

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF INTEGRA WATER)	
TENNESSEE, LLC FOR A CCN AND)	DOCKET NO. 17-00014
AUTHORITY TO CHARGE RATES)	
IN CASEY COVE SUBDIVISIONS)	
LOCATED IN DEKALB COUNTY,)	
TENNESSEE)	

**FIRST DISCOVERY REQUEST
OF THE CONSUMER PROTECTION AND ADVOCATE DIVISION
TO INTEGRA WATER TENNESSEE, LLC**

To: Benjamin A. Gastel, Esq.
Branstetter, Stranch & Jennings, PLLC
The Freedom Center
223 Rosa L. Parks Avenue, Suite 200
Nashville TN 37203
615-254-8801
615-255-5419 (fax)
beng@bsjfirm.com

This First Discovery Request is hereby served upon Integra Water Tennessee, LLC. (Company), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. The Consumer Protection and Advocate Division of the Attorney General's Office (Consumer Advocate) requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Protection and Advocate Division, 315 Deaderick Street, 20th Floor, Nashville, Tennessee 37243, c/o Karen H. Stachowski, on or before 4:00 p.m. (CDT) May 23, 2017, or at such other time as may be ordered by the Hearing Officer in the adoption or approval of a procedural schedule in this TPUC Docket.

PRELIMINARY MATTERS AND DEFINITIONS

- (1) **Continuing Request.** These discovery requests are to be considered continuing in nature, and are to be supplemented from time to time as information is received by the Company and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.
- (2) To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.
- (3) **Format of Responses.** Provide all responses in the format in which they are created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.
- (4) **Objections.** If any objections to this discovery are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.
- (5) The singular shall include the plural, and vice-versa, where appropriate.

(6) Definitions.

- (a) “You” or “your” or “Company” or “Integra Water” as used herein mean Integra Water Tennessee, LLC and all employees, agents, attorneys, representatives or any other person acting or purporting to act on its behalf.
- (b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, “control” is the ownership of twenty percent (20%) or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or twenty percent (20%) or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term “affiliate” shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an “affiliate” for purposes of this Discovery Request.

- (c) "Person" as used herein refers to any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.
- (d) "Communication" means any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings and personal conversations, or otherwise.
- (e) "Document" as used herein shall have the broadest possible meaning under applicable law. "Document" as used herein means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made.
- (f) "Identify" with respect to:
- i. any natural person, means to state the full name, telephone number, and the last known address of business address of the person and that person's

relationship, whether business, commercial, professional, or personal with you;

- ii. any legal person, business entity or association, means to state the full name, trade name, doing business as, telephone number, and last known address of such person or entity;
- iii. any document, means to state the type of document (e.g., letter), the title, the subject matter, the date the document bears and the date it was written; and
- iv. any oral communication, means to state the date when and the place where it was made, the identity of the person who made it, the identity of the person or persons who were present or who heard it, and the substance of it.

(a) “Relates to” shall mean constitutes, contains, records, discusses, summarizes, discloses, and/or refers to, in whole or in part.

(b) “And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

(c) “Including” shall be construed to mean including but not limited to.

FIRST DISCOVERY REQUESTS

1. In the *Initial Petition*¹, the Company proposes residential and nonresidential rates. Does the Company anticipate serving nonresidential customers? If so, identify the nonresidential customers and when does the Company expect serving nonresidential customers?

¹ The Consumer Advocate uses the term “*Initial Petition*” since in the Company’s response to Data Request Number 28, it states “[t]he Petition is incorrect. Integra Water is applying for a \$90 flat rate per connection. We will modify the petition and resubmit.”

RESPONSE:

2. Does the Company intend to provide service to the nearby business Hidden Harbor Marina? Are there any other existing businesses the Company intends to provide service to?

Response:

3. Does the Company believe 31 residential customers are a viable revenue base?
- If yes, explain how.
 - Does the Company's parent or affiliate companies own and operate a wastewater system for 31 customers or less in Alabama or North Carolina? If yes, what is the rate?
 - What is the average rate for customers of the Company's parent or affiliate companies in Alabama and North Carolina?

