



Control Number: 44236



Item Number: 45

Addendum StartPage: 0

DOCKET NO. 44236

APPLICATION OF CUSTOM WATER \$ PUBLIC UTILITY COMMISSION
COMPANY, LLC FOR A RATE/TARIFF \$ OF TEXAS
CHANGE \$

RESPONSE TO COMMISSION STAFF'S FIRST REQUEST
FOR INFORMATION TO CUSTOM WATER COMPANY (CUSTOM WATER)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-22

Staff 1-1 Reference the filing, page 10. Provide the
calculation, including supporting documentation, of
the claimed Equity amount of \$39,773.

Response The equity amount was obtained from our CPA. Please
see email regarding how he arrived at the amount
below.

-----Original Message-----

From: Reece Berry <reece@noconacpa.com>

To: 'Cindy Meeks' <noconamx@aol.com>

Sent: Wed, Apr 29, 2015 10:31 am

Subject: RE: I think I got it

The equity number is the difference between assets and liabilities...what you own...what you owe.. we took the difference between net book of assets and debt. From that last report, this number has gone down due to net operating losses (increased operating expenses and repairs to the old wells and tanks plus the repairs to get the new wells online).

Again, we ignored cash and prior net income or loss in the \$39,773. However, we can argue that since the prior application, Custom has had net losses. That would reduce equity..

-----Original Message-----

From: Reece Berry <reece@noconacpa.com>

To: 'Cindy Meeks' <noconamx@aol.com>

Sent: Thu, Dec 4, 2014 10:00 am

Subject: RE: Expense chart explanation

Cindy,

Net Book Value Equip - \$379,339

Debt \$339,566

The difference in the two is \$39,773. If we ignore any cash balances or any net income or loss. Lower than the last application...

Reece

RECEIVED
NOCONACPA
DEC 4 2014
10:00 AM