



Control Number: 44809



Item Number: 56

Addendum StartPage: 0

RECEIVED

SOAH DOCKET NO. 473-16-1848.WS
DOCKET NO. 44809

2016 FEB 30 AM 9:01

APPLICATION OF QUADVEST, L.P. FOR
RATE/TARIFF CHANGE

§
§
§
§
§
§
§

PUBLIC UTILITY COMMISSION
FILING CLERK
PUBLIC UTILITY COMMISSION

OF

TEXAS



**QUADVEST L.P.'S RESPONSES TO OFFICE OF
PUBLIC UTILITY COUNSEL'S FIRST RFI**

To: Office of Public Utility Counsel by and through their attorneys of record, Tonya Baer, Christiaan Siano, Office of Public Utility Counsel, 1701 N. Congress Avenue, P.O. Box 12397, Austin, Texas 78711-2397.

COMES NOW, Quadvest, L.P. ("Quadvest"), by and through their attorney of record,
respond to Office of Public Utility Counsel's First Request for Information.

Respectfully submitted,

COZEN O'CONNOR

By: Tammy Wavle Shea
Tammy Wavle Shea *by permission.*
State Bar No. 24008908 *Debra Ellis*
1221 McKinney, Suite 2900
Houston, Texas 77010
Phone: (713) 750-3148
Fax: (832) 214-3905
Email: tshea@cozen.com

ATTORNEYS FOR QUADVEST, L.P.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Quadvest L.P.'s Responses to OPUC's First RFIs was served on all parties of record in this proceeding on this the 29th day of February, 2016, by facsimile, electronic mail, U.S. first-class mail, postage prepaid, or by hand delivery.

Tammy Wavle Shea

Tammy Wavle-Shea

by permission
Debra Ellis

OFFICE OF PUBLIC UTILITY COUNSEL

**SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809**

REQUEST NUMBER: OPUC 1-6

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-6 Reference page 11 (Bates stamp 13) of the application. The first debt listed has an interest rate of 7.39% with a maturity date of 11/20/2019. Has the company attempted to refinance this debt or retire the debt early?

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: The first two debt issuances have interest rates in excess of 7.30%. All of Quadvest's Cobank loans are all subject to "Broken Funding Surcharge" clause, noting the financial impact of this clause eliminates our ability to refinance such debt early.

SUPPORTING WITNESS:

Jeff Eastman

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Jeff Eastman

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS

Docket No. 44809

REQUEST NUMBER: OPUC 1-8

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-8 Reference Quadvest's response to Staff RFI 1-4 (Capitalization Policy). Please identify who created this document and when. Also, please state how long this policy has been in effect.**REQUESTED BY:** Office of Public Utility Counsel

RESPONSE: Policy was created by Mary Voelkel, Controller for Quadvest LP. The policy was created in the year 2011. This policy is going into effect for 5 years now.

SUPPORTING WITNESS:

Jeff Eastman

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Jeff Eastman

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

**SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809**

REQUEST NUMBER: OPUC 1-9

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-9 Please provide the Ibbotson Associates data that was used to construct the Capital Market Line graph on p. 4 of Appendix 2. If specific pages from the Ibbotson Associates publication were utilized, provide complete copies of those pages.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: See Scheig Exhibit 1 attached.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS

Docket No. 44809

REQUEST NUMBER: OPUC 1-10

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-10 Please provide complete copies of all books, reports, articles and any other materials used to support or derive the ECAPM presentation on page 8 of Appendix 2.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: Will Supplement.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS

Docket No. 44809

REQUEST NUMBER: OPUC 1-11

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

INFORMATION REQUESTED:

OPUC 1-11 Regarding the br and vs components discussed on pages 10-11 of Appendix 2, provide complete workpapers supporting the calculation of the vs and br for each company, including complete copies of all data sources used in the calculations.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: These calculations are presented in Schedule E.1 of Appendix 2. The data sources are attached in Exhibit 2.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS

Docket No. 44809

REQUEST NUMBER: OPUC 1-12

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-12 Please provide all data used to calculate the min, median, max and mean interest rates shown on page 14 of Appendix 2. Please provide all workpapers supporting the calculations.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: The data used to calculate these ratios is attached as Exhibit 3. This data was entered into excel and the excel formulas for the minimum, median, maximum and mean (average) values for the set of numbers were applied.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS

