



Control Number: 47976



Item Number: 1036

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**SOAH DOCKET NO. 473-18-3006.WS
PUC DOCKET NO. 47976**

**APPLICATION OF LIBERTY
UTILITIES (SILVERLEAF WATER)
LLC FOR AUTHORITY TO CHANGE
WATER AND SEWER RATES**

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

2018 OCT 10 PM 2:23

FILED BY: CLERK

**LIBERTY UTILITIES (SILVERLEAF WATER) LLC'S
SECOND REQUEST FOR INFORMATION
TO OFFICE OF PUBLIC OF PUBLIC UTILITY COUNSEL**

Liberty Utilities (Silverleaf Water) LLC ("Company") hereby serves its Second Request for Information on Office of Public Utility Counsel pursuant to Commission Procedural Rules 22.141-.145, 16 Tex. Admin. Code Ch. 22.

Respectfully submitted,

LAW OFFICES OF MARK H. ZEPPA, P.C.

By: 

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Attorneys for Liberty Utilities
(Silverleaf Water) LLC

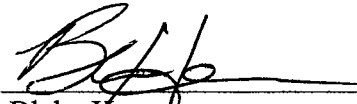
*Liberty Utilities (Silverleaf Water) LLC's
Second Request for Information to Office of Public Utility Counsel
SOAH Docket No. 473-18-3006.WS; PUC Docket No. 47976*

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Certificate of Service

I, Blake Harmon, Paralegal to Mark H. Zeppa, certify that a copy of this document was served on October 18, 2018 by hand-delivery, facsimile, electronic mail and/or First Class Mail.



Blake Harmon

Definitions

1. “CAPM” means capital asset pricing model.
2. “Company” or “Liberty Silverleaf” means Liberty Utilities (Silverleaf Water) LLC.
3. “Document” includes all written matter of every kind and description, whether draft or final, original or reproduction, including but not limited to, correspondence, memoranda, notes, transcripts, contracts, agreements, memoranda of telephone conversations or personal conversations, notices, reports, rules, regulations, facsimile messages, minutes of meetings, interoffice communications, tapes for visual or audio reproduction, drawings, graphs, charts, electronic mail message, and other compilations from which information can be obtained. The term “document” includes all copies of the document which contain any additional writing, underlining, notes, deletions, or any other markings or notations, or otherwise not identical copies of the original.
4. “DT” means Direct Testimony filed in this proceeding on October 5, 2018.
5. “GBRA” means Guadalupe-Blanco River Authority.
6. “Identify” when used in referring to a person, shall mean to state the following with regard to the person: (a) name; (b) last known address; (c) residence and business telephone numbers; (d) relationship to you; and (e) occupation at the date of this RFI.
7. “Identify” and “identity” with respect to a document mean to state the name or title of the document, the type of document (e.g., letter, memorandum, telegram, computer input or output, chart, etc.), its date, the person(s) who authored it, the person(s) who signed it, the person(s) to whom it was addressed, the person(s) to whom it was sent, its general subject matter, its present location, and its present custodian. If any such document was in your or your witnesses’ possession or subject to your control, but is no longer, state what disposition was made of it and explain the circumstances surrounding, and the authorization for, such disposition, and state the date or approximate date of such disposition.

8. “List,” “describe,” “explain,” “specify” or “state” shall mean to set forth fully, in detail, and unambiguously each and every fact of which you have knowledge which is relevant to the answer called for by the RFI.
9. “OPUC” means Office of Public Utility Counsel and any person purporting to act on its behalf including, without limitation, attorneys, agents, advisors, representatives, employees or other persons.
10. “Resort” means Silverleaf Resorts, Inc.
11. “RFI” means Request for Information.
12. “TCEQ” means Texas Commission on Environmental Quality.
13. “You” and “Your” refers to Office of Public Utility Counsel as defined above.

Instructions

1. These instructions and definitions apply to this RFI. Unless otherwise clearly indicated within the context of a specific RFI herein, the definition of each term provided below applies whether the term is used or defined in the singular or plural.
2. Please start each response on a separate page and copy the request immediately above.
3. State the name of the witness in this proceeding who will sponsor the answer and who can vouch for the truth of the answer.
4. Please answer the following written questions fully and in writing, based on all information reasonably available to you at the time your response is made.
5. Please answer each question based upon your knowledge, information, or belief, and any answer that is based upon information or belief should be stated as such.
6. In instances where you choose to answer an RFI by referring to a specific document or record, please specify the same in sufficient detail so that Liberty Silverleaf may locate and identify the record or document.

