



## Filing Receipt

**Received - 2023-01-30 02:31:37 PM**  
**Control Number - 53299**  
**ItemNumber - 53**

**PUC DOCKET NO. 53299**  
**SOAH DOCKET NO. 473-23-01064.WS**

<b>CRYSTAL BLUFF GOAT RANCHES</b>	<b>§</b>	<b>BEFORE THE PUBLIC UTILITY</b>
<b>LLC’S APPEAL OF THE COST OF</b>	<b>§</b>	
<b>OBTAINING SERVICE FROM</b>	<b>§</b>	<b>COMMISSION OF TEXAS</b>
<b>POSSUM KINGDOM WATER SUPPLY</b>	<b>§</b>	
<b>CORPORATION</b>	<b>§</b>	

**POSSUM KINGDOM WSC’S MOTION TO COMPEL CRYSTAL BLUFF GOAT RANCHES, LLC TO RESPOND TO FIRST REQUEST FOR INFORMATION**

COMES NOW Possum Kingdom Water Supply Corporation (“Possum Kingdom WSC” or “Respondent”) and files this Motion to Compel Crystal Bluff Goat Ranches, LLC (“CBGR” or “Applicant”) to Respond to Possum Kingdom WSC’s First Request for Information (“RFI”).<sup>1</sup> CBGR is attempting to abuse the discovery process by disregarding the Commission’s filing and RFI procedural rules.<sup>2</sup> In support, Possum Kingdom WSC shows as follows.

**I. INTRODUCTION**

On the evening of January 23, 2023 at 6:17 p.m., CBGR late-filed a response to Possum Kingdom WSC’s 1<sup>st</sup> RFIs to CBGR with SOAH but not the Commission.<sup>3</sup> CBGR’s response was due at 3:00 p.m. on January 23, 2023 and has still not been filed with the Commission as required.<sup>4</sup> CBGR failed to answer each request separately and identify the preparer and sponsoring witness for each response.<sup>5</sup> Nor were the responses filed under oath or with a stipulation that they may be treated as if filed under oath.<sup>6</sup> But, most importantly, CBGR included objections with many of its responses even though Commission rules require: (1) filing objections separately within 10

---

<sup>1</sup> Possum Kingdom WSC’s First Request for Information to Crystal Bluff Goat Ranches, LLC (Jan. 3, 2023).

<sup>2</sup> 16 TAC § 22.71 and 22.144.

<sup>3</sup> Crystal Bluff Goat Ranches, LLC’s Responses to Possum Kingdom WSC’s First Request for Information (Jan. 23, 2023). SOAH Order No. 1 specifically says that PUC filing rules apply to this Commission matter, including the requirements to file with the PUC and to file by 3:00 p.m. on the day of a deadline. SOAH Order No. 1 Notice of Prehearing Conference and Applicable Procedures at 3-4 (Sept. 20, 2023); *see also* 16 TAC § 22.71(h) and 22.144.

<sup>4</sup> 16 TAC § 22.71(h); SOAH Order No. 1 at 3-4 (Sept. 20, 2023).

<sup>5</sup> 16 TAC § 22.144(c)(2)(A)-(B).

<sup>6</sup> 16 TAC § 22.144(c)(2)(F).

calendar days after receiving RFIs; and (2) filing objections only after negotiating diligently and in good faith concerning the objections.<sup>7</sup> CBGR did neither.

Conversely, Possum Kingdom WSC attempted to confer with CBGR about its issues with CBGR's responses before filing this Motion to Compel.<sup>8</sup> Possum Kingdom WSC received no response to its attempt to confer. Motions to compel are due five working days after receipt of objections. Since CBGR failed to separately file its objections, this motion is timely filed after receipt of CBGR's response.<sup>9</sup> Additionally, Possum Kingdom has other substantive issues with some of CBGR's responses. The presiding SOAH ALJ should order CBGR to correct all the procedural and substantive deficiencies outlined herein.

## **II. ARGUMENTS AND AUTHORITIES**

CBGR's response to Possum Kingdom's First RFIs are procedurally and substantively deficient. The issues are as follows.

### **All Responses**

As noted above, there are multiple procedural deficiencies with CBGR's response to Possum Kingdom's First RFIs. All those procedural deficiencies must be corrected and all objections must be removed or deemed overruled by the presiding SOAH ALJ due to CBGR's failure to adhere to Commission rules. Possum Kingdom WSC seeks amended answers to its First RFIs to CBGR that comply with the Commission rules, SOAH rules, and the Honorable SOAH ALJ's orders in this case.<sup>10</sup>

---

<sup>7</sup> 16 TAC § 22.144(d).

<sup>8</sup> **Exhibit A.**

<sup>9</sup> 16 TAC § 22.144(e).

<sup>10</sup> See SOAH Order No. 1 Notice of Prehearing Conference and Applicable Procedures (Sept. 20, 2023).