Docket No. 44809

REQUEST NUMBER: OPUC 1-13

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-13 Please provide a complete copy of the IBIS World Industry Report publication(s) referenced on p. 15 of Appendix 2.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: See attached Exhibit 4.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

**SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809**

REQUEST NUMBER: OPUC 1-14

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-14 Please provide complete copies of all Duff & Phelps publications and all Duff & Phelps data referenced or used in Appendix 2.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: Given copyright restrictions, Quadvest is unable to provide the entire text. However, this information will be available for inspection at a mutually agreeable time and place. See Scheig Exhibit 5 attached for key data.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS

Docket No. 44809

REQUEST NUMBER: OPUC 1-15

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-15 Please provide the Bloomberg Professional Service data sources and the 9 month regulatory lag data referenced in footnote 1 on p. 122 of Appendix 2. Please provide all calculations used to derive the 9 month regulatory lag numbers.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: See Scheig Exhibit 6 attached.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-16

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-16 Please provide a complete copy of the Edison Electric Institute Rate Case Summary referenced on page 122 of Appendix 2.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: See Scheig Exhibit 7 attached.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS

Docket No. 44809

REQUEST NUMBER: OPUC 1-17

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

INFORMATION REQUESTED:

OPUC 1-17 Please provide the coupon rate for each Quadvest debt issuance. If the stated coupon rate differs from the cost of debt shown on Bates page 13 of the Company's application, column F, provide all data and detailed calculations that show how the cost of debt was derived.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: The interest rates listed on Bates page 13 are the applicable variable or fixed rate as defined in the associated Cobank loan documents. In addition, the "Equipment and Auto Loans - Consolidated" line item is a consolidated figure representing 21 different loans. The consolidated figures also used applicable variable or fixed rate as defined in various loan documents. See RFI 1-17 for additional details and calculation methodology.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Jeff Eastman

Date Provided: 02/29/16

Name of Bank / Lender	Date of Issue	Date of Maturity	Original Loan Amount	Outstanding Balance As of End Of Test Year	Interest Rate *	Weighted Average
Cobank, Long Term	10/20/2004	11/20/2018	1,884,047	775,872	7.39%	0.31%
Cobank, Long Term	7/22/2005	6/21/2021	725,878	407,740	7.48%	0.16%
Cobank, Long Term	4/20/2009	3/20/2016	1,386,068	272,803	4.14%	0.06%
Cobank, Long Term	6/20/2010	5/20/2020	1,137,987	887,854	5.08%	0.18%
Cobank, Long Term	11/22/2011	10/22/2021	1,500,000	1,088,242	3.94%	0.23%
Cobank, Long Term	1/10/2013	2/20/2018	1,250,000	1,070,203	2.92%	0.17%
Cobank, Long Term	10/20/2013	10/20/2023	1,500,000	1,347,048	4.69%	0.34%
Cobank, Long Term	4/22/2014	4/20/2029	1,500,000	1,442,212	5.39%	0.42%
Cobank, Long Term	11/24/2014	12/20/2029	1,500,000	1,500,000	4.60%	0.37%
Equipment And Auto Loans - Consolidated (See detail below*)	7/23/2011	8/5/2018	798,874	494,367	3.50%	0.09%
Ford Credit - 2013 F150	7/20/2013	6/20/2017	18,658	12,358	5.75%	0.00%
Ford Credit - 2013 F150	7/22/2013	6/22/2017	26,859	17,545	5.75%	0.01%
Ford Credit - 2013 F150	2/24/2013	1/24/2017	27,100	15,052	5.74%	0.01%
Ford Credit - 2013 F150	8/3/2013	7/3/2017	25,437	17,125	5.74%	0.01%
Ford Credit - 2013 F150	11/18/2013	10/18/2017	43,921	31,111	0.00%	0.00%
Ford Credit - 2013 F150	11/30/2013	10/30/2017	28,354	20,740	5.74%	0.01%
Ford Credit - 2013 F150	12/10/2013	11/10/2017	51,679	39,122	1.90%	0.00%
Ford Credit - 2014 F150	3/11/2014	2/11/2018	35,088	27,999	1.90%	0.00%
Ford Credit - 2014 F150	5/10/2014	4/10/2018	21,650	18,379	5.74%	0.01%
Ford Credit - 2014 F350	8/10/2014	4/10/2018	41,991	35,571	5.74%	0.01%
Whitney Bank - 2013 Dodge Ram	3/21/2013	2/21/2017	38,407	17,840	5.00%	0.00%
Whitney Bank - 2012 Ford F150	8/3/2012	7/3/2017	38,335	21,005	5.00%	0.01%
Whitney Bk - 2013 GMC Yukon	8/8/2013	5/8/2018	54,710	38,784	4.85%	0.01%
Whitney Bank - 2013 Ford F150	8/16/2013	5/16/2018	45,083	31,928	4.85%	0.01%
Whitney Bank - 2012 Dodge Ram	11/27/2011	10/27/2015	38,880	8,885	4.50%	0.00%
Whitney Bank - 2011 Toyota Tundra	7/23/2011	6/23/2015	25,198	3,363	4.50%	0.00%
Whitney Bank - 2011 Toyota Tundra	10/15/2011	9/15/2015	23,085	4,855	4.50%	0.00%
MB - 2012 GL450	9/27/2012	8/27/2016	61,103	25,524	3.49%	0.01%
Kubota Financial - Excavator	6/17/2013	5/17/2018	60,480	34,495	0.00%	0.00%
Kubota Financial - Excavator	8/5/2013	8/5/2018	58,719	37,418	0.90%	0.00%
Ally Financial - 2014 Silverado	9/6/2013	8/6/2017	52,017	34,678	0.00%	0.00%
Total Equipment And Auto Loans - Consolidated *			798,874	494,367	***3.50%	0.09%

