703-2785


ATTORNEYS FOR CITY OF HEATH

**CERTIFICATE OF SERVICE**

I certify that a copy of this request for information was served on all parties of record on September 23, 2015, by hand-delivery, facsimile, electronic mail, and/or First Class, U.S. Mail.

Arturo Rodriguez, Jr.  
Attorney for FLWSC  
Russell & Rodriguez LLP  
1633 Williams Dr., Building 2, Suite 200  
Georgetown, Texas 78632

A.J. Smullen  
Attorney, Legal Division Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

  
Jim Mathews

**PUC DOCKET NO. 44541**

**EXHIBIT A  
HEATH'S SECOND REQUEST  
FOR INFORMATION TO FORNEY LAKE WSC**

HEATH 2-1 Please describe the specific "portions" of the following classes of facilities that Forney Lake contends will be rendered useless or valueless in Forney Lake's response to Heath 1-2.

- a. 1.5" waterline \_\_\_\_\_
- b. 2" waterline \_\_\_\_\_
- c. 2.5" waterline \_\_\_\_\_
- d. 4" waterline \_\_\_\_\_
- e. 6" waterline \_\_\_\_\_
- f. 8" waterline \_\_\_\_\_
- g. 10" waterline \_\_\_\_\_
- h. 12" waterline \_\_\_\_\_
- i. 100,000 gallon ground storage tank \_\_\_\_
- j. 150,000 gallon ground storage tank \_\_\_\_
- k. 200,000 gallon ground storage tank \_\_\_\_
- l. 500,000 gallon ground storage tank \_\_\_\_
- m. 500,000 gallon elevated tank \_\_\_\_
- n. 3,000 GPM booster pump station \_\_\_\_
- o. 1,500 GPM booster pumps and building \_\_\_\_
- p. 1,500 GPM booster pumps and building \_\_\_\_
- q. 1,500 GPM booster pumps and building \_\_\_\_

- r. 1,500 GPM booster pumps and building \_\_\_\_
- s. 1,500 GPM booster pumps and building \_\_\_\_
- t. 230 KW genset \_\_\_\_
- u. 275 KW genset \_\_\_\_
- v. Electrical/SCADA \_\_\_\_
- w. Valves and fittings \_\_\_\_
- x. Appurtenances \_\_\_\_
- y. Easements/Other Real Estate \_\_\_\_

HEATH 2-2 Please explain the basis for Forney Lake's response to HEATH 2-1.

HEATH 2-3 Please produce all documents concerning, reviewed, supplied to or by, or relied upon by Forney Lake to respond to HEATH 2-1.

HEATH 2-4 Please identify the amount of available additional capacity remaining in the following classes of facilities that Forney Lake contends will be rendered useless or valueless in Forney Lake's response to Heath 1-2. By available additional capacity, Heath means the additional amount of capacity currently available to Forney Lake to provide water to its customers after demand is being met for the highest daily demand for water on Forney Lake's system as such highest daily demand has occurred over the last thirty-six months.

- a. 1.5" waterline \_\_\_\_\_
- b. 2" waterline \_\_\_\_\_
- c. 2.5" waterline \_\_\_\_\_
- d. 4" waterline \_\_\_\_\_
- e. 6" waterline \_\_\_\_\_
- f. 8" waterline \_\_\_\_\_

- g. 10" waterline \_\_\_\_\_
- h. 12" waterline \_\_\_\_\_
- i. 100,000 gallon ground storage tank \_\_\_\_
- j. 150,000 ground storage tank \_\_\_\_
- k. 200,000 gallon ground storage tank \_\_\_\_
- l. 500,000 gallon ground storage tank \_\_\_\_
- m. 500,000 gallon elevated tank \_\_\_\_
- n. 3,000 GPM booster pump station \_\_\_\_
- o. 1,500 GPM booster pumps and building \_\_\_\_
- p. 1,500 GPM booster pumps and building \_\_\_\_
- q. 1,500 GPM booster pumps and building \_\_\_\_
- r. 1,500 GPM booster pumps and building \_\_\_\_
- s. 1,500 GPM booster pumps and building \_\_\_\_
- t. 230 KW genset \_\_\_\_
- u. 275 KW genset \_\_\_\_
- v. Electrical/SCADA\_\_\_\_
- w. Valves and fittings\_\_\_\_
- x. Appurtenances\_\_\_\_
- y. Easements/Other Real Estate\_\_\_\_

HEATH 2-5 Please explain the basis for Forney Lake's response to HEATH 2-4.

HEATH 2-6 Please produce all documents concerning, reviewed, supplied to or by, or relied upon by Forney Lake to respond to HEATH 2-4.



HEATH 2-7 Please identify the monetary amount that Forney Lake contends is just and adequate to be paid to Forney Lake for the portions of the in the following classes of facilities that Forney Lake contends will be rendered useless or valueless in Forney Lake's response to Heath 1-2.