#### **PKWSC RFI 1-4 and 1-6**

CBGR's answers to RFI 1-4 and 1-6 include an objection and suggest CBGR plans to perhaps use more testifying witnesses in this case, including possibly expert witnesses, but declines to identify them. CBGR already put on its direct case and used no expert witnesses. To the extent CBGR plans to call more testifying witnesses, Possum Kingdom WSC is entitled to know who they are and the other information requested which is basically the same as what the Texas Rules of Civil Procedure allow as part of disclosures. CBGR should be ordered to fully respond to these RFIs.

#### **PKWSC RFI 1-16, 1-29, 1-33, and 1-36**

CBGR's response to this request is non-responsive. PKWSC RFI-16 specifically asks if CBGR contends it should not be considered a "developer" as that term is defined in Possum Kingdom WSC's tariff. PKWSC RFI-16 also asks CBGR to state the basis for its contention and provide any CBGR contends supports that contention. CBGR's answer to PKWSC RFI-16 is non-responsive and does not answer the RFI as propounded. CBGR responds to PKWSC RFI 1-29, 1-33, and 1-36 by reference back to its response to PKWSC RFI 1-16. CBGR should be ordered to fully respond to PKWSC RFI 1-16, 1-29, 1-33, and 1-36.

#### **PKWSC RFI 1-23 and 1-24**

CBGR's responses to PKWSC RFI 1-23 and 1-24 are also non-responsive, or at least one of them is non-responsive. PKWSC RFI 1-23 asks if CBGR has ever signed a standard service contract or agreement with Possum Kingdom WSC as described in the request. PKWSC RFI 1-24 asks if CBGR has ever signed a non-standard service contract or agreement with Possum Kingdom WSC as described in the request. CBGR refers to an attached "Exhibit A" in both responses, but both cannot be true. CBGR also includes a waived objection in response to

PKWSC RFI 1-24. CBGR should be ordered to fully respond to PKWSC RFI 1-23 and 1-24 without objection.

**PKWSC RFI 1-25, 1-26, 1-30, and 1-31**

CBGR's responses to PKWSC RFI 1-25, 1-26, 1-30, and 1-31 are all "CBGR will supplement this response." These are non-responsive answers. Possum Kingdom WSC has no idea when CBGR might actually respond to these requests, but they directly relate to referred issues pertinent to this case. While CBGR is under a continuing duty to respond,<sup>11</sup> Possum Kingdom is entitled to some type of answer to its requests. Perhaps CBGR does not know the answer. If that is the case, CBGR should say so. CBGR should be ordered to fully respond to PKWSC RFI 1-25, 1-26, 1-30, and 1-31.

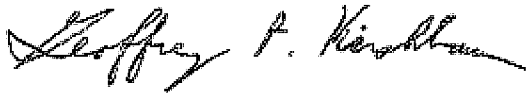
**III. CONCLUSION**

CBGR initiated this case as Applicant, but CBGR is apparently intent on playing fast and loose with the Commission's procedural rules and obligation to respond properly to discovery. This needs to be corrected. Therefore, Possum Kingdom WSC respectfully requests that the Honorable presiding SOAH ALJ issue an order compelling CBGR to respond to Possum Kingdom WSC's First Request for Information in a manner that cures the procedural and substantive deficiencies described herein. Possum Kingdom also requests all other and further relief to which it is justly entitled at law or in equity.

---

<sup>11</sup> 16 TAC § 22.144(i).

Respectfully submitted,


By: 

Geoffrey P. Kirshbaum  
State Bar No. 24029665  
TERRILL & WALDROP  
810 West 10<sup>th</sup> Street  
Austin, Texas 78701  
Tel: (512) 474-9100  
Fax: (512) 474-9888  
gkirshbaum@terriwwaldrop.com

**ATTORNEYS FOR POSSUM KINGDOM  
WATER SUPPLY CORPORATION**

**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on January 30, 2023, in accordance with the Orders Suspending Rules filed in Project No. 50664.

  
\_\_\_\_\_  
Geoffrey P. Kirshbaum

**From:** Geoff Kirshbaum  
**To:** Justin Broome; Art Rodriguez  
**Subject:** CBGR's Response to PKWSC's 1st RFIs - Deficiencies  
**Date:** Wednesday, January 25, 2023 3:27:00 PM  
**Attachments:** 2023-1-23 CBGR's Response to PKWSC's RFIs.pdf

---

Justin/Art,

I have so many issues with the attached set of responses CBGR filed with SOAH the other day that I don't know where to begin. But I will try.

