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SOAH DOCKET NO. 473-17-0119.WS  
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APPLICATION OF DOUBLE §  
DIAMOND UTILITY COMPANY, INC. §  
FOR WATER AND SEWER §  
RATE/TARIFF CHANGE §

BEFORE THE STATE OFFICE OF  
ADMINISTRATIVE HEARINGS

PUBLIC UTILITY COMMISSION  
HEARING CLERK

**DOUBLE DIAMOND UTILITY COMPANY, INC.'S**  
**RESPONSE TO WHITE BLUFF RATEPAYERS GROUP'S**  
**FIRST REQUEST FOR INFORMATION**  
**WBRG NO. 1-2 THROUGH 1-35**

COMES NOW, Double Diamond Utility Company, Inc. ("DDU") and files its Response to White Bluff Ratepayers Group's First Request for Information – WBRG No. 1-2 through 1-35.

Respectfully submitted,


By: 

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ATTORNEY FOR DOUBLE DIAMOND UTILITY  
COMPANY, INC.

**CERTIFICATE OF SERVICE**

I hereby certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested to all parties on this the 8<sup>th</sup> day of November, 2016



John Carlton

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**WBRG'S FIRST REQUEST FOR INFORMATION TO  
DOUBLE DIAMOND UTILITY COMPANY, INC.  
WBRG NO. 1-2 THROUGH 1-35**

**WBRG NO. 1-2** Please provide basis for known and measurable changes to "Employee Labor" as listed on line 5, Schedule I-1 (WHITE BLUFF (Total)) in the amount of \$20,886.

**RESPONSE:** The \$20,886 is the sum of \$415 on line 5 column e of Schedule I-1 WHITE BLUFF (Water) and \$20,472 on line 5 column e of Schedule I-1 WHITE BLUFF (Sewer).

Prepared and sponsored by Jay Joyce.

**WBRG NO. 1-3** Please provide receipts, invoices, and general ledger for all expenses included in "Other Plant Maintenance" as listed on line 9, Schedule I-1 (WHITE BLUFF (Total)) in the amount of \$142,010.

**RESPONSE:** See Response to WBRG NO. 1-1 at pages DDU002795-DDU2804 and DDU002925-DDU004387 for the requested receipts and invoices. See Response to WBRG NO. 1-33 for the requested general ledger.

Prepared and sponsored by Jay Joyce.

**WBRG NO. 1-4** Please provide receipts, invoices, and general ledger for all expenses included in "Other Plant Maintenance" as listed in Schedule II-10(a) (WHITE BLUFF (Total)) for the years ending 12/31/13 (\$112,667) and 12/31/14 (\$150,640).

**RESPONSE:** Responsive documents will be produced as Confidential Documents pursuant to the terms of the Protective Order.

Prepared by Christie Rotramel.

Sponsored by Kevin Shea.

**WBRG NO. 1-5** Please provide receipts, invoices, and general ledger for all expenses included in "Miscellaneous Expenses" as listed on line 22, Schedule I-1 (WHITE BLUFF (Total)) in the amount of \$55,865.

**RESPONSE:** See Response to WBRG NO. 1-1 at pages DDU002700 and DDU003557-DDU003650 for the requested receipts and invoices. See Response to WBRG NO. 1-33 for the requested general ledger.

**Prepared and sponsored by Jay Joyce.**

**WBRG NO. 1-6** Please provide receipts, invoices, and general ledger for all expenses included in "Miscellaneous Expenses" as listed on Schedule II-19 (WHITE BLUFF (Total)) for the years ending 12/31/13 (\$40,270) and 12/31/14 (\$55,647).

**RESPONSE:** See response to WBRG 1-4.

**Prepared by Christie Rotramel.**

**Sponsored by Kevin Shea.**

**WBRG NO. 1-7** For all employees listed on Schedule II-6 (WHITE BLUFF (Total)): Please indicate whether the employee is working solely at the White Bluff subdivision or if the employee works at other systems owned by Double Diamond.

**RESPONSE:** Jody Bledsoe, Clovis Willhelm, Jerry Whitworth, Dwayne Cota, Todd Dilworth, Jordon Dilworth, and Danny Keeton work solely at White Bluff. Buck Nunley works at other systems related to DDU.

**Prepared by Jay Joyce.**

**Sponsored by Randy Gracy.**

**WBRG NO. 1-8** For any employee whose time is split between White Bluff and another system owned by Double Diamond, please provide the basis for allocation of the expenses for that employee between the systems.

**RESPONSE:** The payroll and payroll-related expenses for the employee who works for multiple systems are allocated among the systems based on his estimated time spent on the systems.

