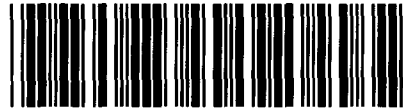




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Addendum StartPage: 0

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

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

§
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§

BEFORE THE STATE OFFICE OF THE PUBLIC UTILITY COMMISSION
FILING CLERK
OF
ADMINISTRATIVE HEARINGS

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO LIBERTY UTILITIES (SILVERLEAF WATER) LLC (LIBERTY SILVERLEAF)
STAFF RFI NOS. 1-1 THROUGH NO. 1-35

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the staff (Staff) of the Public Utility Commission of Texas (Commission) requests that Liberty Utilities (Silverleaf Water) LLC (Liberty Silverleaf) by and through its attorneys of record, provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

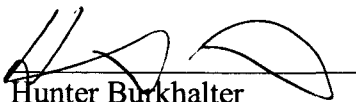
Dated: June 18, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney



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

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on June 18, 2018, in accordance with 16 TAC § 22.74.



Hunter Burkhalter

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

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO LIBERTY UTILITIES (SILVERLEAF WATER) LLC (LIBERTY SILVERLEAF)
STAFF RFI NOS. 1-1 THROUGH NO. 1-35**

DEFINITIONS

- A. "Liberty Silverleaf" refers to the Liberty Utilities (Silverleaf Water) LLC and any person acting or purporting to act on its behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

- B. "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do exist and these documents will be provided.

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

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO LIBERTY UTILITIES (SILVERLEAF WATER) LLC (LIBERTY SILVERLEAF)
STAFF RFI NOS. 1-1 THROUGH NO. 1-35**

INSTRUCTIONS

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) 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 or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to 16 TAC § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

SOAH DOCKET NO. 473-18-3006.WS
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO LIBERTY UTILITIES (SILVERLEAF WATER) LLC (LIBERTY SILVERLEAF)
STAFF RFI NOS. 1-1 THROUGH NO. 1-35**

- Staff 1-1** Please identify which public water system serves the Woodland Village subdivision listed on the most recent approved tariff for certificate of convenience and necessity (CCN) number 13131.
- Staff 1-2** Please identify the wastewater permit number that is applicable to each subdivision listed on the most recent approved tariff for CCN number 20815.
- Staff 1-3** Please provide, in electronic Microsoft Excel format, copies of Liberty Utilities Silverleaf Water LLC's (Liberty Silverleaf's) 2017 Annual Report due June 1 and file the hard copy in docket number 47833 pursuant to 16 Tex. Admin Code (TAC) § 24.73.
- Staff 1-4** Provide the trial balances for all accounts of Liberty Silverleaf for the years ending December 31, 2016 and December 31, 2017, in Microsoft Excel format.
- Staff 1-5** Provide an electronic copy of the chart of accounts corresponding to each general ledger detail provided in response to Staff 1-8, below.
- Staff 1-6** Provide a "crosswalk" or legend reconciling the balances for Liberty Silverleaf's water and sewer accounts as listed in the chart of accounts to each expense line on Schedules I-1 (Revenue Requirement Summary) of the application. List all account and subaccount names, numbers, and amounts included in each expense line on each water and sewer Schedule I-1.
- Staff 1-7** Please provide an electronic Microsoft Excel copy of Liberty Silverleaf's general ledgers for the years ending 12/31/2016 and 12/31/2017 detail inclusive of account numbers, account descriptions, transaction numbers, transaction descriptions, check numbers, voucher numbers or journal voucher numbers, and vendor/contractor names:
- a. Sort the general ledger transactions by NARUC account number as reflected in the application, Schedule I-1, and description, vendor, and date in request Staff 1-7.
 - b. Provide a total for each NARUC account provided in request Staff 1-7.
 - c. Provide reconciliations between the general ledgers provided in request Staff 1-7, to Liberty Silverleaf's financial statements and application Schedules I-1.
- Staff 1-8** Please provide an electronic Microsoft Excel the copy of the general ledger transaction detail for the following entities that have direct or indirect allocation of costs to Liberty Silverleaf:
- a) Algonquin Power & Utilities Corporation (APUC) - only need detailed general ledger transactions including detailed journal entries relating to allocations to and from Liberty Silverleaf.

- b) Liberty Utilities Canada (LUC) - only need detailed general ledger transactions including detailed journal entries relating to allocations to Liberty Silverleaf.
- c) Liberty Utilities Service Co. (LUSC) – only need detailed general ledger transactions including detailed journal entries relating to allocations to Liberty Silverleaf.

- Staff 1-09** Please provide copies of all invoices, statements, reports, calculations for allocations, known and measurable changes, and other documentation supporting the following tax related expenses included in the test year for Liberty Silverleaf and all affiliates allocating costs to Liberty Silverleaf:
- a. property taxes,
 - b. gross receipts assessments, and
 - c. franchise taxes.
- Staff 1-10** Please provide a copy of any ethics or conflict of interest filings with the State of Texas, United States, or Canada for the test year and subsequent year for APUC, LUC, LUSC, Liberty Silverleaf, and any other entity whose expenses were directly or indirectly charged to Liberty Silverleaf:
- Staff 1-11** If applicable, please include an electronic reconciliation of any expenses included in the filings identified in Staff 1-10 to expenses booked in the general ledger by transaction, including transaction description, check number, voucher number or journal voucher number, vendor/contract name, amount, and service dates that were directly or indirectly charged to Liberty Silverleaf for any of the entities noted in Staff 1-7 and Staff 1-8.
- Staff 1-12** Please provide an electronic Microsoft Excel list of all Liberty Silverleaf employees and all affiliated employees who are directly or indirectly allocated to Liberty Silverleaf. Please include employee number, position title, hire and termination dates, titles, full-time or part-time status, as well as the employee's annual salary, merit payments, bonuses, overtime pay, cumulative overtime hours, overtime rate, and benefits. Additionally please provide the amounts (salary, merit payments, bonuses, overtime pay, and benefits) charged to Liberty Silverleaf and/or sewer O & M expenses in the applications.
- Staff 1-13** Please provide evaluations and scorecards for each employee (including the employee number) whose salary increase, bonus, or incentive pay was included in Liberty Silverleaf's water and/or sewer cost of service in this application.
- Staff 1-14** Please provide a copy of all federal W-2 forms and 1099 forms for Liberty Silverleaf and/or affiliate entities for staff that are directly or indirectly allocated or direct billed to Liberty Silverleaf and included in the cost of service for the test year, and the employee number associated with each.
- Staff 1-15** Please provide an electronic copy (pdf or word) of all job descriptions for each employee, by employee name and number, who is included in the cost of service for Liberty Silverleaf.

