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APPLICATION OF NI PACOLET § PUBLIC UTILITY COMMISSION
MILLIKEN UTILITIES, LLC TO §
PURCHASE AND TRANSFER THE § FILING CLERK
STOCK OF NI AMERICA TEXAS, LLC § OF TEXAS

**AMENDMENT TO STOCK TRANSFER APPLICATION
PURSUANT TO ORDER NO. 2**

COMES NOW Ni America Texas, LLC (Ni America Texas) and Ni Pacolet Milliken Utilities, LLC (Ni Pacolet Milliken), and file this Amendment to the Application for Transfer of Stock in Facilities and Water Certificated Service Area (CCN No. 11922).

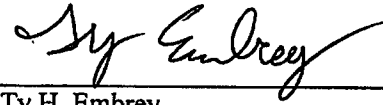
1. Ni America Texas and Ni Pacolet Milliken filed a Sale, Transfer, or Merger Application for CCN No. 11922 with the Public Utility Commission (the Commission) on April 17, 2015.
- 2 On May 14, 2015, the Applicants filed a motion to have the Application reviewed as an application for the approval of the purchase and transfer of voting stock in another utility pursuant to Water Code § 13.302 and 16 TAC § 24.111.
3. On May 19, 2015, the Commission entered Order No. 2, which granted the Applicants' motion to have the Application processed as an application for the purchase and transfer of voting stock. Additionally, Order No. 2 required the Applicants to address the deficiencies identified in the Commission Staff's memo dated May 13, 2015.
4. The first item identified in Commission Staff's memo was to provide audited historical financial statements for Ni America Texas and Ni Pacolet Milliken. Applicants are unable to provide audited historical financial statements for Ni America Texas as it is not individually audited because it is part of a consolidated company. Ni America Texas has provided its individual financial information for the past four years in Part D of the Application. Additionally, Applicants are unable to provide audited historical financial statements for Ni Pacolet Milliken as it is a newly formed entity and has no historical financial statements to audit. Applicants request that the Commission take these facts into consideration.
5. The second item identified in Commission Staff's memo was to more fully complete pages 12 through 15 of the application. Those completed pages are attached hereto as Exhibit A.

6. The third item identified in Commission Staff's memo was to provide a local office address for Ni Pacolet Milliken pursuant to 16 TAC § 24.8(a). The local office address for Ni Pacolet Milliken will be in Wise County at Ni America Texas, 2301-2 Woodrow Wilson Ray, Bridgeport, Texas 76426. Walk-in payments and new customer applications can also be made in Johnson County at Lillian Food Mart, 5209 FM 2738, Lillian, Texas 76061.
7. The fourth item identified in Commission Staff's memo was to provide documentation of the affiliation between Ni Pacolet Milliken and Pacolet Milliken Enterprises (PME) as mentioned in application Attachment 5, page 43. Ni Pacolet Milliken is a wholly-owned subsidiary of PME. The Limited Liability Company Agreement identifying PME as the sole member of Ni Pacolet Milliken is attached hereto as Exhibit B.
8. The fifth item identified in Commission Staff's memo was to clarify whether this Application will include the transfer of the proposed area requested in Docket No. 43177, which is currently pending before the Commission. Applicants do intend to include the proposed area in Docket No. 43177 in this application to transfer stock ownership. The Parties in Docket No. 43177 have filed a proposed joint notice of approval and are awaiting entry of the final Notice of Approval to add a 10-acre tract in Wise County to CCN No. 11922. The map showing the proposed area to be added to CCN No. 11922 is attached hereto as Exhibit C.
9. The sixth item identified in Commission Staff's memo was to provide a more complete list of entities who must receive notice within a two-mile radius of the proposed water service area. Applicants utilized the Commission's CCN Map Viewer to compile its list of entities. Applicants have requested further guidance from Commission Staff on which other entities need to be added to the list in order to complete it.
10. Finally, Commission Staff requested that Applicants provide the date upon which the transaction is to occur. The projected closing date for this transaction is July 30, 2015.