- a. 1.5" waterline \_\_\_\_\_
- b. 2" waterline \_\_\_\_\_
- c. 2.5" waterline \_\_\_\_\_
- d. 4" waterline \_\_\_\_\_
- e. 6" waterline \_\_\_\_\_
- f. 8" waterline \_\_\_\_\_
- g. 10" waterline \_\_\_\_\_
- h. 12" waterline \_\_\_\_\_
- i. 100,000 gallon ground storage tank \_\_\_\_\_
- j. 150,000 gallon ground storage tank \_\_\_\_\_
- k. 200,000 gallon ground storage tank \_\_\_\_\_
- l. 500,000 gallon ground storage tank \_\_\_\_\_
- m. 500,000 gallon elevated tank \_\_\_\_\_
- n. 3,000 GPM booster pump station \_\_\_\_\_
- o. 1,500 GPM booster pumps and building \_\_\_\_\_
- p. 1,500 GPM booster pumps and building \_\_\_\_\_
- q. 1,500 GPM booster pumps and building \_\_\_\_\_
- r. 1,500 GPM booster pumps and building \_\_\_\_\_
- s. 1,500 GPM booster pumps and building \_\_\_\_\_
- t. 230 KW genset \_\_\_\_\_

- u. 275 KW genset \_\_\_\_
- v. Electrical/SCADA \_\_\_\_
- w. Valves and fittings \_\_\_\_
- x. Appurtenances \_\_\_\_
- y. Easements/Other Real Estate \_\_\_\_

HEATH 2-8 Please explain the basis for Forney Lake's response to HEATH 2-7.

HEATH 2-9 Please produce all documents concerning, reviewed, supplied to or by, or relied upon by Forney Lake to respond to HEATH 2-7

HEATH 2-10 Please identify the total number of additional residential connections in Forney Lake's certificated service area in Rockwall County that Forney Lake could provide with retail water utility service with its existing facilities.

HEATH 2-11 What has been Forney Lake's rate of customer growth for each of the last three calendar years? By rate of customer growth, Heath means the change in the number of total connections between the beginning and the end of the calendar year.

HEATH 2-12 What is Forney Lake's anticipated rate of customer growth for each of the next three calendar years?

HEATH 2-13 In response to HEATH 1-3, Forney Lake states that capacity in its facilities will be "stranded" if single certification is granted.

- a. What does Forney Lake mean by the term "stranded" as used in its response?
- b. Does Forney Lake contend that the term "stranded" is synonymous with "useless or valueless"?

HEATH 2-14 Is Forney Lake obligated by contract or otherwise to provide fire flows to the Travis Ranch subdivision located in Kaufman County?

- HEATH 2-15 Please provide all contracts and other agreements relating to Forney Lake's obligations to provide retail water utility service to the Travis Ranch subdivision located in Kaufman County.
- HEATH 2-16 Please provide Forney Lake's two most recent audited, year-end Financial Statements. If an audit has not been prepared for the requested Financial Statements, please provide the most recent unaudited, year-end Financial Statement.
- HEATH 2-17 Please provide all worksheets, accounting ledgers, and other supporting documentation for the Fixed Assets entry in Forney Lake's Balance Sheet included in the most recent Financial Statement, including documentation for both "Plant, property and equipment" and for "Accumulated depreciation." If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.
- HEATH 2-18 Please admit that under Forney Lake's accounting policies that plant, property and equipment are carried at cost, and that depreciation is computed using the straight-line method over estimated useful lives ranging from 3 to 50 years. If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.
- HEATH 2-19 Please admit that Forney Lake's Comparative Balance Sheet dated December 31, 2010 (Exhibit 2) shows Forney Lake's total fixed assets as of December 31, 2010 to be \$2,634,637. If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.
- HEATH 2-20 Please admit that Forney Lake's Comparative Balance Sheet dated December 31, 2010 (Exhibit 2) shows Forney Lake's "Paid in Capital" to be \$2,327,787. If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.
- HEATH 2-21 Please provide all worksheets, accounting ledgers, and other supporting documentation for the "Paid in Capital" entry in Forney Lake's Balance Sheet included in the most recent Financial Statement. If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.

HEATH 2-22 Please explain what values are included in "Paid in Capital" as shown on Forney Lake's Comparative Balance Sheet dated December 31, 2010 (Exhibit 2). If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.

HEATH 2-23 Please admit that under Forney Lake's accounting policies that assets contributed to Forney Lake by developers, such as distribution lines, are recorded as "Paid in Capital" on Forney Lake's books. If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.

HEATH 2-24 Please provide copies of Forney Lake's IRS Form 990 filed for tax years 2012 through 2014.