



Control Number: 46256



Item Number: 1599

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SOAH DOCKET NO. 473-17-1641.WS
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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
PUBLIC UTILITY COMMISSION
FILING CLERK
COMMISSION OF TEXAS

**LIBERTY UTILITIES' RESPONSE TO CITY OF TYLER'S SEVENTH
REQUEST FOR INFORMATION**

To: City of Tyler, Texas, by and through its attorney of record, Joë Freeland, Mathews and Freeland, 8140 N. MoPac Expy, Suite 2-260, Austin, Texas 78759.

Liberty Utilities (Tall Timbers Sewer) Corp., Liberty Utilities (Woodmark Sewer) Corp., and Liberty Utilities (Sub) Corp. ("Liberty Utilities") provide this response to the City of Tyler's Seventh Requests for Information to Liberty Utilities. Liberty Utilities stipulates that the following response to requests for information may be treated by all parties as if the answer was filed under oath. Documents marked as voluminous will be available for inspection by appointment at Terrill & Waldrop, 810 West 10th Street, Austin, Texas 78701.

Respectfully submitted,

By: 

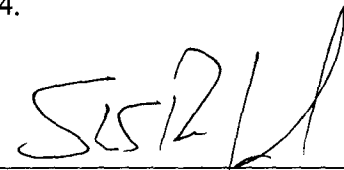
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**ATTORNEYS FOR LIBERTY UTILITIES
(TALL TIMBERS SEWER) CORP., LIBERTY
UTILITIES (WOODMARK SEWER) CORP.,
LIBERTY UTILITIES (SUB) CORP.**

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on May 15, 2017 in accordance with P.U.C. Procedural Rule 22.74.


Shan S. Rutherford

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-1 [Reference Tyler 4-17 and TT Ops Labor 2015] Provide a description of the TS reconciliation and an explanation as to why it is included in the costs allocated to Tall Timbers and to Woodmark.

RESPONSE: The TS Reconciliation is a true up reconciliation of the difference between the billed operations labor and booked payroll and benefits for operations labor. The true up is to account for the timing difference of the accrual and paid payroll and benefits to the recorded timesheets though the HRIS system (timesheet system).

Prepared by Fatima Hameen, Manager Accounting

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-2 [Reference Tyler 4-17 and TT Ops Labor 2015] Provide a description of the “LB” added to the salary for the total charged to both Tall Timbers and Woodmark. Include in your response the make-up of the 33.2% “LB” used to add to the salary amounts.

RESPONSE: The reference LB stands for labor burden. The labor burden of 33.2% includes insurance, pension, 401K, and employer taxes.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-3 [Reference Tyler 4-17 and TT Ops Labor 2015] Provide an explanation as to why the LB is not applied to each line item of employee salary.

RESPONSE: Labor burden is applied to each payroll line item. When there was a payroll adjustment of hours, the transfer of gross payroll was re-classed and no labor burden was applied. In June 2015, the labor burden calculation was not posted with the payroll. However, this was corrected and posted in December 2015.

Prepared by Fatima Hameen, Manager Accounting

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-4 [Reference Tyler 4-17 and TT Ops Labor 2015] Provide the average percentage of overtime (hours and labor expense) that is included in the test year separately for Tall Timbers and Woodmark.

RESPONSE: Please see attached files:
Tyler 7-4 WM Ops Labor Over time 2015 CONFIDENTIAL.xlsx
Tyler 7-4 TT Ops Labor Over time 2015 CONFIDENTIAL.xlsx

Prepared by Alysia Maya, Rates Analyst

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-5 [Reference Tyler 4-17 and TT Ops Labor 2015] Provide the average percentage of call in (hours and labor expense) that is included in the test year separately for Tall Timbers and Woodmark

RESPONSE: Please see the response to Tyler 7-4.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-6 [Reference Tyler 4-17 and TT Ops Labor 2015] Provide the average percentage of on call (hours and labor expense) that is included in the test year separately for Tall Timbers and Woodmark.

RESPONSE: Please see the response to Tyler 7-4.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-7 [Reference Tyler 4-17 and TT Ops Labor 2015] Confirm or deny that call in pay is 2 times the base labor hourly rate. If denied, provide the computation of call in pay.

RESPONSE: Deny. The call in pay is 1.5 times the pay rate.