1. The responses were filed late after 3:00 p.m. 16 TAC 22.71(h) and 16 TAC § 22.144
2. The responses were not filed with the PUC as required nor were they filed under oath or with a stipulation that they may be treated as if filed under oath. 16 TAC § 22.144(c)(2)(F).
3. The responses do not identify the preparer or person under whose direct supervision the response was made. 16 TAC § 22.144(c)((2)(A).
4. The responses do not identify the sponsoring witness for each answer. 16 TAC § 22.144(c)((2)(A).
5. Each RFI is not answered separately. 16 TAC § 22.144(c)((2)(b). Typically, the answers to each RFI are made on separate pages.
6. The objections included in the responses were waived because you did not file them within 10 days, nor did you attempt to negotiate any of your concerns with me. 16 TAC § 22.144(d)(1)-(5).
7. The response to 1-16 does not answer the question posed and is referenced in response to other RFIs. I need an answer.
8. The responses to 1-23 and 1-24 are unclear. Are your answers saying Exhibit A is a standard service agreement or a non-standard service agreement? 1-23 is about standard and 1-24 is about non-standard. I need this clarified because right now it seems like you are saying it is both. That cannot be, but maybe that is what you are saying.
9. Many of your answers say CBGR will supplement. CBGR is under a continuing duty to supplement its responses to the RFIs, but I need an answer. If you don't know or don't have one, then say so.
10. Regarding 1-4 and 1-6, do you anticipate calling more witnesses than Mr. Ray? CBGR already filed its direct case and only used one witness and no experts.

Please amend your responses and file them in compliance with the PUC rules by COB Friday. Otherwise, I will be forced to file a motion to compel.

Please let me know if you would like to discuss any of these issues. Thank you.

Geoffrey P. Kirshbaum  
Terrill & Waldrop  
810 West 10th Street  
Austin, Texas 78701  
Ph: (512) 474-9100  
Fax: (512) 474-9888

gkirshbaum@terillwaldrop.com

This communication is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If you are not the intended recipient, you are notified that any use, dissemination, distribution, or copying of the communication is strictly prohibited.



**PUC DOCKET NO. 53299**

<b>CRYSTAL BLUFF GOAT RANCHES</b>	<b>§</b>	<b>BEFORE THE PUBLIC UTILITY</b>
<b>LLC'S APPEAL OF THE COST OF</b>	<b>§</b>	
<b>OBTAINING SERVICE FROM</b>	<b>§</b>	<b>COMMISSION OF TEXAS</b>
<b>POSSUM KINGDOM WATER SUPPLY</b>	<b>§</b>	
<b>CORPORATION</b>	<b>§</b>	

**CRYSTAL BLUFF GOAT RANCHES, LLC'S RESPONSES TO  
POSSUM KINGDOM WSC'S FIRST REQUEST FOR INFORMATION**

To: Possum Kingdom Water Supply Corporation, by and through its attorney of record  
Geoffrey P. Kirshbaum, Terrill & Waldrop, 810 West 10<sup>th</sup> Street, Austin, Texas 78701.

Crystal Bluff Goat Ranches, LLC ("CBGR") serves its Responses to the First Request for  
Information propounded by Possum Kindgom Water Supply Corporation ("Possum Kingdom  
WSC").

DATED: January 23, 2023.

Respectfully submitted,

**DORSETT JOHNSON & SWIFT, LLP**

By: /s/ C. Justin Broome  
JC Johnson  
Texas Bar No. 24067412  
Email: jcjohnson@dorsettjohnson.com  
C. Justin Broome  
Texas Bar No. 24117555  
Email: jbroome@dorsettjohnson.com  
407 Throckmorton Street Suite 500  
Fort Worth, Texas 76102  
Tel. (817) 900-8202  
Fax. (817) 882-8526

**ATTORNEYS FOR CRYSTAL BLUFF GOAT  
RANCHES, LLC**

### **CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on January 23, 2023, in accordance with the Orders Suspending Rules filed in Project No. 50664.

/s/ C. Justin Broome

C. Justin Broome

**CRYSTAL BLUFF GOAT RANCHES, LLC'S RESPONSES TO POSSUM KINGDOM  
WSC'S FIRST REQUESTS FOR INFORMATION**

**PKWSC 1-1** Please provide the legal theories and, in general, the factual bases of your claims (without marshaling all evidence that may be offered at trial).

**RESPONSE:** The legal theories and factual bases supporting CBGR's appeal are given in CBGR's initial Appeal of Cost of Obtaining Service, CBGR's responses to Commission Staff's Requests for Information, and in Gary Ray's direct testimony on file in this cause.

**PKWSC 1-2** Please provide 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:**

- a. Gary Ray  
c/o C. Justin Broome  
Email: jbroome@dorsettjohnson.com  
407 Throckmorton Street Suite 500  
Fort Worth, Texas 76102  
Tel. (817) 900-8202  
Fax. (817) 882-8526
- b. Chris Beeson  
c/o C. Justin Broome  
Email: jbroome@dorsettjohnson.com  
407 Throckmorton Street Suite 500  
Fort Worth, Texas 76102  
Tel. (817) 900-8202  
Fax. (817) 882-8526
- c. Sue Cathey  
c/o Geoffrey P. Kirshbaum  
TERRILL & WALDROP  
810 West 10<sup>th</sup> Street Austin, Texas 78701  
Tel: (512) 474-9100  
Fax: (512) 474-9888  
gkirshbaum@terriwaldrop.com

**PKWSC 1-3** Please provide a copy—or a description by category and location—of all documents, electronically stored information, and tangible things that you have in your possession, custody, or control, and that may be used to support your claims, unless the use would be solely for impeachment.