Prepared and sponsored by Jay Joyce.

**WBRG NO. 1-9** Please provide receipts, invoices, and general ledger for all expenses listed in "Professional Services" as listed on line 18 of Schedule I-1 (WHITE BLUFF (Total)) in the amount of \$3,937.

**RESPONSE:** See Response to WBRG NO. 1-1 at pages DDU002786-DDU2791 for the requested receipts and invoices. See Response to WBRG NO. 1-33 for the requested general ledger.

Prepared and sponsored by Jay Joyce.

**WBRG NO. 1-10** Please provide receipts, invoices and general ledger for all expenses listed in "Regulatory Expense" as listed on line 21 of Schedule I-1 (WHITE BLUFF (Total)) in the amount of \$31,525. Please also provide the basis for the increase in this expense from the previous year in the amount of \$5,529.

**RESPONSE:** See Response to WBRG NO. 1-1 at pages DDU003488-DDU3556 for the requested receipts and invoices. See Response to WBRG NO. 1-33 for the requested general ledger.

To clarify, \$5,529 is the amount of Regulatory Expense in 2014, not the increase from 2014 to 2015.

The bases for the increase may be located in the Application (non-confidential) at Schedule II-18 for WHITE BLUFF (Water) and Schedule II-18 for WHITE BLUFF (Sewer) in response to the following question on each of these pages in the Application: "If the actual for the Test Year is higher the previous years, indicate the reasons for the increase."

Prepared and sponsored by Jay Joyce.

**WBRG NO. 1-11** Please provide receipts, invoices, and general ledger for all expenses listed as “Property Taxes paid in the test year” on line 1 of Schedule IV(a) (WHITE BLUFF (Total)) in the amount of \$103,683.

**RESPONSE:** Responsive documents will be produced as Confidential Documents pursuant to the terms of the Protective Order.

**Prepared by Christie Rotramel.**

**Sponsored by Kevin Shea.**

**WBRG NO. 1-12** Please provide the basis of allocation of all expenses listed on Schedule I-1 (WHITE BLUFF (Total)) between the water and the wastewater utility and allocation of expenses between systems (White Bluff, Retreat, and the Cliffs).

**RESPONSE:** This response assumes that the question refers to Column D on the referenced schedule. The expenses listed in Column D on Schedule I-1 for WHITE BLUFF (Total) are not the result of an allocation or allocations; rather, the expenses listed in Column D on Schedule I-1 for WHITE BLUFF (Total) are the result of the sum of the categories of expenses in Column D on Schedule I-1 for WHITE BLUFF (Water) and the corresponding categories of expenses in Column D on Schedule I-1 for WHITE BLUFF (Sewer).

For preparation of the application, the expenses for each water expense category and the corresponding expenses for each sewer category were summed and allocated between the water and sewer applications by applying to each summation the ratio of the number of water or sewer customers to the total number of customers, except that the expenses in the following categories were directly assigned to either water or sewer:

Electricity  
Professional Fees  
R&M Equipment  
R&M Chemicals  
R&M Water Plant  
R&M Sewer Plant  
R&M Distribution Lines  
R&M Collection Lines  
Water Tests  
Regulatory Water Fees  
Sewer Tests  
Sewer Tap Expense

The expenses are not allocated among different systems in Column D on Schedule I-1 for WHITE BLUFF (Total).

Prepared and sponsored by Jay Joyce.

**WBRG NO. 1-13** Schedule III-3(a) (WHITE BLUFF (Total)) lists Beginning Gross Plant Balance from previous rate case (line 1) in the amount of \$5,628,749 for the total White Bluff utility plant (water and wastewater). Schedule III-3(a) (CLIFFS (Total)) lists Beginning Gross Plant Balance from previous rate case in the amount of \$5,516,654 for the Cliffs. This results in a total gross plant beginning balance of \$11,145,403 for the two systems. The application does not reference the prior rate case or the date of the plant balances. No date is provided for these amounts, but given that the application shows additions since 12/31/2007, we assume that is the starting date. The application submitted by Double Diamond on October 24, 2008, with a test year ending 12/31/2007 (SOAH Docket No. 582-09-4288), identified total water and wastewater utility assets had an adjusted original cost of \$5,928,259 for the Cliffs, White Bluff, and the Retreat water and wastewater systems – three total systems. (Attachment A - Attachment 5, Page 2 from 2008 Application). Please explain why the Gross Plant balance claimed in the 2016 application as the “Beginning Balance” greatly exceeds the amount claimed in the previous rate case.