DATED: JUNE 1, 2015

Respectfully Submitted,

NI AMERICA TEXAS, LLC

A handwritten signature in black ink, appearing to read "Ty Embrey", written over a horizontal line.

Ty H. Embrey

State Bar No. 24025346

Lloyd, Gosselink, Rochelle, and Townsend, PC

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Index of Attachments

Exhibit A – Amended Pages 12 through 15 of the Application

Exhibit B – LLC Agreement of Ni Pacolet Milliken Utilities, LLC

Exhibit C – Map of Proposed Area to be added to CCN 11922, Pending in Docket 43177

Docket No. 44656
Amendment to Application of Ni Pacolet Milliken Utilities, LLC to
Purchase and Transfer the Stock of Ni America Texas, LLC

Exhibit A
Amended Pages 12 through 15 of the Application

Part E – Projected Information

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash		220,000.00	222,000.00	225,000.00	230,000.00	240,000.00
Accounts Receivable		125,000.00	125,000.00	126,000.00	127,000.00	128,000.00
Inventories						
Income Tax Receivable						
Other		3,100,000.00	3,200,000.00	3,300,000.00	3,400,000.00	3,500,000.00
Total		3,445,000.00	3,547,000.00	3,651,000.00	3,757,000.00	3,868,000.00
FIXED ASSETS						
Land		50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Collection/Distribution System		2,936,966.00	3,228,689.00	3,521,177.00	3,799,457.00	4,073,045.00
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves		936,966.00	1,097,966.00	1,266,466.00	1,441,966.00	1,623,466.00
Total		2,050,000.00	2,180,723.00	2,304,711.00	2,407,491.00	2,499,579.00
TOTAL ASSETS		5,495,000.00	5,727,723.00	5,955,711.00	6,164,491.00	6,367,579.00
CURRENT LIABILITIES						
Accounts Payable		25,000.00	25,000.00	26,500.00	26,500.00	27,000.00
Notes Payable, Current						
Accrued Expenses		75,000.00	80,000.00	82,000.00	85,000.00	87,500.00
Other		325,000.00	325,000.00	330,000.00	330,000.00	332,500.00
Total		425,000.00	430,000.00	438,500.00	441,500.00	447,000.00
LONGTERM LIABILITIES						
Notes Payable, Long-term		2,514,256.00	2,479,256.00	2,446,756.00	2,416,756.00	2,389,256.00
Other		17,000.00	17,500.00	18,000.00	18,500.00	19,000.00
TOTAL LIABILITIES		2,956,256.00	2,926,756.00	2,903,256.00	2,876,756.00	2,855,256.00
OWNER'S EQUITY						
Paid in Capital		1,127,280.00	1,127,280.00	1,127,280.00	1,127,280.00	1,127,280.00
Retained Equity		1,133,464.00	1,411,464.00	1,673,687.00	1,925,175.00	2,160,455.00
Other						
Current Period Profit or Loss		278,000.00	262,223.00	251,487.00	235,280.00	224,588.00
TOTAL OWNER'S EQUITY		2,538,744.00	2,800,967.00	3,052,455.00	3,287,735.00	3,512,323.00
TOTAL LIABILITIES AND EQUITY		5,495,000.00	5,727,723.00	5,955,711.00	6,164,491.00	6,367,579.00
WORKING CAPITAL		245,000.00	242,000.00	242,500.00	245,500.00	253,500.00
CURRENT RATIO		245,000.00	242,000.00	242,500.00	245,500.00	253,500.00
DEBT TO EQUITY RATIO		99.00	89.00	80.00	74.00	68.00
EQUITY TO TOTAL ASSETS		46.00	49.00	51.00	53.00	55.00

