



Liberty Utilities (Missouri Water) LLC

Case No. WA-2020-0397

Missouri Public Service Commission Data Request - 0002

Data Request Received: 2020-10-19

Response Due Date: 2020-11-06

Request No. 0002

Respondent: Jill Schwartz

Submitted by: Curt Gateley, Curtis.Gateley@psc.mo.gov

REQUEST:

Exhibit D contains a description and explanation of the anticipated capital improvements for the wastewater collection and treatment system. Please provide a similar description and explanation of the anticipated capital improvements for the drinking water treatment and distribution system. For example, how many meter replacements will be conducted for the costs shown and why are they needed? What is the chlorination system upgrade and why is it necessary?

RESPONSE:

The water system consists of approximately 93 miles of main consisting of various types of piping: asbestos concrete, cast iron, ductile iron, galvanized and PVC, and range from 1" to 16". The system contains meters ranging from ½" to 4" in size. The bulk of the meters are residential but there are commercial and industrial meters as well. The system includes seven wells that service the City. Each well has a building, pumps, motors and all necessary equipment needed to operate. Six of the wells have onsite generators for backup power. Lost and unaccounted for water for the system is approximately 8-15% per year. Based on Liberty's review, the water system appears to be in good condition and operated in a compliant manner by the City. Further, based on Liberty's review and to the best of its knowledge, the water system is in compliance with all state and federal water quality regulations and is current on all regulatory permits. Liberty's operations assessment indicated that the City has been managing and tracking their water loss in a compliant manner, and the review of operating records showed no violations. Based on its review and experience owning and operating water and wastewater systems, please see "WA-2020-0397 DR 0002 – Water Capital Improvements" for an explanation of the projected investments Liberty anticipates in first three years of operation.



Liberty Utilities (Missouri Water) LLC

Case No. WA-2020-0397

Missouri Public Service Commission Data Request - 0022

Data Request Received: 2020-10-28

Response Due Date: 2020-11-16

Request No. 0022

Respondent: Jill Schwartz

Submitted by: Curt Gateley, Curt.Gateley@psc.mo.gov

REQUEST:

Please identify and describe any promises or informal agreements regarding rates or rate moratoriums between Liberty and Bolivar not covered in the purchase agreement or application.

RESPONSE:

Liberty has not made any promises or informal agreements regarding rates or rate moratoriums. However, during the public meeting on March 17, 2020 Liberty addressed these issues and provided the following information:

1. *Liberty does not project a rate increase for [the Bolivar] systems until 2024.*
 - a. *Why? We need to evaluate the costs of compliance.*
 - b. *We must make our prudent investments in the system first, then request reimbursement through rates from the Missouri Public Service Commission (MPSC).*
2. *If voters approve [the sale], the projection is that rate increases will be less than what the City of Bolivar has proposed based on Liberty Utilities' experience, efficiency, and existing services in the area, pending regulatory approval.*
3. *When Liberty does ask for a rate increase, we believe the monthly increase will be in a range of \$8.22-\$9.52 per month for base users, or approximately 19%.*

Liberty Utilities (Missouri Water) LLC
 d/b/a Liberty Utilities or Liberty
 WA-2020-0397
 DR 0002

Projected Water Capex	Year 1	Year 2	Year 3	Explanation
SCADA	25,000	-	-	To integrate the City's current SCADA system to Liberty's system.
Chlorine Upgrade	50,000	50,000	50,000	To convert from chlorine gas to liquid sodium hypo, to ensure the safety of customers and employees.
Fire Protection	5,000	5,000	5,000	Estimated replacement of 1 fire hydrant per year.
Software Upgrade for AMR	10,000	10,000	10,000	Required upgrades by Itron and replacement of damaged ERTs.
Facilities Improvements	15,000	15,000	15,000	Well house improvements and security fencing.
Water Main Replacement	100,000	100,000	100,000	Estimated replacement of deteriorated mains in the system.
Meter Replacements	44,000	44,000	44,000	Estimated replacement of 150 meters per year to ensure compliance.
Services Replacement	70,000	70,000	70,000	Estimated replacement of deteriorated services in the system.
Vehicles/Equipment	125,575	90,000		Replacement of aged vehicles and equipment.
Total	\$ 444,575	\$ 384,000	\$ 294,000	