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DOCKET NO. 55623

**APPLICATION OF THE CITY OF
MCLENDON-CHISHOLM FOR A
CERTIFICATE OF CONVENIENCE
AND NECESSITY IN ROCKWALL
COUNTY**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**RCH WATER SUPPLY CORPORATION'S OBJECTIONS TO THE CITY OF
MCLENDON-CHISHOLM'S FIRST REQUEST FOR INFORMATION**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

In accordance with 16 Texas Administrative Code § 22.144 of the Commission's Procedural Rules, RCH Water Supply Corporation ("RCH") files these Objections to the City of McLendon-Chisholm's (the "City") First Request for Information (the "Objections"). Counsel for RCH contacted the City's counsel to request that the Request for Information be withdrawn; however, no resolution was reached. Therefore, RCH files these Objections within ten (10) calendar days of when the City's Request for Information was received (January 18, 2024).¹

Respectfully submitted,

/s/ James D. Bradbury

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**ATTORNEYS FOR RCH WATER SUPPLY
CORPORATION**

¹ Pursuant to 16 Texas Administrative Code § 22.4(a), RCH's deadline to file its Objections was extended to January 29, 2024, as January 28, 2024, was a Sunday.

CERTIFICATE OF SERVICE

I hereby certify that notice of the filing of this document will be provided to all parties of record via electronic mail on January 29, 2024 in accordance with PUC Order No. 2 and the Second Order Suspending Rules, issued in Project No. 50664.

/s/ James D. Bradbury

James D. Bradbury

RCH'S OBJECTIONS
APPLICABLE TO EACH REQUEST FOR INFORMATION

1. RCH objects to the Request for Information, definitions, and instructions set forth by the City to the extent they purport to impose obligations on RCH inconsistent with those in the applicable rules, regulations, and standards in this proceeding, and to the extent any Request for Information is construed to be seeking information protected from discovery by the attorney-client or work-product privileges, including, but not limited to, materials created by or for attorneys for the litigation, or any other applicable privilege or protection from discovery.
2. RCH objects to the definition of the terms "RCH Water Supply Corporation" and "You." Contrary to these definitions, RCH will respond as if the definitions do not include RCH's attorneys.

OBJECTIONS TO REQUEST FOR INFORMATION

- CITY 1-1** Please provide RCH's list of current customers and service addresses for customers and members whose properties are within the city limit of the City.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The Administrative Law Judge ("ALJ") has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application.

- CITY 1-2** Please provide RCH's capital improvement plan for any water improvements required to meet Texas Commission on Environmental Quality's standards to provide continuous and adequate water service to its current service area.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as

required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. RCH's capital improvement plan and its ability to meet TCEQ's standards for providing continuous and adequate water service to RCH's current service area has no bearing on the City's application or ability to provide water service to the areas in which it seeks single certification.

- CITY 1-3** Please provide a detailed asset list of RCH's water facilities within the city limits of the City, as well as the assets that support the identified water facilities that includes:
- A description and location of the identified water facilities;
 - Original or purchase cost;
 - Capacity;
 - Date placed in service;
 - To the extent known, the financing vehicles used to purchase the water facilities.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. RCH also objects to this Request as vague overbroad, unduly burdensome, and not properly limited in time or scope.

- CITY 1-4** Please provide as-built engineering plans and specifications for all RCH facilities located within the city limits of the City.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by

the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. RCH also objects to this Request as vague overbroad, unduly burdensome, and not properly limited in time or scope.

CITY 1-5 Please provide RCH's most recent tariff identifying RCH's rates and charges, and the RCH Board of Directors' order or resolution adopting the rates and charges.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." See Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. RCH's tariff and the rates and charges to RCH customers have no bearing on the City's application or ability to provide water service to the areas in which it seeks single certification.

CITY 1-6 Please provide RCH's audited financials and approved budgets for Fiscal Year 2021, 2022, 2023, and 2024. If audited financials are not available, please provide internal financials.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." See Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. RCH's financial audits and

budgets have no bearing on the City's application or its ability to provide water service to the areas in which it seeks single certification.

CITY 1-7 Please provide RCH's contracts with its current operator or operating company.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. RCH's contracts with operators or an operating company have no bearing on the City's application or its ability to provide water service to the areas in which it seeks single certification.