3.45 3.30 3.24 3.20 3.21

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps	1,031	1,036	1,041	1,046	1,051	1,056
New Taps Per Year	5	5	5	5	5	
Total Meters at Year End	1,036	1,041	1,046	1,051	1,056	
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees	1,007,000.00	1,011,860.00	1,016,720.00	1,021,580.00	1,026,440.00	
Other	55,000.00	56,375.00	57,784.00	59,229.00	60,710.00	
Gross Income	1,062,000.00	1,068,235.00	1,074,504.00	1,080,809.00	1,087,150.00	
OPERATING EXPENSES						
General & Administrative	140,000.00	145,600.00	151,424.00	157,481.00	163,780.00	
Interest	150,000.00	147,912.00	145,973.00	144,183.00	142,543.00	
Other	494,000.00	512,500.00	525,620.00	543,865.00	556,239.00	
NET INCOME	278,000.00	262,223.00	251,487.00	235,280.00	224,588.00	

PROJECTED EXPENSE DETAIL

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense	5,000.00	5,200.00	5,408.00	5,624.00	5,849.00	
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes	40,000.00	41,600.00	43,264.00	44,995.00	46,794.00	
Professional Fees						
Other	95,000.00	98,800.00	102,752.00	106,862.00	111,137.00	
Total	140,000.00	145,600.00	151,424.00	157,481.00	163,780.00	
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense	75,000.00	78,000.00	81,120.00	84,365.00	897,739.00	
Depreciation Expense	153,000.00	161,000.00	168,500.00	175,500.00	181,500.00	
Repair & Maintenance	28,000.00	30,000.00	32,000.00	34,500.00	37,000.00	
Supplies	8,000.00	8,500.00	9,000.00	9,500.00	10,000.00	
Other	230,000.00	235,000.00	235,000.00	240,000.00	240,000.00	
Total	494,000.00	512,500.00	525,620.00	543,865.00	556,239.00	
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms	6.00	6.00	6.00	6.00	6.00	
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income	278,000.00	262,223.00	251,487.00	235,280.00	224,588.00	
Depreciation (If Funded)	153,000.00	161,000.00	168,500.00	175,500.00	181,500.00	
Loan Proceeds						
Other	245,000.00	242,000.00	242,500.00	245,500.00	253,500.00	
Total Sources	676,000.00	665,223.00	662,487.00	656,280.00	659,588.00	
USES OF CASH						
Net Loss						
Principle Portion of Pmts.	35,000.00	35,000.00	32,500.00	30,000.00	27,500.00	
Fixed Asset Purchase	265,000.00	291,723.00	292,488.00	278,280.00	273,588.00	
Reserve						
Other	325,000.00	225,000.00	230,000.00	230,000.00	232,500.00	
Total Uses	625,000.00	551,723.00	554,988.00	538,280.00	533,588.00	
NET CASH FLOW	51,000.00	113,500.00	107,499.00	118,000.00	126,000.00	
DEBT SERVICE COVERAGE						
Cash Available for Debt	1.46	3.24	3.31	3.93	4.58	
SERVICE (CADS)						
Net Income (Loss)						
Depreciation, or Reserve Interest						
Total						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest						
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

Docket No. 44656
Amendment to Application of Ni Pacolet Milliken Utilities, LLC to
Purchase and Transfer the Stock of Ni America Texas, LLC

Exhibit B

LLC Agreement of Ni Pacolet Milliken Utilities, LLC

**LIMITED LIABILITY COMPANY AGREEMENT
OF
NI PACOLET MILLIKEN UTILITIES, LLC
A DELAWARE LIMITED LIABILITY COMPANY

EFFECTIVE AS OF FEBRUARY 25, 2015**

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This Limited Liability Company Agreement is made and entered into by its sole member, PACOLET MILLIKEN ENTERPRISES, INC.

RECITALS:

WHEREAS, NI PACOLET MILLIKEN UTILITIES, LLC has been formed pursuant to the Delaware Limited Liability Company Act, as amended, by the filing of a Certificate of Formation with the Delaware Secretary of State on February 25, 2015; and

WHEREAS, the sole Member of the Company desires to adopt this Limited Liability Company Agreement to govern the operation and management of the Company.

