

Control Number: 46256



Item Number: 1566

Addendum StartPage: 0

SOAH DOCKET NO. 473-17-1641.WS
PUC DOCKET NO. 46256

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

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BEFORE THE PUBLIC UTILITY

COMMISSION OF TEXAS

PUBLIC UTILITY COMMISSION
CLERK

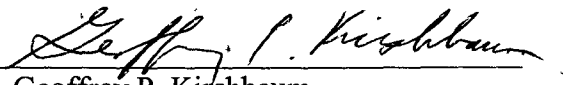
**LIBERTY UTILITIES' RESPONSE TO COMMISSION STAFF'S SIXTH
REQUESTS FOR INFORMATION**

To: PUC Commission Staff, by and through its attorneys of record, Ralph Daigneault and TJ Harris, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

Liberty Utilities (Tall Timbers Sewer) Corp., Liberty Utilities (Woodmark Sewer) Corp., and Liberty Utilities (Sub) Corp. ("Liberty Utilities") provide this response to Commission Staff's Sixth Requests for Information to Liberty Utilities. Liberty Utilities stipulate that the following response to requests for information may be treated by all parties as if the answer was filed under oath.

1566

Respectfully submitted,

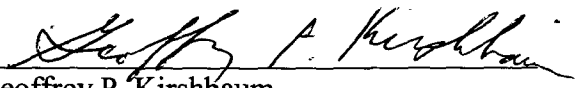
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**ATTORNEYS FOR LIBERTY UTILITIES
(TALL TIMBERS SEWER) CORP., LIBERTY
UTILITIES (WOODMARK SEWER) CORP.,
AND LIBERTY UTILITIES (SUB) CORP.**

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 14, 2017 in accordance with P.U.C. Procedural Rule 22.74.


Geoffrey P. Kirshbaum

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-1 Please provide a list of all project codes and project names that Algonquin Liberty Canada and Liberty US use to allocate or direct bill costs to affiliated Companies.

RESPONSE: Please see the attached file:
Staff 6-1 Project Code list APUC, LUCC, LUCC LABS, LU Sub.xlsx

Please see the Summary All Tab and for additional clarification, APUC projects begin with 1050, LUCC projects begin with 2100, LUCC-LABS begins with 2200 and LU Sub begin with 8020.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-2

Please refer to request#1 and provide the corresponding work orders for all project codes, identify all accounts with amounts allocated or direct billed for each project for all months in the test period and any amounts capitalized in the test period and all prior years being requested. Also reconcile the amounts to the general ledgers. Please explain in detail any reconciliation differences and provide the supporting documentation.

RESPONSE:

The accounting system relies on job numbers or account numbers not work orders. These job numbers were provided in response to Staff 6-1. The general ledger accounts by job number are also provided in Staff 6-1 on the Summary Jobs by GL Account tab. Also see Staff 6-26 for GL transactions.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-3

Please refer to request #2 and for each different type of work order identify all the different methods of allocating or direct billing costs to each affiliate.

RESPONSE:

As the Company stated in Staff 6-2, the Company does not track project costs by work order. APUC, Liberty Utilities Service Corp. ("LUSC") and Liberty Utilities (Canada) Corp. provide services to affiliates, including Liberty Tall Timbers and Liberty Woodmark. Those services are charged to Liberty Tall Timbers, Liberty Woodmark and all affiliates based on the methodologies set forth in the 2015 APUC Cost Allocation Manual ("CAM"). Liberty Utilities (Sub) Corp. incurs costs for the benefit of the Arizona and Texas utilities, including Liberty Woodmark and Liberty Tall Timbers, that are allocated to the Arizona and Texas utilities based on a four factor methodology.

The recording of the affiliate bills is as follows:

- a. Direct labor bills from APUC and Liberty Utilities Canada are billed to Liberty Utilities (Sub) Corp. Liberty Utilities (Sub) Corp. capitalizes 21% to indirect overhead (INDOH) and the remaining 79% is allocated to the Arizona and Texas utilities based on a four factor methodology.
- b. APUC allocates indirect costs to the regulated utilities in accordance with CAM Tables 1 and 2. Liberty Utilities (Sub) Corp, in turn, capitalizes 21% to indirect overhead (INDOH) and the remaining 79% is allocated to the Arizona and Texas utilities based on a four factor methodology.
- c. Liberty Utilities Canada allocates indirect costs to the regulated utilities in accordance with CAM Table 2. Liberty Utilities (Sub) Corp. records depreciation separately and then capitalizes 21% of the remaining costs to indirect overhead (INDOH) and 79% is allocated to the Arizona and Texas utilities based on a four factor methodology.
- d. Also, shared business expenses from Liberty Utilities Canada are allocated between Algonquin Power Co. (APCo) and Liberty Utilities in accordance with CAM Tables 4a and 4b. The Liberty Utilities portion is then allocated to the regulated utilities calculation based on CAM Table 2 and, in turn, allocated by Liberty Utilities (Sub) Corp. using the four factor methodology. Liberty Utilities (Sub) Corp. records depreciation separately and then capitalizes 21% of the remaining costs to indirect overhead (INDOH) and 79%

RESPONSE TO REQUEST FOR INFORMATION

is allocated to the Arizona and Texas utilities based on a four factor methodology.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-4 Please refer to request #1 and provide a list of all the affiliated companies that are allocated costs with percentages and methods of allocation in an exhibit. For all of the affiliates, please include all companies regulated and nonregulated with 100% of cost reflected in the exhibit.

RESPONSE: See attached files:
Staff 6-4 Lu Sub Corp (LU8020) 2015 Customer Care Admin.xlsx
Staff 6-4 LU Sub Corp (LU 8020) Admin Running Summary.xlsx
Staff 6-4 LUC Admin Costs 2015 running summary v1 exhibit Confidential.xlsx
Staff 6-4 LUCC-LABS Admin Costs by NARUC Revised v2 exhibit Confidential.xlsx
Staff 6-4 2015 APUC LUC LABS Direct Labor.xlsx
Staff 6-4 APUC Admin Costs 2015 running summary v1 for exhibit Confidential.xlsx

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-5

Please indicated the number of Tall Timbers connections differentiated by customer class or how the connection is charged which are inside the city limits of Tyler.

RESPONSE:

Please see the chart below for the Liberty Tall Timbers customer billing classes at the end of the test year which was also previously provided in response to Tyler 1-16. "Tyler Rate" denotes connections inside the city limits of Tyler.

Count of umlocationID		
Row Labels	December	Comm/Res Rate Type
8300-CMTYLER	1 Commercial	Tyler Rate
8300-CS	54 Commercial	TT Rate
8300-RS	1236 Residential	TT Rate
8300RS-DX	112 Residential	TT Rate
8300RS-IM	346 Residential	Tyler Rate
APARTMENT 5	1 Residential	TT Rate
APARTMENT 5 TYL	1 Residential	Tyler Rate
Grand Total	1751	

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-6 Please indicate the number of Woodmark connections differentiated by customer class or how the connection is charged which are inside the city limits of Tyler.

RESPONSE: There are no Liberty Woodmark customer connections inside the city limits of Tyler.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-7 Please indicated the number of Tall Timber connections differentiated by customer class or how the connection is charged which are outside the city limits of Tyler.

RESPONSE: Please see response to Staff 6-5 under rate type labeled TT Rate.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-8 Please indicate the number of Woodmark connections differentiated by customer class or how the connection is charged which are outside the city limits of Tyler.

RESPONSE: All Liberty Woodmark customer connections are located outside the city limits of Tyler. Please see table below.

Count of umloc			
Row Labels	December	Comm/Res	Rate Type
8400-A-OK	1	Commerical	WM Rate
8400-DD RV2	1	Commerical	WM Rate
8400-DUPLEX	98	Residential	WM Rate
8400-RS	1,611	Residential	WM Rate
COMMERCIAL	23	Commerical	WM Rate
Grand Total	1,734		

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-9 Please indicate if the expenses and plant in service reported in the application filed with the Public Utility Commission, Docket #46256, include the expenses and plant in service used to serve all of the Woodmark and Tall Timbers connections located both inside and outside the city limits of Tyler.

RESPONSE: Yes.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-10 Please indicate whether any customers included in the application are located outside Tall Timber's or Woodmark's CCN service area. Please provide a list of any such customers by name and location.

RESPONSE: Please see response to Tyler 1-28 for subdivisions served located outside the Liberty Tall Timbers and Liberty Woodmark CCN. Applicants are still in the process of compiling the requested customer list and will supplement this response.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-11 Please provide a copy of Liberty Utilities Rate application filed with the City of Tyler.