RESPONSE:

4. Refer to TPUC Data Request 1. The Company states the system will be built to accommodate 31 customers' initially.
- Is the proposed wastewater system designed to meet capacity needs beyond the initial 31 customers?
 - If yes, how much additional capacity beyond the needs of the initial 31 residential customers?
 - If yes, what is the additional cost for the capacity beyond the initial 31 customers?
 - If yes, when does the Company expect to begin serving these additional customers?

RESPONSE:

5. Provide a complete list of the Company's affiliates.

RESPONSE:

6. Provide a complete copy all contracts between the Company and its affiliates (e.g. service providers, management fees, staffing companies, suppliers, customers, contractors) that were not part of the response to the Data Request by the Tennessee Public Utility Commission.

RESPONSE:

7. If any contracts are unwritten between the Company and its affiliates, provide a description of the terms and names of the parties.

RESPONSE:

8. Provide a complete copy of all contracts between the Company and any non-affiliates that charge costs to Tennessee customers that were not part of the response to the Data Request by the Tennessee Public Utility Commission.

RESPONSE:

10. If any contracts are unwritten between the Company and any non-affiliates, provide a description of the terms and names of the parties.

RESPONSE:

11. Refer to the Company's Response to TPUC Data Request 26, the Company failed to provide an average cost to reconnect customers.

- a. Provide an average for costs to reconnect customers in North Carolina charged by the Company's parent or affiliate companies.
- b. Provide an average for costs to reconnect customers in Alabama charged by the Company's parent or affiliate companies.
- c. Provide an estimated average of costs to reconnect customers to Casey Cove Subdivision.

RESPONSE:

12. Provide a list of payment options that will be available the Company's customers (payment over the phone, online payment, etc.).

RESPONSE:

13. If online payment by credit cards will be offered as a payment option, will a convenience fee be assessed? If yes, what is the amount of the fee? Provide a contract with the vendor providing the service for handling credit card transactions for the Company.

RESPONSE:

14. For customers that have limitations on access to the internet, public transportation or credit cards, do you have a payment option that offers a quick and convenient way to pay their bill?

RESPONSE:

15 Provide a list of the type of wastewater systems owned or operated by Company's parent or affiliate companies and the number of each type of system.

RESPONSE:

16 Refer to the Projected Income Statement provided with the Company's *Initial Petition*. Provide the support/detail for line 10 'Outside labor expenses (non-employees)'.

RESPONSE:

17 Refer to the Projected Income Statement provided with the Company's *Initial Petition*. Provide the support/detail for line 11 'Administrative and office expenses.'

RESPONSE:

18 Provide the 'G&A Summary' as referenced in the Company's List of Addendum & Exhibits.

RESPONSE:

19 Provide a revenue price out for flat service revenue per each year. (Customers per mo. and year).

RESPONSE:

20 Refer to the Projected Income Statement provided with the Company's *Initial Petition*. Provide a narrative description of Line 19 'Other Operating Expense.'

RESPONSE:

21 Provide a complete copy of the Company's parent company's chart of accounts.

RESPONSE:

22 Provide a copy of all financial statements for the Company's parent company for the past three years.

RESPONSE:

23 Provide a consolidated balance sheet for the Company's parent company.

RESPONSE:

24 Provide copies of all tax returns, state and federal, for the past three years for the parent company of the Company.

RESPONSE:

25 Provide the monthly number of customers in each rate regulated state that the Company operates in (e.g. Alabama and North Carolina) for 2015 through year-to-date.

RESPONSE:

26 Refer to the list of addendum & exhibits filed with the Company's *Initial Petition*. Provide Exhibit 13 Audited Financial Report of Integra Water Tennessee.

RESPONSE:

27 Refer to the list of addendum & exhibits filed with the Company's *Initial Petition*. Provide Exhibit 14 Audited Financial Report of Integra Water.