7. If the response to any question is voluminous, please provide an index to the materials contained in the response.
8. If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
9. These questions are continuing in nature. You are under a continuing duty to supplement your answers to these RFIs if there is a change in circumstances or facts, or if you discover that they are no longer complete and correct. In such an instance, please supplement your response promptly after you discover the need for supplementation.

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PUC DOCKET NO. 47976**

**LIBERTY UTILITIES (SILVERLEAF WATER) LLC'S
SECOND REQUEST FOR INFORMATION
TO OFFICE OF PUBLIC UTILITY COUNSEL**

- LS 2.1** If OPUC denies, in whole or in part, the Company's request for admission LS 1.3, please provide the following regarding such denial –
- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
 - b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
 - c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.
- LS 2.2** If OPUC denies, in whole or in part, the Company's requests for admission LS 1.4, please provide the following regarding such denial –
- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
 - b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
 - c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.
- LS 2.3** If OPUC denies, in whole or in part, the Company's request for admission LS 1.5, please provide the following regarding such denial –
- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
 - b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
 - c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.4 If OPUC denies, in whole or in part, the Company's request for admission LS 1.6, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.5 If OPUC denies, in whole or in part, the Company's request for admission LS 1.7, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.6 If OPUC denies, in whole or in part, the Company's request for admission LS 1.10, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.7 If OPUC denies, in whole or in part, the Company's request for admission LS 1.11, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and

- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.8 If OPUC denies, in whole or in part, the Company's request for admission LS 1.13, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.9 If OPUC denies, in whole or in part, the Company's request for admission LS 1.14, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.10 If OPUC denies, in whole or in part, the Company's request for admission LS 1.15, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.11 If OPUC denies, in whole or in part, the Company's request for admission LS 1.16, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.12 If OPUC denies, in whole or in part, the Company's request for admission LS 1.17, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.13 If OPUC denies, in whole or in part, the Company's request for admission LS 1.21, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

LS 2.14 If OPUC denies, in whole or in part, the Company's request for admission LS 1.22, please provide the following regarding such denial –

- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
- b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
- c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.

- LS 2.15** If OPUC denies, in whole or in part, the Company's request for admission LS 1.25, please provide the following regarding such denial –
- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
 - b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
 - c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.
- LS 2.16** If OPUC denies, in whole or in part, the Company's request for admission LS 1.27, please provide the following regarding such denial –
- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
 - b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
 - c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.
- LS 2.17** If OPUC denies, in whole or in part, the Company's request for admission LS 1.28, please provide the following regarding such denial –
- a. State each and every fact known to OPUC and/or its witnesses that supports the denial;
 - b. Provide copies of each and every document, memorandum, or writing of any kind that substantiates the facts alleged in subpart (a); and
 - c. Identify and provide legal authority known to OPUC and/or its witnesses that supports the denial.
- LS 2.18** Admit that the Company's parent company's diverse regulatory profile (*see* Winker Confidential DT at 13:2-8) presents the Company with alternative investment opportunities to investing in the Company. If you deny this request for admission, please state the basis for the denial with specificity.

- LS 2.19** Admit that forecasted growth rates incorporate consideration of historical growth rates. If you deny this request for admission, please state the basis for the denial with specificity.
- LS 2.20** Please provide any and all support known to OPUC and/or its witness regarding the witness' testimony (Winker DT at 21:1-2) that "generally, the regulatory process results in fewer fluctuations and more stable revenues."
- LS 2.21** Is it OPUC's position that the recent rises in interest rates discussed by its witness (Winker DT at 9:11 – 10:3) have no impact on the determination of a cost of capital for the Company in this rate case?
- LS 2.22** Admit that utilities do not get a return on new investment in utility plant used to serve customers until the Commission sets rates that include a return on that investment by placing the plant in rate base. If you deny this request for admission, please state the basis for the denial with specificity.
- LS 2.23** Admit that the assumption that "investors only receive a return for bearing systematic risk" (Winker DT at 23:18) is an assumption limited to the use of the CAPM model. If you deny this request for admission, please state the basis for the denial with specificity.
- LS 2.24** Is OPUC aware of any other decisions of the Commission (meaning the current Commission and the prior TCEQ) adjusting a utility's return on equity for "management quality"? If so, please provide citations to such decisions if they are available or copies of same.
- LS 2.25** Admit that the Commission is determining a cost of capital for the Company in this rate case. If you deny this request for admission, please state the basis for the denial with specificity.
- LS 2.26** Please explain the basis or specific bases for OPUC's recommended cost of debt in this rate case.