



Control Number: 46245



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

DOUBLE DIAMOND UTILITY COMPANY, INC.'S
RESPONSE TO WHITE BLUFF RATEPAYERS GROUP'S
THIRD REQUEST FOR INFORMATION
WBRG NO. 3-1 THROUGH 3-16

COMES NOW, Double Diamond Utility Company, Inc. ("DDU") and files its Response to White Bluff Ratepayers Group's Third Request for Information – WBRG No. 3-1 through 3-16. DDU agrees and stipulates that all parties may treat these responses as if they were filed under oath.

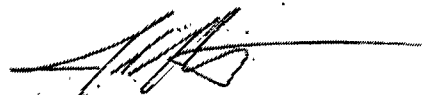
Respectfully submitted,

By: 
John J. Carlton
The Carlton Law Firm P.L.L.C.
2705 Bee Cave Road, Suite 200
Austin, Texas 78746
(512) 614-0901
Fax (512) 900-2855
State Bar No. 03817600

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 12th day of July, 2017


John Carlton

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**WBRG'S THIRD REQUEST FOR INFORMATION TO
DOUBLE DIAMOND UTILITY COMPANY, INC.
WBRG NO. 3-1 THROUGH 2-16**

WBRG NO. 3-1 Referencing Double Diamond's response to WBRG 2-12, please provide the analysis, work papers, and source documentation relied upon by Double Diamond to arrive at the allocation of expenses to the White Bluff water utilities.

RESPONSE: Responsive documents will be produced.

Prepared by: Christie Rotramel

Sponsored by: Tim Grout

WBRG NO. 3-2 Referencing Double Diamond's response to WBRG 2-14, please provide the analysis, work papers, and source documentation relied upon by DDU to arrive at the allocation of expenses to the White Bluff water utilities.

RESPONSE: Responsive documents will be produced.

Prepared by: Christie Rotramel

Sponsored by: Tim Grout

WBRG NO. 3-3 Referring Double Diamond's response to WBRG 2-15, please provide the analysis, work papers, and source documentation relied upon by DDU to arrive at the allocation of expenses to the White Bluff water utilities.

RESPONSE: Responsive documents will be produced.

Prepared by: Christie Rotramel

Sponsored by: Tim Grout

WBRG NO. 3-4 Referencing Double Diamond's response to WBRG 2-19, please provide an itemized accounting of the spending of funds obtained through this loan.

RESPONSE: The requested information does not exist. This is akin to asking for an itemized list of the components of a house paid for with mortgage proceeds and another itemized list of the components of the house paid for with from the down payment. The request doesn't make sense.

The characteristics of the referenced loan were used in the applications to establish the reasonable cost of debt incorporated into the capital structure to produce an overall cost of capital for DDU which is applied to rate base to yield a reasonable return.

Prepared by: Jay Joyce

Sponsored by: Jay Joyce

WBRG NO. 3-5 Referring to Double Diamond's response to WBRG 2-24, please provide an itemized detail as to which entities would install the utility infrastructure referenced in this response.

RESPONSE: Utility infrastructure has been installed by Double Diamond Inc (DDI), Double Diamond Properties Construction (DDPC) or Double Diamond Utilities (DDU) at various times. Before 1996, most all of infrastructure was constructed and paid for by DDI. DDPC and DDU were created in December 1996. In 1997, DDPC began paying for most of the infrastructure, and DDU paid for a few items. Payment for utility infrastructure is identified and itemized in the invoices whose Bates number are referenced on the asset list previously produced. As of the 2007-2008 rate case before the Texas Commission on Environmental Quality, most of the initial utility infrastructure was completed, and DDU begin paying for all utility assets and operations. The same contractors and employees worked for each entity that paid for the infrastructure.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

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WBRG NO. 3-6 Please provide documents responsive to WBRG 2-6 in native format (excel or similar).

RESPONSE: Bates DDU16-015228 – DDU16-015231 will be produced in native format.

Prepared by: Christie Rotramel

Sponsored by: Tim Grout

WBRG NO. 3-7 Admit or deny. Attachment A is a true and accurate copy of a Warranty Deed conveying the tracts listed on Exhibit “A” from Double Diamond, Inc., to White Bluff Property Owners Association, Inc dated December 20, 1995.

RESPONSE: Admit

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

WBRG NO. 3-8 Admit or deny. The list of tracts included in Exhibit “A” in Attachment A includes Tract 2 in White Bluff Four Subdivision (“WB4 TR2”).

RESPONSE: Admit

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

WBRG NO. 3-9 Admit or deny. The original cost of the tract, WB4 TR2, is included in Double Diamond’s rate base as “land,” as shown on DDU012745.

RESPONSE: Admit

Prepared by: Victoria Harkins

Sponsored by: Victoria Harkins

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WBRG NO. 3-10 If you contend that Double Diamond owns WB4 TR2, please explain the basis for your contention.

RESPONSE: Please see the tax records previously produced as DDU16-011011-011015. DDU is the owner.

Prepared by: Victoria Harkins

Sponsored by: Victoria Harkins

WBRG NO. 3-11 Please identify all improvements on WB4 TR2.

RESPONSE: Please see the attached aerial photo.

