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DOCKET NO. 47176

RECEIVED

APPLICATION OF LIBERTY UTILITIES § PUBLIC UTILITY COMMISSION  
(WOODMARK SEWER) CORP. TO §  
AMEND A SEWER CERTIFICATE OF §  
CONVENIENCE AND NECESSITY IN §  
SMITH COUNTY (BAKER PLANTATION) § OF TEXAS

**LIBERTY UTILITIES (WOODMARK SEWER) CORP.'S  
RESPONSES TO STAFF'S SECOND REQUESTS FOR INFORMATION**

**TO:** Public Utility Commission, by and through its attorney of record, TJ Harris, 1701 N. Congress Avenue, PO Box 13326, Austin, Texas 78711-3326.

COMES NOW, Liberty Utilities (Woodmark Sewer) Corp. and provides its Responses to Commission Staff's Second Request for Information.

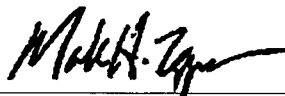
**RESPONSE**

**Staff 2-1** Please provide updated projected balance sheet, income statement, expenses statement and sources and uses of cash statement, including the new rates the utility estimates to be in effect.

**RESPONSE:** See attached.

Respectfully submitted,

By: \_\_\_\_\_



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Attorney for Liberty Utilities (Woodmark Sewer) Corp.

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CERTIFICATE OF SERVICE

I, Mark H. Zeppa, counsel for the Applicant, certify the foregoing pleading was served in accordance with 16 TAC § 22.74 on August 31, 2017.

A handwritten signature in black ink, appearing to read "Mark H. Zeppa", written over a horizontal line.

Mark H. Zeppa

Woodmark

Woodmark

## PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CURRENT ASSETS</b>						
Cash	4,987.44	0.00	0 00	0 00	0 00	0 00
Accounts Receivable	164,927.31	157,128.00	157,128.00	157,128 00	157,128 00	157,128 00
Inventories						
Income Tax Receivable						
Other	2,751.25	2,750 00	2,750 00	2,750 00	2,750 00	2,750.00
Total	172,666.00	159,878.00	159,878 00	159,878.00	159,878.00	159,878.00
<b>FIXED ASSETS</b>						
Land	36,414.91	36,414.91	36,414 91	36,414.91	36,414.91	36,414.91
Collection/Distribution System	7,916,549.85	8,091,550.00	8,266,550.00	8,441,550 00	8,616,550.00	8,791,550.00
Buildings						
Equipment	4,788,750.09	4,838,750.00	4,888,750.00	4,938,750.00	4,988,750 00	5,038,750 00
Other	1,050,786.37	1,075,786 00	1,100,786 00	1,125,786 00	1,150,786.00	1,175,786 00
Less: Accum. Depreciation or Reserves	-3,025,481.61	-3,493,565 00	-3,969,982 00	-4,454,732 00	-4,947,815 00	-5,449,232.00
Total	10,767,019 61	10,548,936 24	10,322,519.53	10,087,769 49	9,844,686.11	9,593,269.41
<b>TOTAL ASSETS</b>	10,939,686.61	10,708,814 24	10,482,397.53	10,247,647.49	10,004,564.11	9,753,147.41
<b>CURRENT LIABILITIES</b>						
Accounts Payable	18.71					
Notes Payable, Current						
Accrued Expenses	1,393,653.12	1,488,434.00	468,434.00	468,434 00	468,434 00	468,434.00
Other	6,067,595.73	6,065,000.00	6,065,000.00	5,727,789.67	4,175,936 29	2,417,678.93
Total	7,461,248.85	7,553,434.00	6,533,434.00	6,196,223.67	4,644,370.29	2,886,112 93
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other	1,458,303 48	1,686,296.70	1,565,776.71	1,565,776.71	1,565,776.71	1,565,776.71
<b>TOTAL LIABILITIES</b>	8,919,552.33	9,239,730.70	8,099,210.71	7,762,000 38	6,210,147 00	4,451,889.64
<b>OWNER'S EQUITY</b>						
Paid in Capital	982,985.56	982,985.56	982,985.56	982,985.56	982,985 56	982,985.56
Retained Equity	1,442,495.84	1,010,802.72	1,800,620.00	1,715,832.29	2,849,935.29	4,303,867.57
Other						
Current Period Profit or Loss	-405,348.12	-524,704.74	-400,418.74	-213,170.74	-38,503.74	14,404.64
<b>TOTAL OWNER'S EQUITY</b>	2,020,133.28	1,469,083.54	2,383,186 82	2,485,647.11	3,794,417.11	5,301,257.77
<b>TOTAL LIABILITIES AND EQUITY</b>	10,939,686 61	10,708,814.24	10,482,397.53	10,247,647.49	10,004,564.11	9,753,147.41
<b>WORKING CAPITAL</b>	-7,287,582.85	-7,393,556.00	-6,373,556.00	-6,036,345.67	-4,484,492.29	-2,726,234.93
<b>CURRENT RATIO</b>	0.02	0.02	1.80	1.65	2.15	3.38
<b>DEBT TO EQUITY RATIO</b>	4.42	5.14	2 74	2.49	1.22	0.54
<b>EQUITY TO TOTAL ASSETS</b>	0.18	0.14	0.23	0.24	0.38	0.54