**RESPONSE:** CBGR objects to this request as being overly broad, vague, and ambiguous, CBGR's Responses to Possum Kingdom WSC's First Requests for Information

harassing and unduly burdensome. CBGR also objects to as this request amounts to an impermissible fishing expedition. *See K-Mart Corp. v. Sanderson*, 937 S.W.2d 429, 431 (Tex. 1996). CBGR further objects for the reason it seeks information not relevant or reasonably calculated to lead to the discovery of admissible evidence.

Subject to the foregoing objections and without waiving same, please see CBGR's initial appeal, CBGR's responses to Commission Staff's Requests for Information, and exhibits to Gary Ray's direct testimony.

**PKWSC 1-4** Please provide the name, and if, not previously provided, the address, and telephone number of each witness you may present at trial other than solely for impeachment—separately identifying those you expect to present and those you may call if the need arises.

**RESPONSE:** CBGR objects as it has not made a final determination of witnesses it may call at a final evidentiary hearing. Subject to the foregoing objection and without waiving same, CBGR will supplement this response.

**PKWSC 1-5** Please provide an identification of each document or other exhibits you may present at trial other than solely for impeachment, including summaries of other evidence—separately identifying those items you expect to offer and those you may offer if the need arises.

**RESPONSE:** Please see CBGR's initial appeal, CBGR's responses to Commission Staff's Requests for Information, and exhibits to Gary Ray's direct testimony. CBGR reserves the right to supplement this response.

**PKWSC 1-6** For any testifying expert, please provide the following:

- a. The expert's name, address, and telephone number.
- b. The subject matter on which the expert will testify.
- c. 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 your control, documents reflecting such information.
- d. If the expert is retained by, employed by, or otherwise subject to your control:
  - i. 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;
  - ii. The expert's current resume and bibliography;
  - iii. The expert's qualifications, including a list of all publications authored in the previous 10 years;
  - iv. Except when the expert is your attorney and is testifying to attorney fees, a list of all other cases in which, during the previous four years, the expert testified as an expert at trial or by deposition; and

v. A statement of the compensation to be paid for the expert's study and testimony in the case.

**RESPONSE:** CBGR objects as it has not made a final determination of witnesses – including expert witnesses – it may call at a final evidentiary hearing. Subject to the foregoing objection and without waiving same, CBGR will supplement this response.

**PKWSC 1-7** Please refer to page 1, line 8 of the prefiled direct testimony of Gary Ray filed by CBGR. Are Crystal Bluff Goat Ranches, LLC and Crystal Goats Ranches, LLC the same entity or different entities? If different, please explain the relationship between the two entities, if any.

**RESPONSE:** “Crystal Goats Ranches, LLC” is a clerical error and refers to Crystal Bluff Goat Ranches, LLC.

**PKWSC 1-8** Please refer to Exhibit CB-3 included with the pre-filed direct testimony of Gary Ray. Who is Gary Ray and what is his relationship to the appellant, CBGR, if any?

**RESPONSE:** Gary Ray is a member and owner of CBGR.

**PKWSC 1-9** Please refer to Exhibit CB-3 included with the pre-filed direct testimony of Gary Ray. Who is Chris Beeson and what is his relationship to the appellant, CBGR, if any?

**RESPONSE:** Chris Beeson is a member and owner of CBGR.

**PKWSC 1-10** Please refer to Exhibit CB-3 included with the pre-filed direct testimony of Gary Ray. Was this a request for service from Possum Kingdom WSC for Lot 7 or more lots than just Lot 7 within the property depicted in Exhibit CB-2 included with the pre-filed direct testimony of Gary Ray?

**RESPONSE:** To the best of CBGR's knowledge, this is a service application for Lot 7 only.

**PKWSC 1-11** Please refer to Exhibit CB-3 included with the pre-filed direct testimony of Gary Ray. When do you contend you first contacted Possum Kingdom WSC about service to more than one lot within the property depicted in Exhibit CB-2 included with the pre-filed direct testimony of Gary Ray? If this communication was in writing, please identify and provide the document or documents you contend comprise that communication.

**RESPONSE:** On or about June 2017. This is evidenced by Exhibit CB-4 to Gary Ray's direct testimony.

**PKWSC 1-12** Admit or Deny. The real property for which you requested retail water utility service from Possum Kingdom WSC and received a cost estimate that is the subject of this cost to obtain service appeal is comprised of 12 lots subdivided out of a tract of land comprised in total of 18.070 acres, as reflected in Exhibits CB-1 and CB-2 included with the pre-filed direct testimony of Gary Ray? If you cannot admit or deny, please explain in detail why you cannot admit or deny.

**RESPONSE:** CBGR admits that Hummingbird West was platted as 12 lots.

**PKWSC 1-13** If your response to PKWSC 1-12 is “Deny,” please explain the basis for your denial and provide any documents you contend support that denial.

**RESPONSE:** N/A.

**PKWSC 1-14** Admit or Deny. When CBGR submitted the application for service included with the pre-filed direct testimony of Gary Ray as Exhibit CB-3, CBGR, its agents, or its

representatives, including Gary Ray, knew or should have known that a request for service from Possum Kingdom WSC for more than a single lot constituted a non-standard service request under applicable Possum Kingdom WSC tariff provisions. If you cannot admit or deny, please explain in detail why you cannot admit or deny.

