



Control Number: 47897



Item Number: 121

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**FOREST GLEN UTILITY COMPANY'S FIRST  
REQUESTS FOR INFORMATION TO VAN JOHNSON**

**The following is the response of Van Johnson, 112 Sunrise Hill, Castroville, TX 78009**

**Request for Admission No. 1-1:** Admit that state law requires the PUC to fix FGU's sewer rates at a level that will allow FGU to earn a reasonable return on its invested capital.

**RESPONSE:** I have no knowledge of state law that requires the PUC to fix FCU sewer rate. Therefore, I do not admit.

**Request for Admission No. 1-2:** Admit that under state law, a reasonable return on FGU's invested capital is over and above its reasonable and necessary operating expenses.

**RESPONSE:** I have no knowledge of state law reasonable return on FGU invested capital. Therefore, I do not admit.

**Request for Admission No. 1-3:** Admit that under the state law, FGU is allowed to charge a sewer rate that preserves it financial integrity.

**RESPONSE:** I have no knowledge of state law FGU is allowed to charge a sewer rate that preserves its financial integrity. Therefore, I do not admit.

**Request for Admission No. 1-4:** Admit that under state law, FGU may collect additional revenue from its customers to provide funds for capital improvements necessary to provide facilities capable of providing adequate and continuous utility service.

**RESPONSE:** I have no knowledge of state law FGU may collect additional revenue from its customers to provide funds for capital improvements. Therefore, I do no admit.

**Request for Admission No. 1-5:** Admit that you have no evidence that FGU'S operating expenses for the test year are either unreasonable or unnecessary.

**RESPONSE:** I have no knowledge of FGU's operating expenses for the test year. Therefore, I do no admit.

**Request for Admission No. 1-6:** Admit that you have no evidence that FGU's cost of service is either unreasonable or unnecessary.

**RESPONSE:** I admit based on our calculation of sewer rate hike of 86% is highly unreasonable.

**Request for Admission No. 1-7:** Admit that you have no evidence that the rate of return used in the FGU Application is either unreasonable or unnecessary.

**RESPONSE:** I have no knowledge of the rate of return used in FGU application. Therefore, I do not admit.

**Request for Admission No. 1-8:** Admit that you have no evidence that FGU has failed to provide accurate accounting to support the collection of additional revenues for capital improvement projects.

**RESPONSE:** I have no knowledge of accurate accounting to support the collection of additional revenues. Therefore, I do not admit.

**Request for Admission No. 1-9:** Admit that new homeowners are moving into the Potranco Ranch Subdivision.

**RESPONSE:** I admit that Potranco Ranch subdivision's population have increased since my arrival in December 22, 2013. I assume increased population are homeowners.

**Request for Admission No. 1-10:** Admit that new homeowners have moved into the Potranco Ranch Subdivision since you purchased your property.

**RESPONSE:** I admit new residents have moved into Potranco Ranch Subdivision. I assume they are homeowners. Some may be renting their home.

**Request for Admission No. 1-11:** Admit that as an authorized retail pub utility, FGC must provide adequate and continuous sewer service to all its wastewater customers with the boundary its Certificate of Convenience No. 21070.

**RESPONSE:** I have no knowledge of Certificate of Convenience No. 21070. Therefore, I do not admit.

**Request for Admission No. 1-12:** Admit that in order to serve the increasing customers in the Potranco Ranch Subdivision, FGU must expand its wastewater treatment plant ("WWTP").

**RESPONSE:** I am unaware of the capacity of the FGU wastewater treatment plant. Therefore, I do not admit.

**Request for Admission No. 1-13:** Admit that FGU has filed an application for a major amendment with the Texas Commission on Environmental Quality ("TCEQ") to accommodate a higher volume of wastewater (generate by more customers) at its WWTP (see Application to Amend and Renew TPDES Permit No WQ0015030001).

**RESPONSE:** I do not have knowledge of FGU filing an application with Texas Commission on Environmental Quality ("TCEQ"). Therefore, I do not admit.

**Request for Admission No. 1-14:** Admit that public notice of FGU's filing of its application for a major amendment with the TCEQ was published in the Hondo Anvil Herald on March 22, 2018.

**RESPONSE:** I am not aware of public notice of FGU's filing of its application for a major amendment with the TCEQ being published in the Hondo Anvil Herald. Therefore, I do not admit.