Prepared by: Victoria Harkins

Sponsored by: Victoria Harkins

WBRG NO. 3-12 Admit or deny. Attachment B is a true and correct copy of a form Real Estate Sales Contract used to sell property in the White Bluff subdivision to purchasers.

RESPONSE: Admit

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

WBRG NO. 3-13 Please provide copies of all communications with the Texas Commission on Environmental Quality that occurred during the test year for the White Bluff systems.

RESPONSE: Responsive documents will be produced.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

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WBRG NO. 3-14 Please provide copies of all public notifications required by the Texas Commission on Environmental Quality since January 1, 2014, for the White Bluff water system.

RESPONSE: Responsive documents will be produced.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

WBRG NO. 3-15 If Double Diamond provides potable water to the wastewater treatment plant serving the White Bluff subdivision, please provide copies of all bills for the water service to the plant for 2015.

RESPONSE: There are none.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

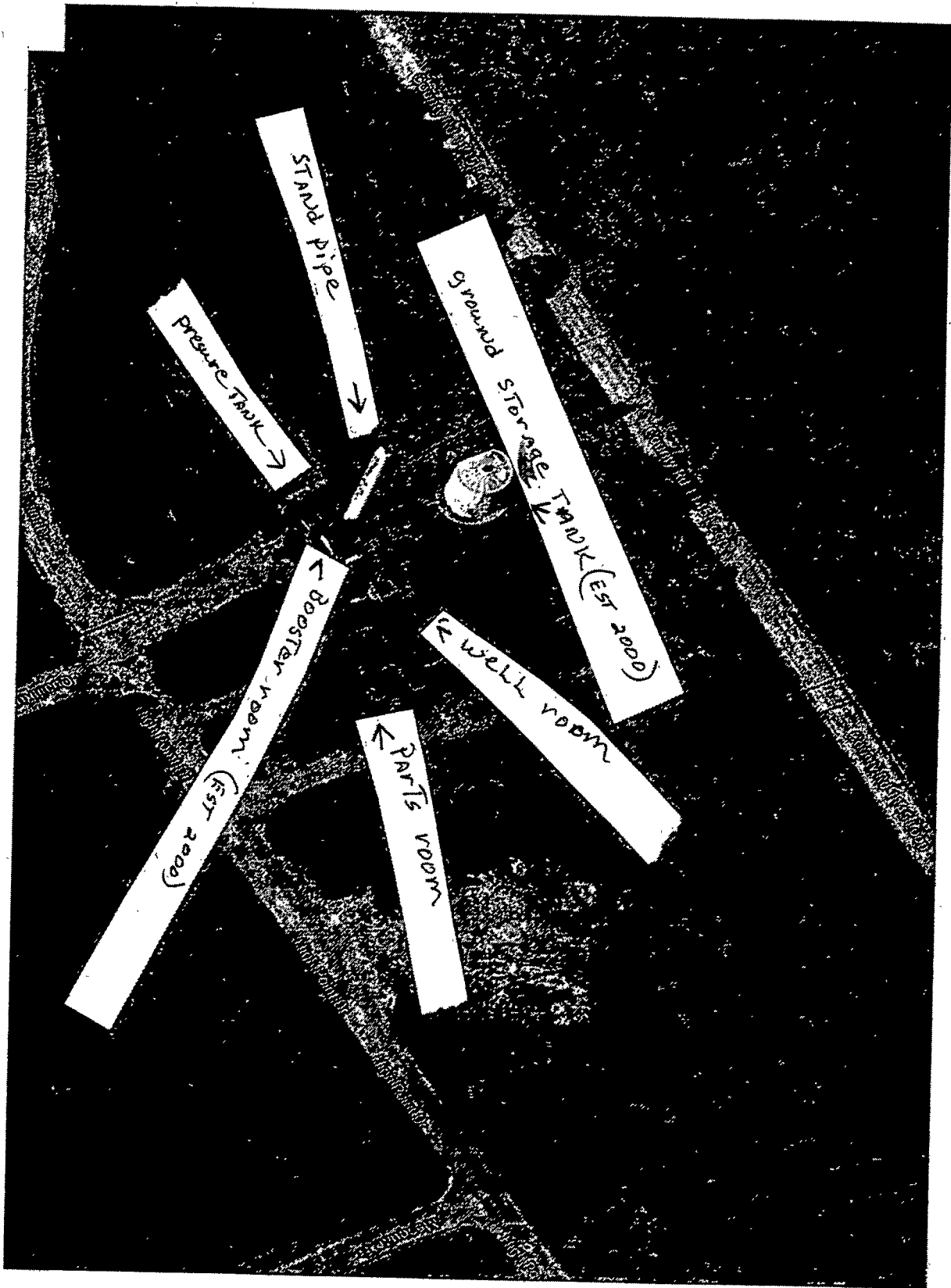
WBRG NO. 3-16 Provide copies of draft IRS Forms 1120 for Double Diamond Utilities, Inc., for the years 2000 to 2016.

RESPONSE: Per agreement, the depreciation schedules for DDU attached to the consolidated IRS Forms 1120 tax returns for Double Diamond Delaware will be produced in accordance with the protective order issued in this case.

Prepared by: Christie Rotramel and John Carlton

Sponsored by: Tim Grout

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DDU16 - 015392