NOW, THEREFORE, the Member agrees as follows:

ARTICLE I

DEFINITIONS

The following terms used in this Limited Liability Company Agreement shall have the following meanings (unless otherwise expressly provided herein):

- (a) “Act” means the Delaware Limited Liability Company act, as amended.
- (b) “Capital Account” means, as of any given date, the Capital Contribution to the Company by a Member, as adjusted up to such date pursuant to Article VIII.
- (c) “Capital Contribution” means any contribution to the capital of the Company in cash or property by a Member in respect of its Membership Interest whenever made.
- (d) “Certificate of Formation” means the Certificate of Formation of the Company as filed with the Delaware Secretary of State, Corporate Division, as amended from time to time.
- (e) “Code” means the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.
- (f) “Company” means NI PACOLET MILLIKEN UTILITIES, LLC, a Delaware limited liability company.
- (g) “Entity” means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association, or any foreign trust or foreign business organization.
- (h) “Financial Rights” means the right to share in the income and loss of the Company and the right to share in distributions.
- (i) “Fiscal Year” means the Company’s fiscal year, which shall be the calendar year.

(j) “Initial Capital Contribution” means the initial contribution to the capital of the Company by a Member pursuant to this Limited Liability Company Agreement.

(k) “Limited Liability Company Agreement” means this Limited Liability Company Agreement, as amended from time to time.

(l) “Manager” means the Person appointed as Manager pursuant to Section 5.2, or any other Person that succeeds such Manager in his capacity as manager or any other Person who is elected to act as manager of the Company as provided herein. “Managers” refers to such Persons as a group. References to the Manager in the singular or as him, her, it, itself, or other like references shall also, where the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.

(m) “Member” means each of the parties who executes a counterpart of this Limited Liability Company Agreement as a Member and each of the parties who may hereafter become Members. The initial Members are named in Article IV.

(n) “Membership Interest” means a Member’s entire interest in the Company, including such Member’s right to vote and such other rights and privileges that the Member may enjoy by being a Member.

(o) “Person” means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such “Person” where the context so permits.

(p) “Reserves” means, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Members for working capital and to pay taxes, insurance, debt service, or other costs or expenses incident to the ownership or operation of the Company’s business.

(q) “Treasury Regulations” shall include temporary, and final regulations promulgated under the Code in effect as of the date of filing the Certificate of Formation and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

(r) “Voting Rights” means the right of a Member to vote on any matter as provided in this Limited Liability Company Agreement or under the Act.

ARTICLE II

FORMATION OF COMPANY

2.1 Formation. On February 25, 2015, the Company was organized as a Delaware limited liability company by executing and delivering its Certificate of Formation to the Delaware Secretary of State in accordance with and pursuant to the Act.

2.2 Name. The name of the Company is NI PACOLET MILLIKEN UTILITIES, LLC.

2.3 Principal Place of Business. The principal place of business of the Company shall be 105 Corporate Drive, Suite A, Spartanburg, South Carolina, 29303. The Company may locate its places of business and registered office at any other place or places as the Members may from time to time deem advisable.

2.4 Registered Office and Registered Agent. The Company's initial registered office in the State of Delaware shall be at CORPORATION TRUST CENTER, 1209 ORANGE STREET, WILMINGTON, DELAWARE 19801. The name of its initial registered agent at such address shall be THE CORPORATION TRUST COMPANY. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Delaware Secretary of State pursuant to the Act.

ARTICLE III

BUSINESS OF COMPANY

3.1 Permitted Businesses. The business of the Company shall be:

(a) To accomplish any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets;

(b) To exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act; and

(c) To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

ARTICLE IV

NAMES AND ADDRESSES OF MEMBERS; MEMBERSHIP INTERESTS

4.1 Names and Addresses. The names and addresses of the initial Members are as follows:

<u>NAME</u>	<u>ADDRESS</u>
PACOLET MILLIKEN ENTERPRISES, INC.	105 CORPORATE PLACE SUITE A SPARTANBURG, SC 29303

4.2 Membership Interests. All Membership Interests in the Company shall be held by PACOLET MILLIKEN ENTERPRISES, INC.

ARTICLE V

RIGHTS AND DUTIES OF MANAGERS

5.1 Management. The business and affairs of the Company shall be managed by its Managers. The Managers shall have such power and authority as set forth in Section 5.4.