**RESPONSE:** The statement in the question that, “The application does not reference the prior rate case or the date of the plant balances” is an incorrect statement. The date of plant balances of the prior rate cases is shown in the Application work papers at pages DDU001930 for water and DDU001492-DDU001495 for sewer. The prior rate case docket numbers are referenced in the Application work papers at DDU001977 for water and DDU001982 for sewer.

Available data was used to prepare the Application. This supporting documentation is in the work papers supporting the Application. The origin or the context of the Attachment A referenced in the argumentative question cannot be verified. It is unknown who prepared that schedule; to which docket, if any, to which it may relate; to which systems it may relate; or whether that schedule was modified, corrected, amended, or abolished after it was created.

Prepared and sponsored by Jay Joyce.

**WBRG NO. 1-14** In Schedule III-8(b) (WHITE BLUFF (Total)), the application claims total Developer Contributions in Aid of construction for water and sewer for White Bluff and the Cliffs in the amount of \$19,217. By comparison, the 2008 Application claimed Developer Contributions in Aid of Construction for Water Assets only of \$2,375,102 (Attachment B – Attachment 6 from 2008 Application). Please explain the reason for this variance.

**RESPONSE:** The \$19,217 amount of Developer Contributions in Aid of Construction in the question is wrong; the correct amount is \$939.

Available data was used to prepare the Application. This supporting documentation is in the work papers supporting the Application. The origin or the context of the Attachment B referenced in the argumentative question cannot be verified. It is unknown who prepared that schedule; to which docket, if any, to which it may relate; to which systems it may relate; or whether that schedule was modified, corrected, amended, or abolished after it was created.

Prepared and sponsored by Jay Joyce.

**WBRG NO. 1-15** In the 2008 Application, Double Diamond divided original cost between the developer and the utility at a ration of 80%-developer, 20%-utility for certain items of rate base. Attachment C is an Exhibit from SOAH Docket No. 582-09-4288 showing the rate base items relating to White Bluff water assets. Please explain the basis for the 80%-20% split between developer and utility and provide documentation that corresponding entries were made in the financial records of both the developer and the utility.

**RESPONSE:** The origin or the context of the Attachment C referenced in the question cannot be verified. It is unknown who prepared that schedule or whether that schedule was modified, corrected, amended, or abolished after it was created.

Prepared and sponsored by Jay Joyce.

**WBRG NO. 1-16** In Schedule III-8(b) (WHITE BLUFF (Total)), the application describes the Developer Contributions in Aid of Construction as "Tap Fees." Please specify whether the Tap Fees were paid by customers.

**RESPONSE:** Tap fees for water and sewer are paid by customers.

Prepared by Christie Rotramel.

Sponsored by Kevin Shea.

**WBRG NO. 1-17** Please provide a full listing of all assets claimed by Double Diamond on line 2 of Schedule III-2 (WHITE BLUFF (Total)) in the amount of \$6,245,596.

**RESPONSE:** The \$6,245,596 in total assets referenced in the question is the sum of the water assets of \$3,454,904 shown on line 2 of Schedule III-2 of WHITE BLUFF (Water) and the sewer assets of \$2,790,692 on line 2 of Schedule III-2 of WHITE BLUFF (Sewer). The listing of the water assets may be found in the Response to WBRG NO. 1-1 at pages



**DDU001921-DDU001925. The listing of the sewer assets may be found in the Response to WBRG NO. 1-1 at pages DDU001936-DDU001938.**

**Prepared and sponsored by Jay Joyce.**

**WBRG NO. 1-18** Please provide invoices for all assets identified in response to WBRG NO. 1-17.

**RESPONSE: See Response to WBRG NO. 1-1 at pages DDU002004-DDU2177 for the requested information.**

**Prepared and sponsored by Jay Joyce.**

**WBRG NO. 1-19** Please provide proof of payment (e.g Cancelled checks) relating to the assets identified in response to WBRG NO. 1-17.

**RESPONSE: Cancelled checks are not available.**

**Prepared by Christie Rotramel.**

**Sponsored by Kevin Shea.**

**WBRG NO. 1-20** Please provide annual income statements for Double Diamond for 2013, 2014, and 2015.

**RESPONSE: Responsive documents will be produced as Confidential Documents pursuant to the terms of the Protective Order.**

**Prepared by Christie Rotramel.**

**Sponsored by Kevin Shea.**

**WBRG NO. 1-21** Please provide annual income statements for Double Diamond, Inc., for 2013, 2014, and 2015.

**RESPONSE:** Responsive documents will be produced as Confidential Documents pursuant to the terms of the Protective Order.