CITY 1-8 Please provide RCH's wholesale water supply contracts and emergency interconnection agreements.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. RCH's wholesale water supply contracts and emergency interconnection agreements have no bearing on the City's application or its ability to provide water service to the areas in which it seeks single certification.

CITY 1-9 Please provide the total gallons of water RCH sold by month to its retail water customers located inside the city limits of the City for the full calendar years of 2022 and 2023.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application.

CITY 1-10 Please provide a list of all loans currently outstanding associated with RCH's water system, including terms, annual principal and interest payments, etc. Please provide copies of all loan documents supporting such loans.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. Loans held by RCH, if any, have no bearing on the City's application or its ability to provide water service to the areas in which it seeks single certification. RCH also objects to this Request as vague overbroad, unduly burdensome, and not properly limited in time or scope.

CITY 1-11 Please produce RCH's most recent cost of service and rate design study.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively

stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. Any cost of service and rate design study conducted by or for RCH has no bearing on the City's application or its ability to provide water service to the areas in which it seeks single certification. RCH also objects to this Request as vague overbroad, unduly burdensome, and not properly limited in time or scope.

CITY 1-12 Please provide RCH's budget verse actual, by line-item, for its prior fiscal year.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. RCH's budget and financial comparisons have no bearing on the City's application or its ability to provide water service to the areas in which it seeks single certification.

CITY 1-13 Please provide copies of any correspondence related to RCH's water system within the last three years between RCH and the following:

- Texas Commission on Environmental Quality
- Public Utility Commission of Texas
- Texas Water Development Board
- United States Environmental Protection Agency
- United States Department of Agriculture

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as

required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH also objects to this Request as vague overbroad, unduly burdensome, and not properly limited in time or scope. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. RCH's correspondence with regulatory agencies has no bearing on the City's application or its ability to provide water service to the areas in which it seeks single certification.

CITY 1-14 Please provide an estimate of RCH's reasonable attorney's fees and consultant fees related to this docket.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." See Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. RCH's attorney's fees and consultant fees have no bearing on the City's application or its ability to provide water service to the areas in which it seeks single certification.

CITY 1-15 Please provide any and all documents in RCH's possession that provide RCH with a real property interest to property within the city limits of the City.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." See Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. Documents evidencing

RCH's real property interests do not have any bearing on the City's application or its ability to provide water service to the areas in which it seeks single certification.

CITY 1-16 Please identify specific RCH assets or real or personal property that RCH contends would be rendered useless or valueless by the water CCN decertification sought by the City in this docket.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. Because the City has not sufficiently identified what property belonging to RCH that it intends to transfer through its single certification application, RCH is unable to assess the full impacts of the City's application on RCH's property and assets.

CITY 1-17 Please provide the total gallons of treated water RCH has purchased by month from its wholesale water suppliers for the full calendar years of 2022 and 2023.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not considered filed with the Commission." *See* Order No. 2. The ALJ effectively stayed this proceeding until the City's Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City's Application is not yet filed, the City's discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City's current administratively incomplete application. The amount of water purchased by RCH has no bearing on the City's application or its ability to provide water service to the areas in which it seeks single certification.

CITY 1-18 Please provide a map that shows the locations of RCH's water supply facilities.

OBJECTION: RCH objects to this Request for Information as RCH is not yet a party to this proceeding; therefore, the City has no authority or basis for serving written discovery on RCH. Furthermore, RCH objects to this Request as premature. The ALJ has ordered that the City's September 29, 2023 application "is not

considered filed with the Commission.” *See* Order No. 2. The ALJ effectively stayed this proceeding until the City’s Application is deemed complete and filed by the Commission. The City must first resolve the deficiencies in its Application as required by the ALJ in Orders No. 2 and 4 before this proceeding may continue. Accordingly, because RCH is not yet a party to this proceeding and the City’s Application is not yet filed, the City’s discovery to RCH is premature. RCH further objects to this Request because it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence related to the City’s current administratively incomplete application. The location of RCH’s water supply facilities outside the city limits has no bearing on the City’s application or its ability to provide water service to the areas in which it seeks single certification.