



Control Number: 47899



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DOCKET NO. 47899

RECEIVED

APPLICATION OF KNOB HILL §
LAKE ESTATES WATER SYSTEM §
AND KNOB HILL WATER UTILITY §
CORP FOR SALE, TRANSFER, OR §
MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS IN DENTON §
COUNTY §

PUBLIC UTILITY COMMISSION

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PUBLIC UTILITY COMMISSION
OF TEXAS

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KNOB HILL LAKE ESTATES WATER SYSTEM
AND KNOB HILL WATER UTILITY CORP
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-5**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the Staff of the Public Utility Commission of Texas (Staff) requests that Knob Hill Lake Estates Water Utility Corp (Knob Hill Lake Estates or Buyer), and Knob Hill Water System (Knob Hill Water or Seller), (collectively, Applicants) by and through their attorneys of record, 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 the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. 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.

Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

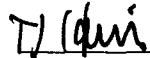
Dated: March 27, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney



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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record March 27, 2018, in accordance with 16 TAC § 22.74.



TJ Harris

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KNOB HILL LAKE ESTATES WATER SYSTEM
AND KNOB HILL WATER UTILITY CORP
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-5**

DEFINITIONS

- A. "Applicants," "the Companies" or "you" refers to the Knob Hill Lake Estates Water Utility Corp and Knob Hill Water System and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.
- B. "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do not exist and these documents will be provided.

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AND KNOB HILL WATER UTILITY CORP
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-5**

INSTRUCTIONS

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. 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.
- 3) These questions 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.
- 4) 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.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) 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.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-5**

- STAFF 1-1** Please provide a detailed listing of each asset being transferred. For each asset in the list, provide the following:
- a) Asset name and description.
 - b) Date asset was placed in service by the utility.
 - c) Installation date (if different from the placed in service date)
 - d) Original cost of the asset when placed in service.
 - e) Current accumulated depreciation account balance.
 - f) The net book value of the asset.
 - g) For subsections d, e, and f, the sum totals of all the assets in the corresponding subsection.
- STAFF 1-2** Please reconcile the sum totals from Staff 1-1(g) to the fixed asset amounts for the current year listed on the historical financial statement provided in the application on page 9 of 23.
- STAFF 1-3** Please reconcile the sum totals from Staff 1-1(g) to the fixed asset amounts provided in the rate/tariff change application filed at the Texas Commission on Environmental Quality (TCEQ), or its predecessor agency, under application number 37152-R.
- STAFF 1-4** Please reconcile the sum totals from Staff 1-1(g) to the land and improvements, system, and tangible personal property listed in the Purchase and Sale of Retail Public Utility agreement provided in item 11 of this docket, 47899 CONFID Page 103.
- STAFF 1-5** Please provide corrected responses to application page 6, question number 13.A., and application page 7, question number 13.C., taking into account the reconciled information provided in response to Staff 1-1 through 1-4.