5.2 Appointment of Managers. The Manager of the Company, as of the date of this Limited Liability Company Agreement, is PACOLET MILLIKEN ENTERPRISES, INC.

5.3 Number, Tenure, and Qualifications. The Company shall initially have one Manager. The number of Managers of the Company shall be fixed from time to time by Members who own a majority of the Membership Interests in the Company, but in no instance shall there be less than one Manager. Each Manager shall hold office until his successor shall have been elected and qualified. Managers shall be elected by Members who own a majority of the Membership Interests in the Company. Managers need not be residents of the State of Delaware or Members of the Company.

5.4 Authority of Manager. Except for situations in which the approval of the Members is expressly required by this Limited Liability Company Agreement or by non-waivable provisions of applicable law, the Managers shall have full and complete authority, power, and discretion to manage and control the business, affairs, and properties of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business.

5.5 Limitation of Liability of Managers, Assistant Managers, and Officers. Each Manager, Assistant Manager, and officer who performs his or her duties as Manager, Assistant Manager, or officer in accordance with this Limited Liability Company Agreement shall not have any liability by reason of being or having been a Manager, Assistant Manager, or officer of the Company. The Managers, Assistant Managers, and officers do not, in any way, guarantee the return of the Members' Capital Contributions or a profit for the Members from the operations of the Company. No Manager, Assistant Manager, or officer shall be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of such Manager's, Assistant Manager's, or officer's gross negligence or willful misconduct.

5.6 Managers, Assistant Managers, Officers, and Members Have No Exclusive Duty to Company. A Manager, Assistant Manager, or officer shall not be required to manage the Company as his or her sole and exclusive function. Any Manager, Assistant Manager, or officer and any Member may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, by virtue of this Limited Liability Company Agreement, to share or participate in such other investments or activities of any Manager, Assistant Manager, officer, or Member or to the income or proceeds derived therefrom. Neither any Manager, Assistant Manager, officer, nor Member shall incur any liability to the Company or to any of the Members as a result of engaging in any other business or venture.

5.7 Bank Accounts. The Managers may from time to time open bank accounts in the name of the Company and be signatories thereon, unless the Members determine otherwise.

5.8 Indemnity of Managers, Assistant Managers, Officers, Employees, and Other Agents. The Company and the Members shall jointly and severally indemnify, hold harmless, and defend each Manager, Assistant Manager, and officer from and against any and all claims that are brought against such Manager, Assistant Manager, or officer (and make advances for expenses) in connection with or related to his or her service as Manager, Assistant Manager, or officer of the Company to the maximum extent permitted under the Act, except that a Manager, Assistant Manager, or officer shall not be indemnified for acts of gross negligence or willful misconduct. The Company shall indemnify its employees and other agents who are not Managers to the fullest extent permitted by law, provided that such indemnification in any given situation is approved by Members who own a majority of the Membership Interests in the Company.

5.9 Resignation. Any Manager, Assistant Manager, or officer of the Company may resign at any time by giving written notice to the Members of the Company. The resignation of any Manager, Assistant Manager, or officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager, Assistant Manager, or officer who is also a Member shall not affect the Manager's, Assistant Manager's, or officer's rights as a Member and shall not constitute a withdrawal of a Member.

5.10 Removal. At a meeting called expressly for that purpose, all or any lesser number of Managers, Assistant Managers, or officers may be removed at any time, with or without cause, by Members who own a majority of the Membership Interests in the Company. In addition, the Manager may remove any Assistant Manager or officer by written notice to such Assistant Manager or officer. The removal of a Manager, Assistant Manager, or officer who is also a Member shall not affect the Manager's, Assistant Manager's, or officer's rights as a Member and shall not constitute a withdrawal of a Member.