RESPONSE: The City of Tyler received the same rate application filing as was filed with the PUC. Please see attached Staff 6-11 2016-9-2 Liberty Utilities RFP Final Application.pdf

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-12 Please provide a copy of the allocation spreadsheet or direct billing report/invoice which determined the expenses for Tall Timbers and Woodmarks in FERC account number 7341 and 7343. The allocation spreadsheet or report should reflect allocations and/or direct billings to and from all affiliates including Tall Timbers and Woodmark.

RESPONSE: Please see attached files:
Staff 6-12 1.2015 LU US Labor credit.xlsx
Staff 6-12 1.2015 LU US Labor.xlsx
Staff 6-12 2.2015 LU US Labor.xlsx
Staff 6-12 3.2015 LU US Labor.xlsx
Staff 6-12 4.2015 LU US Credits to Labor.xlsx
Staff 6-12 4.2015 LU US Labor.xlsx
Staff 6-12 5.2015 LU US Labor.xlsx
Staff 6-12 6.2015 LU US Labor.xlsx
Staff 6-12 6.2015 LU US Add'l Labor.xlsx
Staff 6-12 7.2015 LU US Labor.xlsx
Staff 6-12 8.2015 LU US Labor.xlsx
Staff 6-12 9.2015 LU US Labor.xlsx
Staff 6-12 10.2015 LU US Labor Credits 2.xlsx
Staff 6-12 10.2015 LU US Labor Credits.xlsx
Staff 6-12 10.2015 LU US Labor.xlsx
Staff 6-12 11.2015 LU US Labor.xlsx
Staff 6-12 12.2015 LU US Labor.xlsx

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Crystal Greene, Sr. Manager, Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-13 Please provide a copy of the approved paid invoice(s), approved receipts/receiving report, approved timesheet, and approved journal entry support, contracts, agreements, and all other supporting documentation for each transaction amount in the Attachment A provided with this request. Attachment A is a list of transactions selected from the 2015 general ledger provided by the applicant.

RESPONSE: Please see attached files
Staff 6-13 Attachment A WM.pdf
Staff 6-13 Attachment A TT.pdf

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-14 For each applicable transaction in attachment A, please provide the name of the employee, job description, or reference the bates page and line number of the document provided by the applicant where the job description can be found. Please include the bates page for the Form W-2 for the specific employee.

RESPONSE: Please refer to responses to Tyler 4-17 and Tyler 4-18. For Liberty Tall Timbers please refer to the monthly tabs TT Jul Data and TT Dec Data. For Liberty Woodmark please refer to tabs WM Dec Data. Please see attached file Staff 6-14 LU US Admin & Customer Labor 2015.xlsx. Also, please refer to response to Tyler 3-12 for employee name and job descriptions.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-15 For each transaction in Attachment A please identify all affiliated entities paid by the applicant for the transaction represented, amounts paid, and all evidence that affiliated transactions meet the requirements of TWC § 13.185(e).

RESPONSE: Please see attachment Staff 6-15 PUC Staff 46256 Attachment A descriptions.xlsx. Please reference column R on both tabs for the general description of the expense. As referenced in this question, Attachment A contains direct operations expenses (such as purchased power, sludge removal, chemicals, etc.) incurred by Liberty Tall Timbers and Liberty Woodmark through outside vendors. Those transactions don't involve transactions between Liberty Tall Timbers or Liberty Woodmark and any affiliates. Attachment A also references affiliate transactions between Liberty Woodmark/Liberty Tall Timbers and affiliates, including Liberty Utilities (Sub) Corp., Liberty Utilities Service Corp. ("LUSC"), Liberty Utilities (Canada) Corp. and Algonquin Power & Utilities Corp. ("APUC"). Those affiliates don't provide any services or charges to unaffiliated entities or persons. APUC, LUSC and Liberty Utilities (Canada) Corp. provide services to affiliates, including Liberty Tall Timbers and Liberty Woodmark. Those services are charged to Liberty Tall Timbers, Liberty Woodmark and all affiliates based on the methodologies set forth in the 2015 APUC Cost Allocation Manual ("CAM").