## PROJECTED INCOME STATEMENT

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
METER NUMBER						

Existing Number of Taps	1,865.00	1,865.00	1,865.00	1,865.00	1,865.00	1,865.00
New Taps per Year						
Total Meters at Year End	1,865.00	1,865.00	1,865.00	1,865.00	1,865.00	1,865.00
METER REVENUE						
Fees Per Meter	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
Cost Per Meter	49.00	49.00	49.00	49.00	49.00	49.00
Operating Revenue Per Meter	803.04	1,107.26	1,156.56	1,156.56	1,156.56	1,156.56
GROSS WATER REVENUE						
Fees						
Other						
Gross Income	1,528,927.58	1,530,145.00	1,662,764.00	1,858,345.00	2,041,346.00	2,102,586.38
OPERATING EXPENSES						
General & Administrative	2,057,197.01	2,053,649.74	2,061,982.74	2,070,315.74	2,078,649.74	2,086,981.74
Interest	1,189.99	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
Other	-124,111.30					
NET INCOME	-405,348.12	-524,704.74	-400,418.74	-213,170.74	-38,503.74	14,404.64

### PROJECTED EXPENSES STATEMENT

	Start UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense	65,702.70	65,702.70	65,702.70	65,702.70	65,702.70	65,702.70
Computer Expense						
Auto Expense	23,401.75	23,401.75	23,401.75	23,401.75	23,401.75	23,401.75
Insurance Expense	8,800.92	8,800.92	8,800.92	8,800.92	8,800.92	8,800.92
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes	100,696.78	100,696.78	100,696.78	100,696.78	100,696.78	100,696.78
Professional Fees	857,180.61	857,180.61	857,180.61	857,180.61	857,180.61	857,180.61
Other	68,585.98	68,585.98	68,585.98	68,585.98	68,585.98	68,585.98
Total	1,124,368.74	1,124,368.74	1,124,368.74	1,124,368.74	1,124,368.74	1,124,368.74
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense	456,197.00	461,197.00	461,197.00	461,197.00	461,197.00	469,529.00
Depreciation Expense	465,547.09	468,084.00	476,417.00	484,750.00	493,084.00	493,084.00
Repair & Maintenance						
Supplies						
Other	11,084.18					
Total	932,828.27	929,281.00	937,614.00	945,947.00	954,281.00	962,613.00
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

### PROJECTED SOURCES AND USES OF CASH STATEMENTS

	Start UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
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<b>SOURCES OF CASH</b>						
Net Income						14,404.64
Depreciation (if Funded)	465,547.09	468,084.00	476,417.00	484,750.00	493,084.00	493,084.00
Loan Proceeds	189,801.02	332,955.74				
Other						
Total Sources	655,348.11	801,049.74	476,417.00	484,750.00	493,084.00	507,488.64
<b>USES OF CASH</b>						
Net Loss	-405,348.12	-524,704.74	-400,418.74	-213,170.74	-38,503.74	
Principle Portion of Pmts.						
Fixed Asset Purchase	-250,000.00	-250,000.00	-250,000.00	-250,000.00	-250,000.00	-250,000.00
Reserve						
Other						
TOTAL USES	-655,348.11	-774,704.74	-650,418.74	-463,170.74	-288,503.74	-250,000.00
NET CASH FLOW	0.00	26,345.00	-174,001.74	21,579.26	204,580.26	257,488.64
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt						
Service (CADS)						
Net Income (Loss)						
Depreciation , or Reserve Interest						
TOTAL						
<b>REQUIRED DEBT SERVICE (RDS)</b>						
Principle Plus Interest						
<b>DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by RDS						