** Represents the fixed or variable interest rate stated in various loan documents.

*** Average interest rate required to arrive at .09% "weighted average" for Equipment and Auto Loans.

Total Debt And Equity	18,513,300
-----------------------	------------

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-18

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-18 Please provide a complete copy of Size Premia Study by Duff & Phelps.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: Given copyright restrictions, Quadvest is unable to provide the entire text. However, the information will be available for inspection at a mutually agreeable time and place. See Scheig Exhibit 5 attached for key data.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-19

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-19 Please provide all portfolio data from CSRP referenced on p. 17 of Appendix 2.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: This data was provided by CRSP to Duff and Phelps.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-20

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-20 Please provide all workpapers and calculations used to derive the size premium shown on page 18 of Appendix 2.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: These calculations were made by Duff and Phelps and therefore Quadvest does not have any work papers. Please refer to Exhibit 5.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-21

COMPANY NAME: Quadvest, L.P.

DATE RECEIVED:

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-21 Please provide all original source documents and all calculation for both charts on page 20 of Appendix 2.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: The market capitalization for each company is calculated in Schedule C.2 of Appendix 2 from data downloaded from the Capital IQ database. The downloaded data is presented in Exhibit 8. The Duff and Phelps Small Stock Premium is the appropriate premium from the Duff and Phelps data presented in Exhibit 5. There is an error with Middlesex Water Company, its small stock premium should have been 2.81% instead of 1.16%. However, this does not effect Mr. Schieg's conclusion. The market cap weighting is determined by comparing the market cap of each company to the combined total market cap. The mean of the sample is the average of 10 comparable companies. The median is the median of the ten companies' results. The weighted average is the sum of the small stock premiums multiplied by the market cap weighting. The corrected Schedule C.1 is attached as Exhibit 8.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are

discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-22

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-22 Please explain if Quadvest plans on replacing the two debt issuances that mature on 03/20/16. If so, please provide all details regarding new debt financing to replace the maturing issuances.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: Quadvest does not have specific plans to replace the debt issuance with a maturity date of 3/20/16. The ongoing issuance of debt is more a result of operating cash flows combined with general project related capital expenditures. Please note the \$407,740 CoBank loan has a maturity of 6/21/2021 not 3/20/2016 (typo error in original application). The interest rate and outstanding balance are correct as stated in the original application.