APUC provides financial, strategic management, corporate governance, administrative and support services to Liberty Utilities and Algonquin Power Co (APCo). APUC's financing services involve selling units to public investors in order to generate the funding and capital necessary for Liberty Utilities, as well as providing legal services in connection with the issuance of public debt. APUC incurs the following types of costs: (i) strategic management costs (board of director, third-party legal services, accounting services, tax planning and filings, insurance, and required auditing); (ii) capital access costs (communications, investor relations, trustee fees, escrow and transfer agent fees); (iii) financial control costs (audit and tax expenses); and (iv) administrative costs. Those costs are allocated to Liberty Tall Timbers and Liberty Woodmark under the 2015 CAM. Without question, the services provided by APUC are necessary for Liberty Utilities and its regulated subsidiaries to have access to capital markets for capital projects and operations.

Liberty Utilities Canada provides Liberty Utilities (and its regulated utilities) with the following services: accounting, administration (including rent, depreciation, general office costs), corporate finance, human resources (including training and development), information technology, rates and regulatory affairs, environment, health and safety, and security, customer

RESPONSE TO REQUEST FOR INFORMATION

service, procurement, risk management, legal and utility planning. Liberty Utilities Canada will direct charge or assign costs that can be directly attributable to a specific utility. Those costs include direct labor and direct non-labor costs. Those costs are allocated to Liberty Tall Timbers and Liberty Woodmark under the 2015 CAM.

All United States regulated utility employees are or will be employed by LUSC. The purpose of LUSC is to streamline administration of payroll across the United States-based companies. All employee costs, such as salaries, benefits, insurance, etc. are paid by LUSC and charged to Liberty Tall Timbers and Liberty Woodmark under the 2015 CAM.

As a result, those allocation charges to Liberty Tall Timbers and Liberty Woodmark are based on the same methods, rates and costs for all affiliates and the prices charged to Liberty Tall Timbers and Liberty Woodmark aren't higher than the rates or prices charged to other affiliates. Additionally, operations and administrative expenses are allocated directly to Liberty Tall Timbers and Liberty Woodmark through Liberty Utilities (Sub) Corp. at the same rates, costs, methodologies, and charges for all utilities in Arizona and Texas.

Prepared by: Alysia Maya, Rate Analyst and Todd Wiley, General Counsel

Sponsored by: Bill Killeen, Director, Energy Procurement

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-16 Please provide the cost allocation plan which resulted in the expenses included, as well as the methodology used to recalculate the monthly GL amount billed to Tall Timber's and Woodmark's for each of the following spreadsheets provided:

1. 2015 APUC LUC LABS Direct Labor.xlsx
2. LUCC-LABS Admin Costs 2015 Running Summary
3. LU US Admin Costs 2015 running summary
4. LU US Customer Care Labor 2015 Running Summary
5. LU US Customer Care Admin Costs 2015 running summary
6. LUC Admin Costs 2015 running summary
7. APUC Admin Costs 2015 running summary

RESPONSE: Please see the 2015 APUC Cost Allocation Manual attached to the Rate Filing Package as Attachment WRK-3 (LU 000245 – 000278).

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Bill Killeen, Director, Energy Procurement

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-17 Please provide an electronic copy of the GL ledger from each affiliated company that includes each of the transactions reported in the following spreadsheets provided for Contract Work expenses claimed in the application (filed confidential):

1. 2015 APUC LUC LABS Direct Labor.xlsx
2. LUCC-LABS Admin Costs 2015 Running Summary
3. LU US Admin Costs 2015 running summary
4. LU US Customer Care Labor 2015 Running Summary
5. LU US Customer Care Admin Costs 2015 running summary
6. LUC Admin Costs 2015 running summary
7. APUC Admin Costs 2015 running summary

RESPONSE: The originating general ledger accounts from the affiliates are located in each of the files above.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-18 Please provide justification and proof that each of the percentages used to allocate the monthly cost for each individual cost are reasonable and necessary for Tall Timbers and Woodmark to provide sewer service for each of the allocation spreadsheets below. Please include all evidence that the percentages used by the affiliate meets the requirements of TWC § 13.185(e).

