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

2017 JUL -7 PM 3:53 BEFORE THE PUBLICOUNTS IT APPLICATION OF LIBERTY § PUBLIC UTILITY CLERK UTILITIES (WOODMARK SEWER) § CORP., LIBERTY UTILITIES (TALL **COMMISSION OF TEXAS** § TIMBERS SEWER) CORP., LIBERTY § UTILITIES (SÙB) CORP. TO CHANGE § RATES FOR SEWER SERVICES IN **SMITH COUNTY, TEXAS**

LIBERTY'S SECOND SUPPLEMENTAL RESPONSE TO COMMISSION STAFF'S SECOND REQUESTS FOR INFORMATION

To: PUC Commission Staff, by and through its attorneys of record, TJ Harris and Stephen Mack, 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 second supplemental response to Commission Staff's Second Requests for Information to Liberty. 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.

1690

Respectfully submitted,

By:

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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 July 7, 2017 in accordance with P.U.C. Procedural Rule 22.74.

Geoffrey P. Kirshbaum

STAFF RFI 2-5

List all of the other water or sewer utilities owned by the parent company of either Liberty Tall Timbers or Liberty Woodmark. For each utility provide the following:

- a. Most recent rate case including state and docket number;
- b. Final determination of capital structure;
- c. Cost of debt;
- d. Authorized return on equity;
- e. Whether the proceeding was settled or litigated; and
- f. The date of the final order for the most recent rate case for each water or sewer utility.

RESPONSE:

Please see Liberty Utilities' rebuttal testimony and exhibits filed on June 30, 2017.

Prepared by: Alysia Maya, Rate Analyst

Sponsored by: Gerald Becker, Manager Rates and Regulatory

STAFF RFI 2-6 State the actual capital structure of the parent company that provides capital

to Liberty Tall Timbers and/or Liberty Woodmark.

RESPONSE: Please see Liberty Utilities' rebuttal testimony and exhibits filed on June

30, 2017.

Prepared and Sponsored by: Gerald Becker, Manager Rates and Regulatory and Bruce Fairchild,

FinCap

STAFF RFI 2-7 State the name of the entity that will be issuing any debt that will be used

either by Liberty Tall Timbers or Liberty Woodmark.

RESPONSE: Please see Liberty Utilities' rebuttal testimony and exhibits filed on June

30, 2017.

Prepared and Sponsored by: Gerald Becker, Manager Rates and Regulatory and Bruce Fairchild,

FinCap

STAFF RFI 2-9 Other than using the "Commission's method of adding 6% risk premium to

a recent Moody's Baa public utility bond yield," state whether Bruce Fairchild did any other analysis to determine the reasonableness of the requested rate of return of 10.16%. If Bruce Fairchild conducted any other

analysis, provide all Documents regarding this analysis.

RESPONSE: Please see Liberty Utilities' rebuttal testimony and exhibits filed on June

30, 2017.

Prepared and Sponsored by: Bruce Fairchild, FinCap