

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH



Raul Pino, M.D., M.P.H.
Acting Commissioner

Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

PUBLIC HEALTH HEARING OFFICE

January 26, 2016

VIA CERTIFIED MAIL

Mr. Christopher D. Thompson
Vice President, Business Development
Liberty Utilities Co.
345 Davis Road
Ontario Canada L6J 2X1

Re: Joint Investigation by DPH and PURA of Cedarhurst Association, Inc.'s Request to Cease Operations as a Water Company, Docket Number DPH15-06-01/PURA 15-08-24

ORDER RE INTERROGATORIES

Liberty Utilities Co. ("Liberty") is hereby **ORDERED** to provide responses to interrogatories numbered DPH-40 through DPH-46, EN-22 and EN-23, FI-18, and RA-14 and RA-15 on or before **February 17, 2016**.

- DPH-40 Describe Liberty's organizational structure. Please also provide the name and title of the person(s) who has the authority to enter into binding agreements on behalf of Liberty and the document that provides such authority.
- DPH-41 Describe Liberty's geographical proximity to the Cedarhurst Association, Inc.'s ("Cedarhurst") water system in Newtown, Connecticut.
- DPH-42 Provide a brief description of Liberty's financial, managerial and technical resources to operate the Cedarhurst water system in a reliable and efficient manner and to provide continuous, adequate service to the persons served by the system.
- DPH-43 Provide a summary of Liberty's experience acquiring and/or operating similar systems.
- DPH-44 After Liberty has inspected and done its due diligence on the Cedarhurst water system, describe how Liberty will provide water service to the customers of the Cedarhurst water system if Liberty was ordered to acquire it.
- DPH-45 Provide Liberty's current rate structure.



Phone: (860) 509-8000 • Fax: (860) 509-7184 • VP: (860) 899-1611
410 Capitol Avenue, P.O. Box 340308
Hartford, Connecticut 06134-0308
www.ct.gov/dph

Affirmative Action/Equal Opportunity Employer

- DPH-46 After Liberty has inspected and done its due diligence on the Cedarhurst water system, provide an estimate of the monthly cost to provide water service and operate the Cedarhurst water system as described in interrogatory DPH-44 and the proposed monthly rate that Liberty would charge the current customers of the Cedarhurst water system if Liberty were ordered to acquire the system.
- EN-22 (CAPITAL IMPROVEMENTS) After Liberty has inspected and done its due diligence on the Cedarhurst water system, if Liberty is selected to own and operate the Cedarhurst water system, will it be operated as a satellite water system or will it be interconnected to the Liberty water system by a main extension? Provide the estimated cost(s) associated with the operation and maintenance of the Cedarhurst water system by each option.
- EN-23 (CAPITAL IMPROVEMENTS) After Liberty has inspected and done its due diligence on the Cedarhurst water system, provide a list of capital improvements that will be needed to the Cedarhurst water system within the next five years. In addition, provide the following information:
- a. Identify the capital improvements, date(s) of completion and cost estimates.
 - b. Identify which of the capital improvements are short-term or long-term capital improvements to the Cedarhurst water system.
- FI-17 (FINANCIAL) After Liberty has inspected and done its due diligence on the Cedarhurst water system, discuss the financial suitability of Liberty to takeover and operate the Cedarhurst water system. Does Liberty have a presence in Connecticut and would it have an interest in owning and operating the Cedarhurst water system? What are Liberty's sources of funds and managerial capabilities and would these funds and managerial resources be adequate to own and operate the Cedarhurst water system?
- RA-14 (RATES) After Liberty has inspected and done its due diligence on the Cedarhurst water system, provide the base rate structure (before surcharge) that Liberty would charge the Cedarhurst customers if it is required to involuntarily acquire the Cedarhurst water system. Include unmetered and metered rates.
- RA-15 (RATES) In reference to the responses to interrogatories EN-22 and EN-23, and post inspection, provide the following information.
- a. Provide a rate surcharge and revenue requirement over a 20, 25 and 40 year recovery period. Calculate the cost recovery at 100%, 75%, 60% and 50% of the costs over the specified time periods.
 - b. How would Liberty have the Cedarhurst customers pay for any necessary and required capital improvements if ordered to acquire the Cedarhurst water system?
 - c. What long-term surcharge would Liberty assess to the Cedarhurst customers to cover these expenses? Describe these surcharges, if any, and the time period they would be in place.

In making your responses, please restate each question and answer, using a separate sheet for each interrogatory number, and identify the person responsible for the response. To the extent that the information requested above can be provided in a pre-existing form or format, please feel free to do so. However, please indicate to which question or questions such materials are submitted in response. Please note that persons responsible for responses must be available for cross-examination during the hearing and must attest to the truth and accuracy of their responses.



Kathryn Keenan, Esq.
Hearing Officer

cc: Via First Class Mail to Service List