1. 2015 APUC LUC LABS Direct Labor.xlsx,
2. LUCC-LABS Admin Costs 2015 Running Summary,
3. LU US Admin Costs 2015 running summary,
4. LU US Customer Care Labor 2015 Running Summary,
5. LU US Customer Care Admin Costs 2015 running summary,
6. LUC Admin Costs 2015 running summary,
7. APUC Admin Costs 2015 running summary

RESPONSE: See response to Staff 6-15. The CAM and the allocation methodologies are applied equally to all of the regulated utilities owned and operated by Liberty Utilities Co., including Liberty Woodmark and Liberty Tall Timbers. All of the allocation costs are necessary and beneficial costs of service. Under the CAM, costs that are incurred by APUC, LUC, or LUSC for the exclusive benefit of any utility's operations are directly assigned to that utility. Costs that are incurred by APUC, LUC or LUSC that benefit other companies within the Algonquin corporate family are allocated on a rational basis that logically links cost causation to cost recovery. Liberty Utilities (Sub) Corp. incurs costs for the benefit of the Arizona and Texas utilities, including Liberty Woodmark and Liberty Tall Timbers, that are allocated to the Arizona and Texas utilities based on a four factor methodology. Those costs relate to accounting, engineering, IT, human resources and other costs and services incurred in Arizona for the benefit of the Texas and Arizona utilities. Ultimately, the cost allocation process applies a reasonable and common sense approach. Where there is a factual basis to do so, costs incurred specifically for Liberty Woodmark or Liberty Tall Timbers are directly assigned to Liberty Woodmark/Liberty Tall Timbers. The cost allocation methodologies are applied only after all direct charges have been assigned to Liberty Woodmark/Liberty Tall Timbers and the other APUC subsidiaries. Cost allocations involve a two-step approach. The first step is to split all costs between the unregulated businesses (APCo) and the regulated businesses (Liberty Utilities and its subsidiaries). The second step is to allocate the costs that are attributable to the regulated utilities among those regulated entities, including Liberty Woodmark and Liberty Tall Timbers, to determine utility-specific charges. All of those costs are allocated among the regulated utilities to determine utility-specific charges. Liberty Utilities has received favorable treatment and review of this cost allocation model in other states, including recent rate cases in Georgia, Missouri, Illinois, Massachusetts, Arkansas and New

RESPONSE TO REQUEST FOR INFORMATION

Hampshire. As noted above, the allocation methodologies set forth in the CAM are applied equally to all of the regulated utilities owned and operated by Liberty Utilities Co., including Liberty Woodmark and Liberty Tall Timbers.

Liberty Woodmark and Liberty Tall Timbers, and their customers, benefit from this shared service model through access to skilled strategic management. Liberty Woodmark and Liberty Tall Timbers enjoy access to wide ranging expertise and resources that are typically not available to small utilities. Through this shared services model, controls and processes are in place to ensure that accounting methodologies are consistent with generally accepted accounting principles and fully adhere to Sarbanes-Oxley compliance and other appropriate internal controls. That means Liberty Woodmark and Liberty Tall Timbers benefit from sound accounting, capital investment and operational expertise. By sharing regional resources with other utilities, Liberty Woodmark and Liberty Tall Timbers also enjoy the benefits of lower overall cost structures while at the same time maintaining a local flavor in its day-to-day operations and customer contact. Finally, this cost allocation methodology ensures that Liberty Woodmark and Liberty Tall Timbers have uninterrupted access to capital.

Prepared by: Todd Wiley, General Counsel

Sponsored by: Bill Killeen, Director, Energy Procurement

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-19 Please provide justification and proof that the transactions used to allocate the monthly cost for each of the spreadsheets below are reasonable and necessary for Tall Timbers and Woodmark to provide sewer service. Please include all evidence that the transactions used from the affiliates meets the requirements of TWC § 13.185(e).

1. 2015 APUC LUC LABS Direct Labor.xlsx,
2. LUCC-LABS Admin Costs 2015 Running Summary,
3. LU US Admin Costs 2015 running summary,
4. LU US Customer Care Labor 2015 Running Summary,
5. LU US Customer Care Admin Costs 2015 running summary,
6. LUC Admin Costs 2015 running summary,
7. APUC Admin Costs 2015 running summary

RESPONSE: See responses to Staff 6-15 and 6-18.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-20 Please provide all spreadsheets and allocation plans or explanations used to determine salary and wages in the application. For any amounts direct billed, provide all direct billed expenses with supporting documents from any affiliate, and all evidence that affiliated transactions meet the requirements of TWC § 13.185(e).

RESPONSE: See responses to Staff 6-15 and 6-18.