5.11 Vacancies. Any vacancy occurring for any reason in the number of Managers of the Company may be filled by Members who own a majority of the Membership Interests in the Company. Any Manager's position to be filled by reason of an increase in the number of Managers shall be filled by Members who own a majority of the Membership Interests in the Company.

5.12 Compensation. The compensation of the Managers, Assistant Managers, and officers, if any, shall be fixed from time to time by Members who own a majority of the Membership Interests in the Company, and no Manager, Assistant Manager, or officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Member of the Company.

5.13 Right to Rely on the Managers, Assistant Managers, and Officers.

(a) Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by any Manager, Assistant Manager, or officer as to:

- (i) The identity of any Manager, Assistant Manager, officer, or any Member;
- (ii) The existence or nonexistence of any fact or facts that constitute a condition

precedent to acts by any Manager, Assistant Manager, or officer, or that are in any other manner germane to the affairs of the Company;

- (iii) The Persons who are authorized to execute and deliver any instrument or document of the Company; or
- (iv) Any act or failure to act by the Company or any other matter whatsoever involving the Company or any Member.

5.14 Appointment of Assistant Managers. Either the Managers, or the Members who own a majority of the Membership Interests in the Company, may appoint one or more Assistant Managers from time to time, which Assistant Managers shall have the same authority, power, and discretion as the Managers, as described in Section 5.4. Each Assistant Manager shall serve until his death, resignation, or removal by the Managers or by the Members who own a majority of the Membership Interests in the Company.

5.15 Appointment of Officers. From time to time, the Managers appoint such officers of the Company (including, without limitation, a president, vice president, secretary, and treasurer) as the Managers may deem appropriate, and unless the Managers decide otherwise, if the title is one commonly used for officers of a business corporation, the appointment of such officer to such office shall constitute the delegation to such officer of the authority and duties that are normally associated with that office. Any number of offices may be held by the same person. Any appointment made pursuant to this Section 5.15 may be revoked at any time by the Managers.

ARTICLE VI

RIGHTS AND OBLIGATIONS OF MEMBERS

6.1 Limitation of Liability. Each Member's liability shall be limited to the maximum extent permitted under this Limited Liability Company Agreement, the Act, and other applicable law.

6.2 Company Debt Liability. A Member will not be personally liable for any debts or losses of the Company beyond any obligation of the Member under Section 8.1 to make Capital Contributions.

6.3 List of Members. Upon written request of any Member, the Managers shall provide a list showing the names, addresses, and Membership Interests of all Members.

6.4 Company Books. The Members shall maintain and preserve, during the term of the Company, and for a reasonable time thereafter, all accounts, books, and other relevant Company documents.

6.5 Priority and Return of Capital. Except as may be expressly provided in Article IX, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to net profits, net losses, or distributions; provided, however, that this Section shall not apply to loans (as distinguished from Capital Contributions) that a Member has made to the Company.

6.6 Amendment of Limited Liability Company Agreement. This Limited Liability Company Agreement may only be amended by Members who own a majority of the Membership Interests in the Company, provided that no amendment shall affect adversely a Member's economic rights as an equity owner or reduce a Member's percentage ownership without such Member's consent.

ARTICLE VII

MEETINGS OF MEMBERS

7.1 Annual Meeting. The annual meeting of the Members shall be held at the discretion of the Managers for the purpose of the transaction of such business as may come before the meeting.

7.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Manager or by any Member.

7.3 Place of Meetings. The Members may designate any place, either within or outside the State of Delaware, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the Company.

7.4 Notice of Meetings. Except as provided in Section 7.5, written notice stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the Managers or person calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two calendar days after being deposited in the United States mail, addressed to the Member at his, her, or its address as it appears on the books of the Company, with postage thereon prepaid.

7.5 Manner of Acting. The affirmative vote of Members holding a majority of the Membership Interests in the Company shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Certificate of Formation or this Limited Liability Company Agreement.

