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

RECEIVED

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

BEFORE THE PUBLIC UTILITY

COMMISSION OF TEXAS

JUL 12 PM 4:09
PUBLIC UTILITY COMMISSION
CLERK

LIBERTY UTILITIES' ERRATA NO. 9
REBUTTAL TESTIMONY OF MATTHEW GARLICK

Liberty Utilities (Woodmark Sewer) Corp., Liberty Utilities (Tall Timbers Sewer) Corp., and Liberty Utilities (Sub) Corp. file the attached errata to the rebuttal testimony of Matthew Garlick containing the cover sheet and pages 16 and 16A to his testimony. The errata is filed to correct Mr. Garlick's testimony on page 16, lines 2 and 3 to correct the stated civil penalty settlement amount and clarify Mr. Garlick's reference for the estimated compliance costs of \$65 million. The errata results in a new page 16A.

Respectfully submitted,

By:



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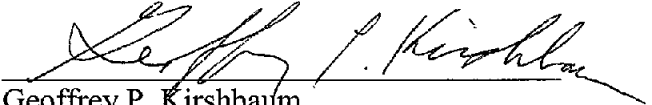
1705

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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 July 13, 2017 in accordance with P.U.C. Procedural Rule 22.74.



Geoffrey P. Kirshbaum

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

APPLICATION OF LIBERTY	§	BEFORE THE PUBLIC UTILITY
UTILITIES (WOODMARK SEWER)	§	
CORP. (CCN NO. 20679), LIBERTY	§	COMMISSION OF TEXAS
UTILITIES (TALL TIMBERS	§	
SEWER) CORP. (CCN NO. 20694),	§	
AND LIBERTY UTILITIES (SUB)	§	
CORP. TO CHANGE RATES FOR	§	
SEWER SERVICE IN SMITH	§	
COUNTY, TEXAS	§	
	§	

REBUTTAL TESTIMONY AND ATTACHMENTS

OF

MATTHEW GARLICK

ON BEHALF OF

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

**June 30, 2017
(Revised July 11, 2017)
(Revised July 13, 2017)**

1 In that case, Tyler entered a consent judgment admitting to substantial
2 environmental violations including a civil penalty of \$563,000 and agreeing to an
3 estimated \$65 million in repairs to Tyler's sewer system.¹

4 Based on the consent judgment and the documents Tyler provided to us in
5 discovery, to say Tyler is not a reliable wastewater treatment provider may even be
6 an understatement. Even in its data responses, Tyler concedes that it does not have
7 and cannot provide answers regarding full cost for compliance with the consent
8 decree or regarding the terms for service to Liberty Tall Timbers. **MG-R-5**, at
9 Liberty RFI 1-40, 1-41, and 1-48. It is unreasonable for OPUC and Tyler to suggest
10 that Liberty Tall Timbers should have requested service from Tyler without
11 knowing: (1) the price for treatment; (2) whether Liberty Tall Timbers will own
12 treatment capacity; (3) whether Liberty Tall Timbers will be responsible for any
13 capital improvements to the Southside plant; (4) the length of any treatment
14 contract; (5) the design specifications and/or cost for interconnecting to Tyler's
15 collection system; (6) any allocation of O&M costs to Liberty Tall Timbers for the
16 Southside plant and other similar issues; and (7) what measures the City will take
17 to avoid any future environmental violations. Nor should Liberty Tall Timbers or
18 Liberty Woodmark have been reasonably expected to initiate a request for these
19 details during the time periods examined by OPUC and Tyler in light of the
20 underlying circumstances described above in my testimony.

21
22 **Q. WHAT WAS THE RANGE OF OPTIONS ASIDE FROM THE TYLER**
23 **CAPACITY OPTION THAT LIBERTY UTILITIES CONSIDERED PRIOR**
24 **TO MAKING ITS LIBERTY TALL TIMBERS WASTEWATER**

¹ See <https://www.epa.gov/enforcement/city-tyler-texas-clean-water-act-settlement#overview> ("EPA estimates that the total cost of implementing these measures could exceed \$65 million plus the cost of routine operation and maintenance.").

- 25 **TREATMENT PLANT INVESTMENTS STARTING IN 2009 THAT ARE**
26 **INCLUDED IN APPLICANTS' REQUESTED PHASE I RATE BASE?**
27 **A.** During the 2009 planning timeframe, the options for the Liberty Tall Timbers