Please see attached Staff 6-20 2015 APUC, LUC, LABS Direct Labor Confidential.pdf

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-21 Please provide any management reports and/or spreadsheets prepared for all affiliates that reflect expenses and capital improvements allocated between affiliates and/or expenses direct billed to affiliates for the test year and two year prior to the test year.

RESPONSE: Please see attached file for 2015 report:
Staff -21 KPI Data and Unaccounted for Water 2015 A.xlsx

After a diligent search, no items have been identified that are responsive to this request for the two years prior to the 2015 test year:

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-22 Please provide a copy of all allocation and/or billing manuals maintained by the applicant or any of its affiliates that is used for any of the expenses or capital assets included in the application.

RESPONSE: Please see the 2015 Cost Allocation Manual previously produced as LU 000245-000278 (also included as Attachment WRK-3 to the Direct Testimony of William R. Killeen).

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Bill Killeen, Director, Energy Procurement

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-23 Please provide an electronic copy of the GL ledger from each affiliated company that includes each of the transactions used to report salaries and wages in the application.

RESPONSE: Please refer to responses to Staff 2-14 and 2-16.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory.

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-24 Please provide justification and proof that each of the percentages used to allocate the monthly cost for each individual cost are reasonable and necessary for Tall Timbers and Woodmark to provide sewer service. Please include all evidence that percentages used by affiliate transactions meets the requirements of TWC § 13.185(e).

RESPONSE: See responses to Staff 6-15 and 6-18.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-25 Please provide an excel file for all approved allocation percentages for all allocated costs.

RESPONSE: Please refer to response for Tyler 1-15.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-26 Please provide an excel copy of each trial balance and general ledger that contains the entries in attachment B (transactions are from the Smart List 2015 tab in the 2015 APUC, LUC, LABS Direct Labor.xlsx).

RESPONSE: Please see attached files:
Staff 6-26 LABS TB 2015 Confidential.xlsx
Staff 6-26 LUCC TB 2015 Confidential.xlsx
Staff 6-26 APUC TB 2015 Confidential.xlsx

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-27 Please provide the approved journal entry and supporting documentation (timesheets, job descriptions, and W2 for each employee) for each of the transactions highlighted in yellow in Attachment B. Please reference the Bates page for any documents already provided.

RESPONSE: Please see the attached file:
Staff 6-27 Labor Support Confidential.xlsx.

Please see previous responses to Staff 2-28 for W2 information and Staff 2-29 for job descriptions information.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-28 Please explain if the percentages in the 2015 APUC, LUC, LABS Direct Labor.xlsx are multiplied by the by the appropriate corresponding monthly amount to recalculate the monthly expense amount to recalculate the correct expense amount.

RESPONSE: The amounts shown in the file are the correct amounts to which allocation percentages should be applied.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-29 Please provide the detailed chart of account for APUC Canada, LABS, LU Canada, LU US including a cross walk to Tall Timber's and Woodmark's accounts. Example below (how listed in 2015 APUC, LUC, LABS Direct Labor.xlsx and all other spreadsheets provided as applicable).

2015 APUC, LABS, Direct Labor xlsx	LUC, Labor	Grand Total Amount	TT Account	WM Account	Account per 2015 Smart List Transactions
APUC Canada Labor		\$140,643.95	8300-2-0200-69-5200-7348	8400-2-0200-69-5200-7348	8020-2-0100-69-5200-6366
LABS Labor Allocations		\$98,347.71	8300-2-0200-69-5200-7346	8400-2-0200-69-5200-7346	8020-2-0100-69-5010-6368
LU Canada - Labor		\$167,332.56	8300-2-0200-69-5010-6368	8400-2-0200-69-5010-6368	8020-2-0100-69-5200-6364
LABS Corp - Labour		\$165,495.73	8300-2-0200-69-5010-7370	8400-2-0200-69-5010-7370	8020-2-0100-69-5010-6369

RESPONSE: Please see the attached files:
Staff 6-29 LU Sub Corp Salary Crosswalk.xlsx
Staff 6-29 LU Corp Salary Crosswalk.xlsx

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-30 Please provide the general ledger entries for the four factor amounts in each of the monthly detail tabs of the allocation spreadsheet LU US Admin Costs 2015 running summary spreadsheet.