**RESPONSE:** Deny.

**PKWSC 1-15** If your response to PKWSC 1-14 is “Deny,” please explain the basis for your denial and provide any documents you contend support that denial.

**RESPONSE:** Possum Kingdom WSC sold CBGR three connections for standard service – an example of which is the Service Application and Agreement for Lot 3, attached hereto as Exhibit “A.”

**PKWSC 1-16** Please refer to page 2, lines 4-7 and line 9-12, and Exhibits CB-1 and CB-2 of the prefiled direct testimony of Gary Ray filed by CBGR. Given that CBGR sought service from Possum Kingdom WSC for a single tract of land subdivided into twelve (12) platted lots it intended to sell to others, please state whether you contend CBGR should not be considered a “developer” as that term is defined in Possum Kingdom WSC’s tariff. Please state the basis for your contention and provide any documents you contend support that contention.

**RESPONSE:** Possum Kingdom WSC’s general manager represented to CBGR that no additional infrastructure would be required to serve the lots in Hummingbird West. Possum Kingdom WSC then sold CBGR three connections for standard service. Possum Kingdom WSC’s current demand for the CIAC fee is inconsistent with its prior dealings and contract

with CBGR.

**PKWSC 1-17** Please refer to page 2, lines 4-7 and line 9-12, and Exhibits CB-1 and CB-2 of the prefiled direct testimony of Gary Ray filed by CBGR. Given that CBGR sought service from Possum Kingdom WSC for a single tract of land subdivided into twelve (12) platted lots it intended to sell to others, please state whether you contend CBGR should not be considered a “developer” as that term is defined in Texas Water Code § 13.2502(e)(1). Please state the basis for your contention and provide any documents you contend support that contention.

**RESPONSE:** CBGR objects to being asked to admit that it meets the definition of a developer under a section of the Texas Water Code that is inapplicable to the facts of this case.

**PKWSC 1-18** Please refer to page 2, lines 4-7 and line 9-12, and Exhibits CB-1, CB-2, and CB-7 of the prefiled direct testimony of Gary Ray filed by CBGR. Given that CBGR sought service from Possum Kingdom WSC for a single tract of land subdivided into twelve (12) platted lots it intended to sell to others, please state whether you contend that service would not require a “Non-Standard Service Contract” under the Tariff of Possum Kingdom WSC, Section F, “Developer, Subdivision, and Non-Standard Service Requirements” (included in Exhibit CB-7). Please state the basis for your contention and provide any documents you contend support that contention.

**RESPONSE:** Please refer to CBGR’s response to PKWSC 1-16.

**PKWSC 1-19** Did CBGR ever revise its real property plat from the plat included with the pre-filed direct testimony of Gary Ray as Exhibit CB-2? If so, please provide all documents that show those plat revisions.

**RESPONSE:** No.

**PKWSC 1-20** Was any government entity required to approve CBGR’s plats, and did they? If so, please provide any documents that show those plat approvals.

**RESPONSE:** CBGR objects to the foregoing request as being overly burdensome, made for purposes of harassment, and not reasonably calculated to lead to the discovery of admissible evidence. Subject to the foregoing objection and without waiving same, CBGR will supplement this response.

**PKWSC 1-21** Please provide the “boiler plate of the contract” referenced in Exhibit CB-5 included with the pre-filed direct testimony of Gary Ray and any other attachments to the e-mail included in Exhibit CB-5.

**RESPONSE:** CBGR objects to the foregoing request in that it seeks information and/or documents equally accessible to Possum Kingdom WSC.

**PKWSC 1-22** Please identify the cost estimate or cost to obtain service decision you are appealing in this proceeding.

**RESPONSE:** CBGR objects to the foregoing request in that it seeks information and/or documents equally accessible to Possum Kingdom WSC. Subject to the foregoing objection and without waiving same, please see exhibit CB-10 to Gary Ray's direct testimony.

**PKWSC 1-23** Did CBGR ever sign a standard service contract or agreement with PKWSC agreeing to a price per connection for service to any or all of the 12 lots reflected in Exhibit CB-2 included with the pre-filed direct testimony of Gary Ray? If so, please provide all such documents.

**RESPONSE:** See Exhibit "A."

**PKWSC 1-24** Did CBGR ever sign a non-standard service contract or agreement with PKWSC agreeing to a price per connection for service to any or all of the 12 lots reflected in Exhibit CB-2 included with the pre-filed direct testimony of Gary Ray? If so, please provide all such documents.

**RESPONSE:** CBGR objects to the foregoing request in that it seeks information and/or documents equally accessible to Possum Kingdom WSC. Subject to the foregoing objection and without waiving same, see Exhibit "A."

**PKWSC 1-25** Please refer to page 4, lines 1-4 of the pre-filed direct testimony of Gary Ray and Exhibit CB-8 included with that testimony. Please state whether you contend that the described \$10,400,145.00 figure estimated for the Possum Kingdom WSC cost of additional capacity was an unreasonable amount, explain the basis for that contention, if any, and provide any documents that you allege support that contention, if any.