SUPPORTING WITNESS:

Jeff Eastman

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Jeff Eastman

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-23

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-23 Please specify how the 3%-4% SSRP was calculated (p. 22 of Appendix 2). Please explain how the "three approaches" were used to derive the 3-4%.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: Schedule C.1 details the calculations behind this. The three approaches were: the Duff and Phelps indicators yielding a 3.85% value (since corrected for a minor error to a 3.65% value); the private equity liquidity effects value of 3%; and the Chicago Booth study which indicated a range of 4% to 5% was appropriate. Mr. Schieg estimated from these results a range of 3 to 4%.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-24

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-24 Please provide a complete copy of the relevant sections of the Duff & Phelps 2014 Valuation Handbook referenced on page 24 of Appendix 2 and referenced in Schedules C.2 and C.3.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: See Exhibit 5.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-25

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-25 Please provide complete copies of all data sources and calculations used to derive the Hamada unlevered and relevered beta.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: The Hamada equation is a fundamental analysis method of analyzing a firm's costs of capital as it uses additional financial leverage, and how that relates to the overall riskiness of the firm. The measure is used to summarize the effects this type of leverage has on a firm's cost of capital (over and above the cost of capital as if the firm had no debt). The equation is:

$$\text{Hamada Equation} = B_1[1 + (1 - T)(D/E)]$$

Where:

B₁ = Firm's Beta with zero debt

T = Tax rate

D/E = Debt to equity ratio

The information on the comparable companies' betas is attached as Exhibit 9. The Value line betas were already attached with the Value line information in Exhibit 2.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-26

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-26 Please provide all data, data sources and calculations used to calculate the target debt/equity ratio shown on Schedules C.2 and C.3 (Appendix 2).

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: The underlying data was provided in Exhibit 8. The debt to equity ratio for each comparable company is the company's debt divided by its equity as presented on the spreadsheet. The target debt to equity ratio is simply the median of the comparable companies debt to equity ratios.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-27

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-27 Please provide all data and all original data sources, as well as all calculations, used to derive each number under the "Duff & Phelps Small Stock Premium" and "Additional Small Stock Premium Required" columns in Schedule C.1 (Appendix 2).

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: The question was answered previously under OPUC's 1-21.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-28

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-28 Please provide copies of all original data sources for the following columns shown in Schedule C.2 (Appendix 2).

- a) Bloomberg Beta
- b) Shares Out
- c) Share Price
- d) Market Cap
- e) Total Debt & Preferred & Min Int.
- f) Debt/Equity
- g) Debt/Total Cap

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: The question was answered previously under OPUC's 1-21 and 1-25.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS

Docket No. 44809

REQUEST NUMBER: OPUC 1-29

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-29 Please explain in detail the differences in methodology(ies) used in deriving the unlevered Beta numbers shown in Schedule C.2 and C.3 (Appendix 2).

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: The only difference is the source of the comparable company betas, those on schedule C.2 are provided by Bloomberg and those on C.3 by Value Line. All calculations are done in the same manner.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-30

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-30 Please indicate the numerical value of each component of the following equation shown in Schedules C.2 and C.3 (Appendix 2).

- a) Ke
- b) RF
- c) Levered Beta
- d) MRP
- e) SSRP

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: Schedule C.2, Ke = 12.0%, RF = 2.47%, Levered Beta = 0.94, MRP = 7.0%, SSRP = 3%

Schedule C.3, Ke = 11.6%, RF = 2.47%, Levered Beta = 0.89, MRP = 7.0%, SSRP = 3%

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are

discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-31

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-31 Please show all data and calculations used to derive the .94 and .89 relevered Betas shown in Schedules C.2, C.3, D.1 and D.2 (Appendix 2).

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: Data has been provided previously. Calculations are made using Hamada method and are as follows:

For C.2 and D.1: $0.58 * (1 + (94.3\% * (1 - 35.0\%))) = 0.94$

For C.3 and D.2: $0.55 * (1 + (94.3\% * (1 - 35.0\%))) = 0.89$

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 473-16-1848.WS
Docket No. 44809

REQUEST NUMBER: OPUC 1-31

COMPANY NAME: Quadvest, L.P.

DATE DUE: 02/29/16

EXTENSION DATE:

INFORMATION REQUESTED:

OPUC 1-32 Provide complete copies of all Thompson and Zacks data sources used in Appendix 2. Please explain how the Zacks and Thompson data was used in Schedule E. 1.

REQUESTED BY: Office of Public Utility Counsel

RESPONSE: Mention of Zacks and Thompson data was in error. No data from these sources was used.

SUPPORTING WITNESS:

Gregory E. Scheig

The foregoing response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Requestor if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

Signature of Company Representative

/s/ Gregory Scheig

Date Provided: 02/29/16