Prepared by Fatima Hameen, Manager Accounting

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-8 Please indicate the years, from 2002 to present, in which Joe Wilkins was a direct employee of Liberty Utilities, its predecessors companies, or affiliate companies. Please indicate, by year, the position he held, his responsibilities specific to that position, and the systems for which he held those responsibilities.

RESPONSE: Date of Hire 10/01/2009 – Position – Business Manager, Central Division
2012 – Title change to Senior Manager, Texas Operations (no new job description)

Date of Termination – 11/23/2013

Please see attached file Tyler 7-8 J Wilkins Job Description.pdf

Liberty Utilities does not know the information requested with respect to Mr. Wilkins' employment with predecessor owners of Liberty Utilities prior to 10/1/2009.

Prepared by Pamela Carter, HR Manager and Gerry Becker, Manager Rates and Regulatory

Sponsored by Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-9 Admit or deny that Joe Wilkins owned Wilkins Contracting, Inc., during the period from 2002 to present.

RESPONSE: Cannot admit or deny. Liberty Tall Timbers and Liberty Woodmark cannot comment on the ownership of another company.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Mathew Garlick, President

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-10 Admit or deny that Wilkins Contracting, Inc., performed services for Liberty Utilities during the period from 2002 to present.

RESPONSE: Deny. The Company can confirm payments to Wilkins Contracting and Wilkins Operations during the periods of January 2003 to August 2010.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-11 Please describe the process used by Liberty Utilities in deciding to purchase services from Wilkins Contracting, Inc., during the period from 2002 to present.

RESPONSE: Liberty Utilities will supplement its response to this request.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-12 Admit or deny that NewSpring Water LLC is an affiliated company. If your answer is a denial, please explain the relationship between NewSpring Water LLC and Liberty Utilities.

RESPONSE: Admit. However, NewSpring Water LLC no longer exists.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-13 Referencing the Company's response to Tyler 3-1, please explain how the Company has historically accounted for Tap Fees and why such fees were not used to fund the customer services included in NARUC Account 363 in the Company's requested rate base.

RESPONSE: Tap Fees were recorded as revenues. The funds were used to fund the installation of taps. Liberty Tall Timbers notes that since the last rate case, \$42,600 was added to account 363, and this activity was offset by amounts collected pursuant to LXAs.

Prepared by Fatima Hameen, Manager Accounting

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-14 Referencing Worksheet “TT 2001 Q4 Cost Pool” in the file labeled “Tyler 3-2 TT INDOH 2010-2015 Analysis”, please explain the allocation of \$73.69 from the vendor “Gold Canyon Sewer Company.” Please indicate the services provided and how this was of benefit to the Tall Timbers System and its customers.

RESPONSE: The allocation of the referenced \$73.69 is an error in the recording of the invoice to Liberty Tall Timbers.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Crystal Greene, Director Financial Planning and Analysis (West Region)

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-15 For Liberty Utilities and all its affiliated companies, please provide example employee performance review forms and/or matrices which indicate the development of employee metrics.

RESPONSE: Please see attached file:
Tyler 7-15 Employee Performance Review.pdf

Prepared by Pamela Carter, HR Manager

Sponsored by Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-16 Referencing the Company's response to Tyler RFI 4-3, please provide the source of the 21% capitalization factor for monthly allocations. Please provide all source documents showing derivation of the 21%.

RESPONSE: Please see attached file:
Tyler 7-16- APUC Time Study Results 2013.xlsx

Prepared by Alysia Maya, Rates Analyst

Sponsored by Bill Killeen, Director Energy Procurement

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-17 Referencing the Comprehensive Settlement Agreement in Arizona Corporation Commission Docket No. W-02465A-15-0367 (et al), Paragraph 3.5, please provide the status and results, if available, of the agreed to time study.

RESPONSE: The requested document is not available at this time.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-18 Please provide, by year since acquisition, the engineering related cost directly assigned or allocated to the TT or WM systems, respectively. Where allocated, please indicate the originating source as APUC, LUC, LABS, or LUSC.

RESPONSE: Liberty Utilities will supplement this response.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Gerry Becker, Manager Rates and Regulatory

RESPONSE TO REQUEST FOR INFORMATION

TYLER RFI 7-19 Please provide the Cost Allocation Manual for Algonquin Power & Utilities Corp which was effective prior to July 2014.

RESPONSE: Please see response to Staff 8-7.

Prepared by Alysia Maya, Rates Analyst

Sponsored by Geffry Becker, Manager Rates and Regulatory