**RESPONSE:** CBGR will supplement this response.

**PKWSC 1-26** Please refer to page 4, lines 1-4 of the pre-filed direct testimony of Gary Ray and Exhibit CB-8 included with that testimony. Do you contend that (a) existing Possum Kingdom WSC members or (b) developers of new subdivisions should bear the costs for additional water treatment capacity needed to serve new subdivision connections? Please explain the basis for your contention and provide any documents that you allege support that contention.

**RESPONSE:** CBGR will supplement this response.

**PKWSC 1-27** Please refer to page 4, lines 7-9 of the pre-filed direct testimony of Gary Ray. Please explain the basis for your contention that a \$13,385.00 CIAC charge per meter is "staggering" and provide any documents that you allege support your contention.

**RESPONSE:** CBGR's use of the adjective "staggering" to describe the CIAC charge is based on Possum Kingdom WSC's prior course of dealing with CBGR in which the quoted fee was significantly lower and was even waived for at least three connections.



**PKWSC 1-28** Please refer to page 4, lines 9-11 of the pre-filed direct testimony of Gary Ray. Please explain the basis for your contention that the CIAC charge of \$2,300.00 to \$2,800.00 per connection was “previously established” and provide any documents that you allege support your contention.

**RESPONSE:** A CIAC fee of \$2,300.00 to \$2,800.00 had previously been quoted to CBGR in email communications from PK WSC general manager Sue Cathey.

**PKWSC 1-29** Please refer to page 4, lines 9-11 of the pre-filed direct testimony of Gary Ray. Please explain the basis for your contention that the requested CIAC charge of \$13,385.00 per connection was “a shocking reversal of PKWSC’s previous position that CBGR did not require non-standard service” and provide any documents that you allege support your contention.

**RESPONSE:** Please see CBGR’s response to PKWSC 1-16.

**PKWSC 1-30** Please refer to page 4, lines 9-11 of the pre-filed direct testimony of Gary Ray. Please state whether you contend Possum Kingdom WSC should have offered CBGR a CIAC charge of \$2,300.00 to \$2,800.00 per connection indefinitely without a non-standard service contract in place? If not, for how long? Please explain the basis for your contention and provide any documents that you allege support your contention.

**RESPONSE:** CBGR will supplement this response.

**PKWSC 1-31** Please refer to page 4, lines 9-11 of the pre-filed direct testimony of Gary Ray. Please state whether you contend \$2,300.00 to \$2,800.00 per connection is a reasonable Possum Kingdom WSC CIAC charge today? Please explain the basis for your contention and provide any documents that you allege support your contention.

**RESPONSE:** CBGR will supplement this response.

**PKWSC 1-32** Please refer to page 4, line 21 of the pre-filed direct testimony of Gary Ray. Please describe in detail what you contend were “attempts to negotiate” with Possum Kingdom WSC and provide any documents you allege support your contention.

**RESPONSE:** CBGR objects to the foregoing request in that it seeks information and/or documents equally accessible to Possum Kingdom WSC. Subject to the foregoing objection and without waiving same, in addition to verbal attempts to negotiate at various times with Possum Kingdom WSC’s general manager, see Exhibits “B” and “C.”

**PKWSC 1-33** Please refer to page 6, lines 15-16 of the pre-filed direct testimony of Gary Ray. If you contend Possum Kingdom WSC should grant CBGR a waiver of CIAC for any or all of the 12 subdivision lots reflected in Exhibit CB-2 not previously granted, please explain the basis for your contention and provide any documents you allege support your contention.

**RESPONSE:** Yes. Please see CBGR’s response to PKWSC 1-16.

**PKWSC 1-34** Admit or deny. Discussions between CBGR and Possum Kingdom WSC regarding non-standard service for the subdivision reflected in Exhibit CB-2 date back to 2017. If you cannot admit or deny, please explain in detail why you cannot admit or deny.

**RESPONSE:** CBGR admits that it engaged in discussions with Possum Kingdom WSC regarding the cost of service at various times between 2017 and 2022.

**PKWSC 1-35** If your response to PKWSC 1-34 is “Deny,” please explain the basis for your denial and provide any documents you contend support that denial.

**RESPONSE:** N/A.

**PKWSC 1-36** Please refer to page 7, lines 6-7 of the pre-filed direct testimony of Gary Ray. Please provide any documents that you allege support your contention that there was a Possum Kingdom WSC “determination that non-standard service was unnecessary” for any or all of the 12 subdivision lots reflected in Exhibit CB-2.