RESPONSE: Please see the attached files:
Staff 6-30 1.2015 LUUS Admin.pdf
Staff 6-30 2.2015 LUUS Admin.pdf
Staff 6-30 3.2015 LUUS ADMIN CREDITS.pdf
Staff 6-30 3.2015 LUUS Admin.pdf
Staff 6-30 4.2015 LUUS Admin.pdf
Staff 6-30 5.2015 LUUS Admin.pdf
Staff 6-30 6.2015 LUUS Admin Credits.pdf
Staff 6-30 6.2015 LUUS Admin.pdf
Staff 6-30 7.2015 LUUS Admin CR.pdf
Staff 6-30 7.2015 LUUS Admin.pdf
Staff 6-30 8.2015 LUUS Admin.pdf
Staff 6-30 9.2015 LUUS Admin.pdf
Staff 6-30 10.2015 LUUS Admin.pdf
Staff 6-30 11.2015 LU US Admin 4 Factor.pdf
Staff 6-30 12.2015 LUUS Admin.pdf

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Crystal Greene, Sr. Manager, Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-31 Please provide an electronic copy of the general ledger containing the four factor entries in spreadsheet LU US Admin Costs 2015 running summary.

RESPONSE: Please see attached file:
Staff 6-31 8020 GL Detail CONFIDENTIAL.xlsx

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Crystal Greene, Sr. Manager, Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-32 Please provide the entries and allocations for all four factor entries from APUC and LUC to all companies.

RESPONSE: Applicants are producing 171 documents responsive to this request. All of the documents have been labeled with Staff 6-32.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Crystal Greene, Sr. Manager, Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-33 Please explain why the smart list total in each of the Detail tabs of LU US Admin Costs 2015 running summary account spreadsheet are not the basis total for recalculating the GL Amounts posted to accounts 8300-2-0200-69-5200-7342 and 8400-2-0200-69-5200-7342.

RESPONSE: Row 11, LU Sub Corp Net of Removals, in the LU US Admin Cost 2015 workbook should be used in the recalculation of the amounts billed to Liberty Tall Timbers and Liberty Woodmark.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-34 Please provide the approved methodology to recalculate the general ledger amounts posted to Tall Timber's and Woodmark's 8300-2-0200-69-5200-7342 and 8400-2-0200-69-5200-7342 accounts in spreadsheet LU US Admin Costs 2015 running summary.

RESPONSE: These costs are allocated using the utility four factor methodology addressed in the CAM.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-35 Please explain why any of the transactions in the monthly Detail tabs of LU US Admin Costs 2015 running summary spreadsheet should not be included in recalculating the GL amounts posted to accounts 8300-2-0200-69-5200-7342 and 8400-2-0200-69-5200-7342.

RESPONSE: Please see response to Staff RFI 6-33.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-36 Please provide a list of perquisites.

RESPONSE: Please see response to Tyler RFI 3-12.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-37 Please provide a complete list of all job costing charged to the applicant by affiliates which includes the job number, name, a description of the job, the total amount of the job for the test year, and the reference to the page and line number in the application where the related expense was included.

RESPONSE: Please see response to Tyler RFI 4-14 for job INDOH.
Please see response to Staff RFI 6-1 for all billed jobs totals in the test year from APUC, LUCC, LUCC-LABS, and LU Sub.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-38 Please explain the source of the expenditures for LUCC-LABS Admin Costs 2015 Running Summary spreadsheet departments and how using these amounts are reasonable and necessary for Tall Timbers and Woodmark to provide sewer service pursuant to TWC § 13.185(e).

RESPONSE: See responses to Staff RFI 6-15 and 6-18.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-39 Please provide source documentation indicating how the percentages used in LUCC-LABS Admin Costs 2015 Running Summary spreadsheet are reasonable and necessary pursuant to TWC § 13.185(e).

RESPONSE: Please see responses to Staff RFI 6-15 and 6-18, and Tyler RFI 1-15.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-40 Please provide an electronic copy of the general ledger containing the entries used in excel spreadsheet LUCC-LABS Admin Costs 2015 Running Summary.

RESPONSE: Please see response to Staff RFI 6-26 for the detail trial balance for the test year for LUCC-LABS.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

STAFF RFI 6-41 Please provide and an electronic copy of all operating revenue subsidiary ledgers for Tall Timbers and Woodmark.

RESPONSE: Please see response to Tyler RFI 1-16.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerry Becker, Manager Rates and Regulatory