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APPLICATION OF LIBERTY §
UTILITIES (WOODMARK SEWER) §
CORP. AND LIBERTY UTILITIES §
(TALL TIMBERS SEWER) CORP. TO §
CHANGE RATES FOR SEWER §
SERVICES IN SMITH COUNTY, TEXAS §

BEFORE THE PUBLIC UTILITY

PUBLIC UTILITY COMMISSION
COMMISSION OF TEXAS

**LIBERTY'S OBJECTIONS TO CITY OF TYLER'S
THIRD REQUESTS FOR INFORMATION**

COMES NOW Liberty Utilities (Woodmark Sewer) Corp. and Liberty Utilities (Tall Timbers Sewer) Corp. ("Liberty") and file these Objections to City of Tyler's ("Tyler") Third Requests for Information to Liberty, and would respectfully show as follows.

I. PROCEDURAL HISTORY

Tyler served its Third Requests for Information to Liberty on February 3, 2017. Pursuant to P.U.C. SUBST. R. §§ 22.144(d), objections to discovery requests are due within 10 calendar days of Liberty's receipt of the requests by February 13, 2017. Therefore, these Objections are timely filed. Counsel for Liberty negotiated diligently and in good faith with Tyler regarding the Request for Information described below and received clarification on certain other requests, but the parties were unable to reach an agreement on the request below.

II. SPECIFIC OBJECTIONS

TYLER RFI 3-7 Referencing Liberty's response to Tyler 1-25, please identify whether the following CIAC payments are for properties located inside the City of Tyler, and for those properties please provide all documentation demonstrating compliance with Tyler Resolution No. R-2011-8. To the extent that Liberty did not comply with Tyler Resolution No. R-2011-8, please explain the Liberty's reason for not complying.

Asset ID	Asset Description	Place in Service Date	Cost Basis	Per Unit
(-)8300-CIAC-01	Reclass to "1640-0006" - Geaux Corp TT Unit 5	2002-02-01	\$ 8,840.00	\$1,262.86
(-)8300-CIAC-01	Manual Deposit	2004-06-15	\$ 31,350.00	\$550.00

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(-)8300-CIAC-01	Kingswood Prop Deposit	2006-10-10	\$ 24,200.00	\$550.00
(-)8300-CIAC-01	GEAUX CORP-CUMBERLAND GAP 1	2006-11-28	\$ 14,300.00	\$550.00
(-)8300-CIAC-01	DR&DR Props Ck#4533 Cap Fee	2007-01-24	\$ 38,500.00	\$550.00
(-)8300-CIAC-02	CIAC Sewer Asset-Cumberland Apartments	2009-01-31	\$149,968.00	\$728.00
(-)8300-CIAC-04	LXA 5013, Meadow Lake Retirement Onsite	2012-05-31	\$ 60,000.00	\$1,000.00
(-)8300-CIAC-05	LXA 5015 Acadia Place Addition Unit 5	2012-08-31	\$ 73,000.00	\$1,000.00

OBJECTION:

Liberty objects to this request in that it requests documents or information concerning compliance or non-compliance with a Tyler resolution. First, Liberty contends the referenced resolution is unlawful to the extent Tyler interprets it to place special developer contribution-in-aid-of construction (CIAC) requirements upon Liberty inside Tyler that are not consistent with those applicable outside Tyler.¹ Second, such compliance or non-compliance is outside the scope of this Commission proceeding to set rates applicable outside Tyler. The issue is simply not relevant to this Commission proceeding and goes beyond proper developer CIAC accounting for ratemaking purposes.

III. CERTIFICATE OF CONFERENCE

On February 7, 2017, counsel for Liberty communicated with Joe Freeland, counsel for Tyler, regarding Liberty's objections to Tyler's 3rd Requests for Information discussed above and received clarification on certain other requests. Negotiations were conducted diligently and in good faith, but parties were unable to reach an agreement on the Request for Information discussed above.

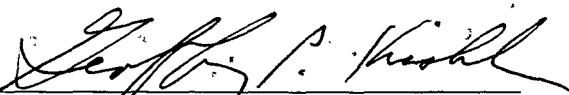
¹ TWC §13.082(b) (stating that municipalities "have, regarding service within its boundaries, the right to exercise the same regulatory powers under the same standards and rules as the utility commission or other standards and rules not inconsistent with them.")

IV. PRAYER

Liberty respectfully requests that its Objections to Tyler's Third Requests for Information be sustained, and that Liberty be relieved from responding to the Requests discussed herein. Liberty also requests any other relief to which it may show itself justly entitled.

Respectfully submitted,

By:




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

Mark H. Zeppa
State Bar No. 22260100
LAW OFFICES OF MARK H. ZEPPA, PC
4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759
(512) 346-4011; 512 289-4599
(512) 346-6847 (fax)
markzeppa@austin.twcbc.com

**ATTORNEYS FOR LIBERTY UTILITIES
(TALL TIMBERS SEWER) CORP. AND
LIBERTY UTILITIES (WOODMARK SEWER)
CORP.**

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 13, 2017 in accordance with P.U.C. Procedural Rule 22.74.


Geoffrey P. Kirshbaum