**RESPONSE:** Please see CBGR’s response to PKWSC 1-16

# EXHIBIT A

# Possum Kingdom Water Supply Corporation

## Service Application and Agreement

940-779-3100 Fax 940-779-3137 TDD 800-735-2989

1170 Willow Road, Graford, Texas 76449

Please Print:

DATE

APPLICANT'S NAME

Crystal Bluff Cider Ranches LLC

CO-APPLICANT'S NAME

GARY RAY

APPLICANT'S BILLING ADDRESS

APPLICANT'S SERVICE ADDRESS

6300 Ridgely Place Suite 920

1538 Hummingbird Ln

Fort Worth TX 76116

Graford TX 76449

PHONE NUMBER - Home

817-994-4617

Other

E-MAIL ADDRESS

gary@MODCOINS.com

PROOF OF OWNERSHIP PROVIDED BY: (Check applicable box) Lease ☐ Sub-Lease ☐ Warranty Deed ☒TYPE OF SERVICE: (Check applicable box) Single Family Residence ☒ Business ☐ Apt. Building ☐

LEGAL DESCRIPTION OF PROPERTY (Include subdivision with lot and block number from lease or warranty deed)

1538 Hummingbird Lane; Hummingbird West Subdivision Volume 10

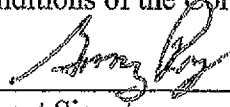
Page 148, Slide 948, Plat of Records Palo Pinto County TX

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY.

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement, pages two through four, by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Initial to confirm receipt of pages 2-4 \_\_\_\_\_

  
 Applicant Signature

Approved and Accepted by PKWSC \_\_\_\_\_

PKWSC Date Approved \_\_\_\_\_

FILE COPY

## TERMS AND CONDITIONS

**AGREEMENT** made on approval date between Possum Kingdom Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation) and the Applicant and/or Co-Applicant.

Witnesseth:

The Corporation shall sell and deliver water and/or wastewater service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the Corporation in accordance with the by-laws and tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for Membership as a new applicant or continued Membership as a transferee and thereby may hereinafter be called a Member.


The Member shall pay the Corporation for service hereunder as determined by the Corporation's tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this agreement. A copy of this agreement shall be executed before service may be provided to the Applicant.

The Board of Directors shall have the authority to discontinue service and cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service. At any time service is discontinued, terminated or suspended, the Corporation shall not re-establish service unless it has a current, signed copy of this agreement.

If this agreement is completed for the purpose of assigning utility service as a part of a rural domestic water and/or wastewater system loan project contemplated with the Rural Development, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining:

- a) The number of taps to be considered in the design and
- b) The number of potential ratepayers considered in determining the financial feasibility of constructing
  - 1) A new water system or
  - 2) Expanding the facilities of an existing water system.

The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. Applicant further agrees to pay, upon becoming a Member, the monthly charges for such service as prescribed in the Corporation's tariff. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the Corporation. If delivery of service to said location is deemed infeasible by the Corporation and the Indication of Interest Fee, less expenses, shall be refunded. The Membership in the Corporation and the Indication of Interest Fee, less expenses shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fee.




All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or wastewater connection is for the sole use of the Member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to transfer utility service from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, businesses, or property, etc., is prohibited.

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable and necessary times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property. The Member shall install, at their own expense, any customer service isolation valves, backflow prevention devices, clean-outs, and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Member's property for the purpose of inspecting for possible cross-connections, potential contamination hazards, and illegal lead materials.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. This service agreement serves as notice to each customer of the plumbing restrictions which are in place to provide this protection. The Corporation shall enforce these restrictions to ensure the public health and welfare. The following undesirable practices are prohibited by state regulations:

- a) No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state regulations.
- b) No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air gap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.
- c) No connection which allows condensing, cooling, or industrial process water to be returned to the public drinking water supply is permitted.
- d) No pipe or pipe fitting which contains more than 8.0 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- e) No solder or flux which contains more than 0.2 % lead may be used for the installation or repair plumbing on or after July 1, 1988, at any connection which provides water for human consumption.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises are connected to the public water system. The Member shall allow their property to be inspected for possible cross-connections, potential contamination hazards, and illegal lead materials. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.



The Corporation shall notify the Member in writing of any cross-connections or other undesirable practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable practice on their premises. The Member shall, at their expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required. Failure to comply with the terms of this service agreement shall cause the Corporation to either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Member.

In the event the total water supply is insufficient to meet all of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporation's Tariff. By execution of this agreement, the Applicant hereby shall comply with the terms of said program.

By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Member/users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The Member shall grant to the Corporation, now or in the future, any easements of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other equipment which may be deemed necessary by the Corporation to extend or improve service for existing for future Members, on such forms as are required by the Corporation.

By execution hereof, the Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of service under the terms and conditions of the Corporation's tariff.

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

<input checked="" type="checkbox"/> White, Not of Hispanic Origin	<input type="checkbox"/> Black, Not of Hispanic Origin	<input type="checkbox"/> American Indian or Alaskan Native	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Asian or Pacific Islander	<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female
--	---	---	-----------------------------------	---	---	---

JMR

# EXHIBIT B



# Dorsett Johnson & Swift, LLP

Attorneys and Counselors at Law

Joseph Modric  
Attorney

jmodric@dorsettjohnson.com • www.dorsettjohnson.com  
407 Throckmorton Street, Suite 500, Fort Worth, Texas 76102  
Office:(817)900-8202 • Fax:(817)882-8526

September 21, 2021

***Via CMRRR and First-Class Mail***

Possum Kingdom Water Supply Corporation  
1170 Willow Road  
Possum Kingdom Lake  
Graford, TX 76449