- Staff 1-16** Please provide a breakout of any prepaid expenses paid by Liberty Silverleaf or its affiliates that are allocated to the Liberty Silverleaf revenue requirement that do not represent goods or services received during the test year. Include voucher number, check number, services dates, payment date, amount, and vendor name.
- Staff 1-17** Please provide detailed invoices and supporting documentation for rate case expense incurred regarding this docket. Please provide hourly rates for any person providing services, all supporting documentation for any expenses paid, and a detailed description of services provided on each occasion.
- Staff 1-18** Provide copies of the federal tax return(s) which include Liberty Silverleaf's operations during the test year and prior two years. Please provide any supporting detail for combining the operations with any other entity's operations that are included on the tax return. Also provide any supporting schedules for federal depreciation, including accelerated depreciation taken on assets or assets expensed as allowed by the Internal Revenue Code.
- Staff 1-19** Provide the accumulated depreciation balances for each Liberty Silverleaf asset and totaled on a straight line basis as allowed for rate making purposes and on a federal tax basis as included in the tax returns provided in response to the previous staff request.
- Staff 1-20** Please provide a copy of all Liberty Silverleaf, or affiliates' capital and operating leases that affect the Liberty Silverleaf cost of service directly, or through direct or indirect allocation for the test year.
- Staff 1-21** Please provide a copy of any agreements with collection agencies for the collection of delinquent accounts between the agencies and Liberty Silverleaf or its affiliates.
- Staff 1-22** Please provide the general ledger accounts and balances supporting the amounts reported on Schedules III-3 and III-4. If the balances are different, please reconcile the general ledger balances to each schedule.
- Staff 1-23** Please provide the general ledger accounts and entries supporting the amounts reported on Schedules III-9 as well as tax return documentation supporting the entries. If the balances are different, please reconcile the general ledger balances to each schedule.
- Staff 1-24** Please provide a copy of all Liberty Silverleaf, or affiliates' capital and operating leases that affect the Liberty Silverleaf cost of service directly, or through direct or indirect allocation for the test year.
- Staff 1-25** Please provide a list of all project codes and project names that APUC, LUC, and LUSC use to allocate or direct bill project costs to affiliated Companies.
- Staff 1-26** Please refer to Staff 1-25 and provide the corresponding work orders for all project codes, identify all accounts with amounts allocated or direct billed for each project for all months in the test period and any amounts capitalized in the test period and all prior years being requested. Also reconcile the amounts to the general ledgers for the test year.

Please explain in detail any reconciliation differences and provide the supporting documentation.

Staff 1-27 Please refer to request Staff 1-26 and for each different type of work order identify all the different methods of allocating or direct billing costs to each affiliate

Staff 1-28 Please refer to Staff 1-25 and provide a list of all the affiliated companies that are allocated costs with percentages and methods of allocation in an exhibit. For all of the affiliates, please include all companies regulated and nonregulated with 100% of cost reflected in the exhibit.

Staff 1-29 Please provide a list of Liberty Silverleaf contracted service providers and the contract service agreement for the test year and past two years prior to the test year in a table similar to the one below. Also please include the amount of contract service billed for each year and the reason for the year to year variance.

Contractor Name	Variance		
	2017	2016	2015
Explanation			

Staff 1-30 Please provide a list of annual payment totals made directly by Liberty Silverleaf to Texas regulatory authorities for 2017, the reason, and the GL account the payments were posted to for each Liberty Silverleaf subdivision or system as well as the frequency of the payments.

Regulatory Authority	Subdivision	2017	Reason For
		Amount	Payment

Staff 1-31 Please provide the reasons the other regulatory expenses reported on Schedule 18 were “either non-recurring or non-recoverable through rates” per the Direct Testimony of Thomas J. Bourassa, bates LU000349, row 20.

- Staff 1-32** Please provide all supporting documentation substantiating the contract work known and measureable amounts reported in the revenue requirements on Schedules I-1 accounts 631 through 636 (including all calculations to arrive at the amount and supporting salary increase approval documentation).
- Staff 1-33** Admit or deny: The general ledger of Liberty Silverleaf reflects exactly the same revenues as included on Schedules I-2 for the application. If denied, provide a reconciliation.
- Staff 1-34** Please provide, in electronic Microsoft Excel format, copies of Liberty Silverleaf's depreciation schedules for the year ending December 31, 2017.
- Staff 1-35** Please provide supporting paid invoices and labor cost documentation to support the tap fee increase requested on the water and wastewater proposed tariffs.
- Note:** Please file all confidential information with the PUC by following the instructions for filing confidential documents located on website under filing rules and procedures: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>)