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DOCKET NO. 49400

APPLICATION OF WINDY HILL
UTILITY CO. LLC TO AMEND A
SEWER CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
HAYS COUNTY

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FILED OCT 17 2017 5:56

BEFORE THE

PUBLIC UTILITY COMMISSION

OF TEXAS

**WINDY HILL UTILITY CO. LLC'S RESPONSE TO COMMISSION STAFF'S THIRD
REQUEST FOR INFORMATION**

TO THE PUBLIC UTILITY COMMISSION STAFF, by and through their attorney of record Creighton McMurray, Legal Division, Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326.

COMES NOW, Windy Hill Utility Co. LLC ("Applicant" or "Windy Hill") and submits this Response to the Public Utility Commission Staff's ("Commission Staff") Third Request for Information pursuant to Tex. R. Civ. P. 190 through 198 and 16 Tex. Admin. Code § 22.144 ("TAC"). Pursuant to 16 TAC § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

Respectfully submitted,

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By:

Helen S. Gilbert

Helen S. Gilbert

ATTORNEYS FOR WINDY HILL
UTILITY CO. LLC

CERTIFICATE OF SERVICE

I hereby certify that I have or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail, or Certified Mail Return Receipt Requested on all parties on the 30th of December 2019.

Helen S. Gilbert

Helen S. Gilbert

**RESPONSES TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO WINDY HILL UTILITY CO. LLC
QUESTION NOS. STAFF 3-1 THROUGH 3-2**

Staff 3-1: Please reference Windy Hill's response to Staff RFI 2-1 filed on November 7, 2019. If additional construction projects are to be funded by outside private equity, please provide the balance sheet and written assurance of the affiliated entity that will provide the owner's equity contributions of \$888,915 as listed in the June 18, 2019 filing under "Year 3." If additional construction projects are to be funded by debt issuance or a line of credit, provide written approval of the line of credit or debt.

RESPONSE: Until such time as Windy Hill is required to expand, it is difficult to state with certainty what the amount of equity and debt will be and in what ratio, those funds will be provided. However, based on the past and current performance of Windy Hill's parent company, BVRT Utility Holding Company (Holdco), Windy Hill is confident that it will be able to provide equity and secure debt as needed to fund any construction projects. A copy of Holdco's consolidated Balance Sheet as of 9/30/19 will be produced as Confidential Documents pursuant to 16 TAC § 22.71(d). Additionally, Holdco, the majority interest owner of Windy Hill, has secured a \$1,000,000 Line of Credit from Randolph Brooks Federal Credit Union and \$6,285,000 in construction financing convertible to permanent debt for other utility subsidiary, similarly sized as Windy Hill. The RBFCU information will also be produced as Confidential Documents pursuant to 16 TAC § 22.71(d).

Staff 3-2: Please clarify if all the developer-funded collection systems are to be Contributions in Aid of Capital (CIAC), as listed in the June 18, 2019 filing. If not, provide the source of funding intended to repay the developer for installation of the utility assets. Provide written documentation supporting the financial ability of the source to fund the repayments to the developer.

RESPONSE: Until such time as Windy Hill is required to expand, it is difficult to state with certainty what the amount of CIAC will be and what amount of developer provided funding will be in the form of a long-term refundable payment. Any amounts that are refundable to developers will be recoverable in rates as long term debt. Based on the past and current performance of Windy Hill's parent company, BVRT Utility Holding Company (Holdco), Windy Hill is confident that it will be able to provide equity and secure debt as needed, to make payments to developers if and when there is a shortfall from rate base revenues in the early years of Windy Hill's expanded operations. Please see the documentation provided in Response to Request 3-1 above.