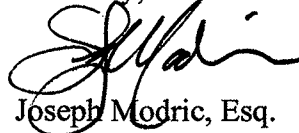
Re: Crystal Bluff Goat Ranch, LLC – Proposed Non-Standard Contract Terms  
Our File No.: 4612-00001

Dear Sirs or Madams:

Our office has the pleasure of representing Crystal Bluff Goat Ranch, LLC, in the above-referenced matter involving your proposed Non-Standard Service Contract to provide water to our client's land development consisting of 12 residential lots located in Graford, Palo Pinto County, Texas. As part of our representation, we are in receipt of your letter, dated May 11, 2021, wherein you proposed a "negotiated and mutually agreeable" contribution in aid of construction ("CIAC") payment which you now deem necessary for your company's continued delivery of residential water services to the subject property. Your proposed CIAC payment in the amount of \$13,385.00 per lot is unacceptable as it represents a nearly 500% increase over the amounts previously quoted to our client and based on the course of dealing by and between the parties over the past four years. Our client has reasonably relied upon such course of dealing while developing the remaining lots on the property.

In an effort to resolve this matter without the need for costly and unnecessary litigation, please provide the authority upon which you base this unprecedented fee increase or propose a CIAC payment more in line with the past course of dealing and trade between the parties. To this end, we suggest that you begin by reviewing the enclosed prior correspondence sent to our client in June 2017.

Sincerely,



Joseph Modric, Esq.

Cc: Client  
Enclosure

**From:** Sue Cathey <sue@pkwsc.com>  
**Sent:** Tuesday, June 6, 2017 11:10 AM  
**To:** Gary Ray  
**Subject:** Humming West  
**Attachments:** Sue Cathey.vcf; Non-Standard Svc Contract NEW.doc; Ray Will Serve June 2017.PDF; Developer Notice.doc

Gary, attached is the boiler plate of the contract that we need to put in place. I have attached the will serve letter so you can plat the property.

Review the contract and we can get it approved at the June 21st board meeting. The existing water treatment plant will need to be expanded to accommodate any development and right now we are estimating that it will be about \$2,300 to \$2,800 per lot without having to do brick and mortar construction. That is considered "capital in aid of construction". The other fees for meter installation would be billed as meters are required excluding the equity-buy in fee. No monthly fees would be billed until a meter is installed.

Review all of this and let me know. I know this is somewhat confusing.

Sue Cathey

# EXHIBIT C

# Dorsett Johnson & Swift, LLP

Attorneys and Counselors at Law

Timothy R. MacGorman

Attorney

tmacgorman@dorsettjohnson.com • www.dorsettjohnson.com  
407 Throckmorton Street, Suite 500, Fort Worth, Texas 76102  
Office: (817) 900-8211 • Fax: (817) 882-8526

January 6, 2022

***Via CMRRR and First-Class Mail***

Possum Kingdom Water Supply Corporation  
1170 Willow Road  
Possum Kingdom Lake  
Graford, TX 76449

Re: Crystal Bluff Goat Ranch, LLC – Proposed Non-Standard Contract  
Our File No.: 4612-00001

Dear Ms. Cathey:

As you know, our office represents Crystal Bluff Goat Ranch, LLC, in the above-referenced matter involving your proposed Non-Standard Service Contract to provide water to our client's land development consisting of 12 residential lots located in Graford, Palo Pinto County, Texas. We are in receipt of your letter, dated September 29, 2021, wherein you proposed a contribution in aid of construction ("CIAC") payment which you now deem necessary for your company's continued delivery of residential water services to the subject property. Your proposed CIAC payment is in the amount of \$13,385.00 per meter (per lot) for 12 meters. As mentioned in prior correspondence, this represents an unprecedented and exorbitant increase of nearly 500% over the amounts previously quoted to our client and is inconsistent with the past course of dealings by and between the parties. Furthermore, as you know, Possum Kingdom Water Supply Corporation ("PKWSC") sold our client meters for Lot 7 (June 2017), Lot 5 (January 2019), and Lot 3 (February 2019). Thereafter, Lots 5 and 7 were sold to new owners and PKWSC transferred the meters to said new owners who are now members of PKWSC. The buyer of Lot 5 also bought Lot 6 and does not require a water meter on Lot 6. As such, only 8 lots currently require water meters to be installed. To reiterate our position, it is unreasonable and unfair to require our client to pay such a substantial increase per meter based on your estimate of the CIAC. Moreover, it is egregious to now demand that our client pay CIAC for meters which have already been installed or are unnecessary in the case of Lot 6.

After consulting with the Texas Public Utility Commission, we request that you provide a new proposed Non-Standard Service Contract for our review along with the Consulting Engineer's plans, specifications, and itemized cost estimations which justify the proposed CIAC payment under PKWSC's tariff. Please understand, I am writing this letter in an effort to avoid unnecessary

and costly litigation. However, we will take any and all legal action necessary to protect our client's interests.

Sincerely,

Timothy R. MacGorman, Esq.

Cc: Client