**Request for Admission No. 1-15.** Admit that it is state policy that utilities like FGU should be maintained so they are financially stable and technically sound.

**RESPONSE:** I am not aware of state policy that utilities like FGU should be maintained so they are financially stable. Therefore, I do not admit.

**Request for Admission No. 1-16:** Admit that you have no experience owning or operating a retail public utility providing wastewater services to the public in Texas.

**RESPONSE:** I admit that I do not own or operate a retail public utility providing wastewater services in Texas.

**Request for Admission No. 1-17:** Admit that you have never filed an application with the PUC or predecessor agency seeking to increase utility rates.

**RESPONSE:** I admit that I have never filed an application with the PUC or predecessor agency seeking to increase utility rates.

### **REQUEST FOR PRODUCTION**

**Request for Production No. 1-1:** If you denied Request for Admission No. 1-5 that you have no evidence that FGU's operating expenses for the test year are either unreasonable or unnecessary, please produce the responsive documents relating to FGU's operating expenses that support your position.

**RESPONSE:** I do not have copies of Forest Glen's operating expenses. No response.

**Request for Production No. 1-2:** If you denied Request for Admission No. 1-6 that you have no evidence that FGU's cost of service is either unreasonable or unnecessary, please produce the responsive documents relating to FGU's cost of service that support your position.

**RESPONSE:** I did not deny cost of service being unreasonable or unnecessary. Please review FGU's 2018 Notice of proposed sewer rate increase.

**Request for Production No. 1-3:** If you denied Request for Admission No 1-7 that you have no evidence that FGU's rate of return is either unreasonable or unnecessary, please produce the responsive documents relating to FGU's rate of return that support your position.

**RESPONSE:** I did not deny admission of 1-7. I have no knowledge of rate of return used in FGU's application.

**Request for Production No. 1-4:** If you denied Request for Admission No. 1-8 that you have no evidence that FGU's accounting is either unreasonable or unnecessary, please produce the responsive documents relating to FGU's accounting support of capital improvement projects that support your position.

**RESPONSE:** Request for Admission 1-8 and Request for Production 1-4 are not the same.

#### **REQUESTS DISCLOSURES UNDER RULE 194**

(a) the correct names of the parties to the lawsuit:

**RESPONSE:** I am unaware of a lawsuit.

(b) the name, address, and telephone number of any potential parties;

**RESPONSE:** Fleming D. Mitchell, 163 Sunrise Hill, Castroville, TX 210-887-6045  
Van Johnson, 112 Sunrise Hill, Castroville, TX 210-364-8317  
Cecil Perkins, 196 Misty Dawn, Castroville, TX 210-951-9212  
Dennis M. Brown, 285 Barden Parkway, Castroville, TX 210-859-9343

(c) the legal theories and, in general the factual bases of the responding party's claims or defenses.

**RESPONSE:** Notice of proposed rate change and Billing notices. Otherwise, same as Production 1-2

(d) The name, address, and telephone number of persons having knowledge of relevant facts, and a brief statement of each identified person's connection with the case;

**RESPONSE:** Same as response to (b) for persons of knowledge. However, there are more residents as alluded to FGU's response to PUC second request for information, as 223 connections were made as of 3/31/18, based on FGU response of PUC RFI. Seventy-nine protests were submitted to PUC over the present rate increase from \$35.00 to \$65.00.

(e) for any testifying expert: N/A

(1) the expert's name, address, and telephone number: N/A

(2) the subject matter on which the expert will testify: N/A

(3) the general substance of the expert's mental impressions and opinions and a brief summary of the basis for them, or if the expert is not retained by, employed by, or otherwise subject to the control of the responding party, documents reflecting such information: N/A

(4) If the expert is retained by, employed by, or otherwise subject to the control of the responding party: N/A

(A) all documents, tangible things, reports, models, or data compilations that have been provided to, reviewed by, or prepared by or for the expert in anticipation of the expert's testimony; and

(B) the expert's current resume and bibliography;

**RESPONSE:** N/A

(f) any settlement agreements described in TRCP 192.3(g);

**RESPONSE:** N/A

(g) any indemnity and insuring agreements described in Rule 192.3(g);

**RESPONSE:** N/A

(i) Any witness statements describe in TRCP 192.3(h).

**RESPONSE:** N/A