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Addendum StartPage: 0

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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

PUBLIC UTILITY COMMISSION
COMMISSION OF TEXAS
FILING CLERK

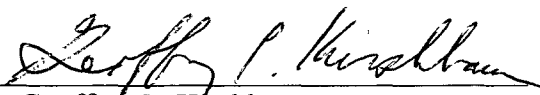
**LIBERTY UTILITIES' RESPONSE TO OPUC'S SEVENTH
REQUESTS FOR INFORMATION.**

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

Liberty Utilities (Tall Timbers Sewer) Corp., Liberty Utilities (Woodmark Sewer) Corp.,
and Liberty Utilities (Sub) Corp. ("Liberty Utilities") provide this response to the Office of Public
Utilities Counsel's ("OPUC") Seventh 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.

1657

Respectfully submitted,

By: 

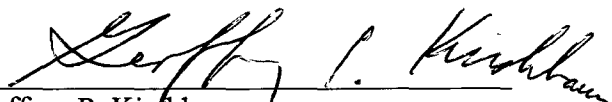
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**ATTORNEYS FOR LIBERTY UTILITIES
(TALL TIMBERS SEWER) CORP., LIBERTY
UTILITIES (WOODMARK SEWER) CORP.,
AND LIBERTY UTILITIES (SUB) CORP.**

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on June 9, 2017 in accordance with P.U.C. Procedural Rule 22.74.


Geoffrey P. Kirshbaum

RESPONSE TO REQUEST FOR INFORMATION

OPUC RFI 7-1 Please reference Liberty response to Tyler 1-39 (LU000887-000889)(Flow projections Summary): Admit or deny that the growth projections contained in this document do not consider the impact of the cost of utilities on population growth, home sales, or property values.

RESPONSE: Based on conference with OPUC's counsel, Liberty Utilities was instructed to replace the word "impact" with "effect". Liberty Utilities was also instructed to replace "the cost of utilities" with "the proposed rate increase."

Thus, the revised OPUC RFI 7-1 request is:

Admit or deny that the growth projections contained in this document do not consider the effect of the proposed rate increase on population growth, home sales, or property values.

Liberty Utilities responds to the revised OPUC RFI 7-1 request as follows:

Cannot admit or deny. The flow projections summary referenced in this request was prepared by a licensed professional engineer. When evaluating and determining growth projections, it is not standard practice for engineers to evaluate the potential effect of a proposed rate increase on population growth, home sales or property values. In evaluating growth projections, any attempt to determine the potential effect of a possible rate increase on population growth, home sales or property values would be speculative. The flow projections summary speaks for itself in terms of growth projection assumptions considered. Liberty Utilities is not aware of any demonstrated study showing that a proposed rate increase would negatively impact population growth, home sales or property values. It also should be noted that the licensed engineer was aware of the proposed rate increase at the time the document was prepared. Further, the basing of growth projections on the speculative possible effect of a rate increase on population growth, home sales or property values would not have permitted reliable or proper design methodologies needed for compliance with TCEQ rules. See 30 TAC § 217.34. The consultant who prepared the referenced document properly relied on both the historic population growth rate and historic flow data for design purposes.

Prepared by: Matthew Garlick, President TX/AZ

Sponsored by: Matthew Garlick, President TX/AZ

RESPONSE TO REQUEST FOR INFORMATION

OPUC RFI 7-2

Please reference Liberty response to Tyler 1-39 (LU000887-000889)(Flow projections Summary): Admit or deny that the proposed rate increase could have a negative effect on the growth projections contained in this document.

RESPONSE:

Based on conference with OPUC's counsel, Liberty Utilities was instructed that for purposes of this request the word "negative" should mean "dampening, lessening, reducing, or diminishing, meaning the population will not grow at the rate or to the level predicted." Thus, Liberty Utilities responds using this clarified meaning as follows:

Cannot admit or deny. The Company cannot answer this question. There are many factors that drive population growth in a particular area besides a single utility's proposed service rates. Further, this issue is not relevant to ratemaking in this docket.

Prepared by: Matthew Garlick, President TX/AZ

Sponsored by: Matthew Garlick, President TX/AZ

RESPONSE TO REQUEST FOR INFORMATION

OPUC RFI 7-3 Please reference Liberty response to Tyler 1-39 (LU000887-000889)(Flow projections Summary): Do the flow projections include the 500 connections being transferred from the Tall Timbers WWTP to the Woodmark treatment plant? If not, please explain why not.

RESPONSE: No. It is unclear the reasons that the 500 homes were not included.

Prepared by: Matthew Garlick, President TX/AZ

Sponsored by: Matthew Garlick, President TX/AZ

RESPONSE TO REQUEST FOR INFORMATION

OPUC RFI 7-4 Has Liberty Utilities studied the impact of the proposed rate increase on population growth, property value, or flow projections in its service areas? If so, please provide any such study(ies).

RESPONSE: No. The suggestion that a regulated utility should study the impact of a proposed rate increase on population growth, property values or flow projections in its service area is not valid ratemaking or relevant to this docket. The proposed rate increases in this docket reflect the actual costs of services by Liberty Woodmark and Liberty Tall Timbers.

Prepared by: Matthew Garlick, President TX/AZ

Sponsored by: Matthew Garlick, President TX/AZ

RESPONSE TO REQUEST FOR INFORMATION

OPUC RFI 7-5 Has Liberty Utilities studied the impact of the proposed rate increase on small business or rental property within its service area?

RESPONSE: This request has been withdrawn by agreement of counsel for Liberty Utilities and OPUC.

RESPONSE TO REQUEST FOR INFORMATION

OPUC RFI 7-6 Please provide the number of owner occupied versus renter occupied billing units in your service area.

RESPONSE: This request has been withdrawn by agreement of counsel for Liberty Utilities and OPUC.