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PUBLIC UTILITY COMMISSION
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APPLICATION OF DOUBLE	§	BEFORE THE STATE OFFICE
DIAMOND UTILITY COMPANY, INC.	§	OF
FOR WATER AND SEWER	§	ADMINISTRATIVE HEARINGS
RATE/TARIFF CHANGE	§	

**WHITE BLUFF RATEPAYERS GROUP'S FIFTH
REQUEST FOR INFORMATION TO DOUBLE DIAMOND UTILITY COMPANY, INC.**

To: Double Diamond Utility Company, Inc., by and through its attorney of record, John Carlton, The Carlton Law Firm, P.L.L.C., 2705 Bee Cave Road, Suite 200, Austin, Texas, 78746

Pursuant to 16 Tex. Admin. Code Ann. § 22.144 (TAC), White Bluff Ratepayers Group ("WBRG") requests that Double Diamond Utility Company, Inc. provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within within 14 days, as provided by order. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Responses should be provided to: Joe Freeland, Mathews & Freeland, LLP, 8140 N. MoPac Expy, Suite 2-260, Austin, Texas 78759.

Dated: October 10, 2017

Respectfully submitted,




C. Joe Freeland
State Bar No. 07417500
Mathews & Freeland, LLP
8140 N. MoPac Expy
Suite 2-260
Austin, Texas 78759
(512) 404-7800
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ATTORNEYS FOR
WHITE BLUFF RATEPAYERS GROUP

608

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was served on all parties of record in this proceeding on October 10th, 2017, by hand-delivery, facsimile, electronic mail, and/or First Class Mail.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

C. Joe Freeland

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**WBRG'S FIFTH REQUEST FOR INFORMATION TO
DOUBLE DIAMOND UTILITY COMPANY, INC.**

DEFINITIONS

- A. "Double Diamond," "the Company," or "you" refers to Double Diamond Utility Company, Inc., Double Diamond – Deleware, Inc., Double Diamond, Inc., and any affiliate of Double Diamond Utility Company, Inc., and any person acting or purporting to act on their behalf, including, without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
- B. 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.

INSTRUCTIONS

- A. Pursuant to 16 TAC § 22.144(c)(2), WBRG 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 shall be

submitted as a supplement to your original answer within five working days of acquiring the information, pursuant to 16 TAC § 22.144(i).

- 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. WBRG requests that each item of information be made available as it is completed, rather than upon compilation of all information requested.
- H. Pursuant to Tex. R. Civ. P. 196.4, WBRG 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 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 Double Diamond 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 16 TAC § 22.144(g)(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 an explanation of 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.

**WBRG'S FOURTH REQUEST FOR INFORMATION TO
DOUBLE DIAMOND UTILITY COMPANY, INC.**

- WBRG 5-1** Please provide complete federal income tax returns, including all supporting work papers filed in relation to Double Diamond, or any parent or other affiliate of Double Diamond that included revenues and expenses associated with Double Diamond, for the years 1991 to present.
- WBRG 5-2** Admit or Deny. Double Diamond, or an affiliated entity, previously provided water utility service to the Oakwood Subdivision in Henderson County, Texas. If you deny, please explain why Double Diamond, Inc., included the utility serving Oakwood Subdivision in the rate case it filed on or about July 10, 1995 with the TNRCC.
- WBRG 5-3** Admit or Deny. The annotation "Wtr Sys-OW (Interco)" on page DDU16-015439 refers to the Oakwood Subdivision. If you deny, please explain what the annotation refers to.
- WBRG 5-4** Admit or Deny. Double Diamond has the water CCN covering the Oakwood Subdivision.
- WBRG 5-5** Admit or Deny. Double Diamond, or an affiliated entity, conveyed control of the water utility system serving the Oakwood Subdivision to another entity without obtaining approval from the Public Utility Commission or predecessor agency under Texas Water Code §13.301 or other applicable statutory provision. If you deny this request, but admitted WBRG 5-2, please describe how approval was obtained and provide copies of all documents related to the approval.
- WBRG 5-6** Admit or Deny. Double Diamond, or an affiliated entity, previously provided water utility service to the Canyon Creek Subdivision in Hood County, Texas. If you deny, please explain why Double Diamond, Inc., included the utility serving Canyon Creek Subdivision in the rate case it filed on or about July 10, 1995 with the TNRCC.
- WBRG 5-7** Admit or Deny. Double Diamond, or an affiliated entity, conveyed control of the water utility system serving the Canyon Creek Subdivision without obtaining approval from the Public Utility Commission or predecessor agency under Texas Water Code §13.301 or other applicable statutory provision. If you deny this request, but admitted WBRG 5-6, please describe how approval was obtained and provide copies of all documents related to the approval.
- WBRG 5-8** Admit or Deny. Double Diamond, Inc., sold, transferred, or conveyed the sewer system providing service to the White Bluff subdivision to Double Diamond Utility Company, Inc., without obtaining approval from the Public Utility Commission or predecessor agency under Texas Water Code §13.301 or other applicable statutory provision. If your answer is anything other than an

unqualified admit, please explain the basis of your response and provide all documentation supporting your position.

- WBRG 5-9** Identify all costs making up the amount shown as “Development Costs” (\$21,071,705) on the Inventory Analysis, 12/27/2015, produced as DDU16-016086, and provide all accounting records supporting your response.
- WBRG 5-10** Who owns a controlling interest in Double Diamond Utilities Company, Inc.? When was this controlling interest acquired?
- WBRG 5-11** Please provide copies of all written applications provided by Double Diamond, including any parent or other affiliated company, to the Public Utility Commission or predecessor agency under Texas Water Code §13.302 since 1995 seeking approval of the acquisition of a controlling interest in Double Diamond Utility Company, Inc.
- WBRG 5-12** Please breakout the amount shown as “Water/wastewater systems” on page DDU003584 of Double Diamond’s financial statements for the year ending 2015 -- \$4,870,225 – by subdivision.