**Prepared by Christie Rotramel.**

**Sponsored by Kevin Shea.**

**WBRG NO. 1-22** Please provide end of year balance sheets for Double Diamond for 2013, 2014, and 2015.

**RESPONSE:** No responsive documents exist.

**Prepared by Christie Rotramel.**

**Sponsored by Kevin Shea.**

**WBRG NO. 1-23** Please provide end of year balance sheets for Double Diamond, Inc. for 2013, 2014, and 2015.

**RESPONSE:** No responsive documents exist.

**Prepared by Christie Rotramel.**

**Sponsored by Kevin Shea.**

**WBRG NO. 1-24** Please provide an organizational chart for Double Diamond indicating Double Diamond employees and management.

**RESPONSE:** No responsive documents exist.

**Prepared by Christie Rotramel.**

**Sponsored by Randy Gracy.**

**WBRG NO. 1-25** Please provide a listing of all Affiliates of Double Diamond.

**RESPONSE: Double Diamond Delaware, Inc. is the only affiliate of Double Diamond.**

**Prepared by Christie Rotramel.**

**Sponsored by Randy Gracy.**

**WBRG NO. 1-26** Please provide a corporate organizational chart for Double Diamond, Inc., showing all corporations owned in whole or in part by Double Diamond, Inc.

**RESPONSE: No responsive documents exist.**

**Prepared by Christie Rotramel.**

**Sponsored by Randy Gracy.**

**WBRG NO. 1-27** Please provide operating reports and ground water pumpage reports indicating the amount of water pumped monthly for 2013, 2014, and 2015 for the wells servicing the White Bluff system.

**RESPONSE: See Response to WBRG NO. 1-1 at pages DDU001960 for the requested information for 2015. Responsive documents for 2013 and 2014 will be produced as Confidential Documents pursuant to the terms of the Protective Order.**

**Prepared and sponsored by Jay Joyce.**

**WBRG NO. 1-28** Please provide all reports, or studies relating to measures taken or to be taken by Double Diamond to reduce the amount of "Total unaccounted for water" in the amount of 57,821,000 gallons (50%) shown on Schedule II-1(a) (WHITE BLUFF (Total)).

**RESPONSE: No responsive documents exist. There are roughly 62 miles of water line at White Bluff Resort. Some water loss is due to flushing of dead end mains to properly distribute and retain the chlorine residual to some of the sparse location of houses at the resort. There is also a clay valve on the ground storage tank that malfunctions from time to time.**

**Prepared by Christie Rotramel.**

**Sponsored by Randy Gracy.**

**WBRG NO. 1-29** Please identify all customer accounts on the White Bluff system where the customer is Double Diamond or an affiliate of Double Diamond.

**RESPONSE: No such customer accounts exist.**

**Prepared by Christie Rotramel.**

**Sponsored by Randy Gracy.**

**WBRG NO. 1-30** For all customer accounts identified in response to WBRG NO. 1-29, please provide all bills sent to and all payments made by the customers during calendar years 2013, 2014, and 2015.

**RESPONSE: No such customer accounts exist.**

**Prepared by Christie Rotramel.**

**Sponsored by Randy Gracy.**

**WBRG NO. 1-31** Please provide a listing of all customer complaints pertaining to service, leaks, water quality, and maintenance requests received from Double Diamond for 2013, 2014, and 2015 relating to the White Bluff system.

**RESPONSE: No responsive documents exist. See response to WBRG 1-32.**

**Prepared by Christie Rotramel.**

**Sponsored by Randy Gracy.**

**WBRG NO. 1-32** Please provide work orders and/or other forms of documentation showing the date and manner in which the complaints listed in response to WBRG NO. 1-31 were responded to.

**RESPONSE: Responsive documents will be produced as Confidential Documents pursuant to the terms of the Protective Order.**

**Prepared by Christie Rotramel.**

**Sponsored by Kevin Shea and Randy Gracy.**

**WBRG NO. 1-33** Please provide General Ledgers for Double Diamond for 2013, 2014, and 2015.

**RESPONSE:** Responsive documents will be produced as Confidential Documents pursuant to the terms of the Protective Order.

Prepared by Christie Rotramel.

Sponsored by Kevin Shea.

**WBRG NO. 1-34** Please provide future capital improvement plans, master plans and financial plans developed by Double Diamond as it identifies future infrastructure and planning needs for the utility.

**RESPONSE:** No responsive documents exist.

Prepared by Christie Rotramel.

Sponsored by Kevin Shea and Randy Gracy.

**WBRG NO. 1-35** Please provide a listing of all accounts served by DDU on the White Bluff System, please include the property address and meter size for each account.

**RESPONSE:** No responsive documents exist.

Prepared by Christie Rotramel.

Sponsored by Kevin Shea and Randy Gracy.