RESPONSE:

28 Refer to the list of addendum & exhibits filed with the Company's *Initial Petition*. Provide Exhibit 18 TN Region OH Allocation and a narrative description of the allocation.

RESPONSE:

29 Refer to the list of addendum & exhibits filed with the Company's *Initial Petition*. Provide Exhibit 19 TN Corporate OH Allocation and a narrative description of the allocation.

RESPONSE:

30 Refer to TPUC Data Request 1. What is the anticipated completion date of the system?

RESPONSE:

31 How many homes in the Casey Cove subdivision are already completed or are under construction?

RESPONSE:

32 If there are completed homes in the Casey Cove subdivision, are they receiving wastewater services currently? If yes, how?

RESPONSE:

33 Refer to the attached google map. It appears there are already a number of homes built along Casey Cove Rd and Old Casey Cove Rd, are these anticipated customers of the Company's system?

RESPONSE:

34 Refer to TPUC Data Request 22. The Company provided no response regarding the employment of Cecil Brown. Provide an answer to TPUC's question.

RESPONSE:

35 Refer to TPUC Data Request 30. Provide the excel spreadsheet referenced in this response.

RESPONSE:

36 Refer to Exhibit 11, page 3 of 10, which was filed with the Company's *Initial Petition*. Does the Company anticipate serving and/or being requested to serve the "Future Condo Development" and the "Future Development(s)" shown on these maps?

RESPONSE:

37 Identify each person who you expect to call as an expert witness at the hearing on the merits in this docket, and for each such expert witness:

- a. Identify the field in which the witness is to be offered as an expert;
- b. Provide complete background information, including the witness's current employer, as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify;
- c. Identify all publications written or presentations presented in whole or in part by the witness, including either a copy of all such publications and presentations or a reference to where such publications and presentations may be publicly obtained;
- d. Provide the grounds for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;
- e. Identify any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the

dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;

- f. Identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;
- g. Identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert; and
- h. Produce copies of all documents, summaries, charts, trade articles, journals, treatises, publications, work papers, file notes, chart notes, tests, test results, interview notes, and consultation notes provided to, reviewed by, utilized by, relied upon, created by, or produced by any proposed expert witness in evaluating, reaching conclusions or formulating an opinion in this matter.

RESPONSE:

38. Identify all persons having knowledge of discoverable matters in this case.

RESPONSE:

39. Produce copies of all documents referred to or relied upon in responding to these discovery requests.

RESPONSE:

40. Produce copies of all hearing exhibits that you plan to introduce, use, or reference at the hearing on the merits in this docket.

RESPONSE:


41. Produce copies of all documents -- including, without limitation, work papers, spreadsheets, summaries, charts, notes, exhibits, articles, journals, treatises, periodicals, publications, reports, records, statements, Internet web pages, or financial information -- relied upon by any of your witnesses in evaluating, reaching conclusions, or formulating an opinion in this matter.

RESPONSE:

42. Identify all information, documents and things filed in the present docket record, including all responses to discovery of the parties and data request from the TPUC Staff, which the Company produced in this docket and does not agree to stipulate to the authenticity of such information, documents and things in this proceeding. For each separate piece of information, documents and things which the Company produced in this docket and contends is not admissible as evidence describe in specific detail any objection(s) it claims as to admissibility into the evidentiary record in this docket.

RESPONSE:

RESPECTFULLY SUBMITTED,


KAREN H. STACHOWSKI (BPR #019607)
Assistant Attorney General
Office of the Tennessee Attorney General

Public Protection Section
Consumer Protection and Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Phone: (615) 741-2370
Fax: (615) 532-2910
Email: karen.stachowski@ag.tn.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Benjamin A. Gastel, Esq.
Branstetter, Stranch & Jennings, PLLC
The Freedom Center
223 Rosa L. Parks Avenue, Suite 200
Nashville, Tennessee 37203
Tel: 615.254.8801
Fax: 615.255.5419
Email: beng@bsjfinn.com

This the 9th day of May 2017.

Karen H Stachowski
Karen H. Stachowski