7.6 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Managers of the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

7.7 Action by Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the necessary Members required to approve such action, and delivered to the Managers of the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section is effective when the Members required to approve such action have signed the consent, unless the consent specifies a different effective

date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

7.8 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE VIII

CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

8.1 Members' Capital Contributions. Each Member shall contribute such amount as is set forth on Exhibit A hereto as his, her, or its Initial Capital Contribution.

8.2 Capital Accounts.

(a) A separate Capital Account will be maintained for each Member. Each Member's Capital Account will be increased by (1) the amount of money contributed by such Member to the Company; (2) the fair market value of property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code); (3) allocations to such Member of net profits; and (4) any items in the nature of income and gain that are specially allocated to the Member. Each Member's Capital Account will be decreased by (1) the amount of money distributed to such Member by the Company; (2) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Section 752 of the Code); (3) any items in the nature of deduction and loss that are specially allocated to the Member; and (4) allocations to the account of such Member of net losses.

(b) In the event of a permitted sale or exchange of a Membership Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest in accordance with Section 1.704-1(b)(2)(iv) of the Treasury Regulations.

(c) The manner in which Capital Accounts are to be maintained pursuant to this Section 8.2 is intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 8.2 should be modified in order to comply with Section 704(b) of the Code and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in this Section 8.2, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

(d) Upon liquidation of the Company, liquidating distributions will be made in accordance with the positive Capital Account balances of the Members, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid in accordance with Section 11.2(b). The Company may offset damages for breach of this Limited Liability Company Agreement by a

Member whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to such Member.

(e) Except as otherwise required in the Act (and subject to Section 8.1 and 8.2), no Member shall have any liability to restore all or any portion of a deficit balance in such Member's Capital Account.

8.3 Withdrawal or Reduction of Members' Contributions to Capital.

(a) A Member shall not receive out of the Company's property any part of his, her, or its Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them.

(b) A Member, irrespective of the nature of his, her, or its Capital Contribution, has only the right to demand and receive cash in return for his, her, or its Capital Contribution.

ARTICLE IX

ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS, AND REPORTS

9.1 Allocations. All net profits, net losses, credits, deductions, and other items for income tax purposes shall be allocated among the Members in proportion to their ownership of Membership Interests in the Company.

9.2 Distributions. All distributions of property and money shall be made to the Members in proportion to their ownership of Membership Interests in the Company.

9.3 Accounting Principles. The profits and losses of the Company shall be determined in accordance with accounting principles applied on a consistent basis.

9.4 Interest On and Return of Capital Contributions. No Member shall be entitled to interest on his, her, or its Capital Contribution or to return of his, her, or its Capital Contribution, except as otherwise specifically provided for herein.

9.5 Loans to Company. Nothing in this Limited Liability Company Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

9.6 Accounting Period. The Company's accounting period shall be the calendar year.

9.7 Company Records. The Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known business, residence, or mailing address of each Member and Manager;

(b) A copy of the Certificate of Formation of the Company and all amendments thereto;

- (c) Copies of the Company's currently effective written Limited Liability Company Agreement;
- (d) Minutes of every annual and special meeting of the Members;
- (e) Any written consents obtained from Members for actions taken by Members without a meeting;
- (f) Copies of the Company's federal, state and local income tax returns and financial statements for the six (6) most recent fiscal years, or, if such returns and statements were not prepared for any reason, copies of the information and statements provided to, or which should have been provided to, the Members to enable them to prepare their federal, state and local income tax returns for such period; and
- (g) Copies of the Company's annual reports filed with the Delaware Secretary of State, Corporations Division.

9.8 Returns and other Elections. The Members shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business.

ARTICLE X

TRANSFERABILITY

10.1 General. Without the prior written consent of Members owning a majority of the Membership Interests in the Company, no Member shall have the right to sell, assign, transfer, exchange, or otherwise transfer for consideration, or gift, bequeath, or otherwise transfer for no consideration, whether or not by operation of law, all or any part of his, her, or its Membership Interest. Each Member hereby acknowledges the reasonableness of the restrictions on transfer of Membership Interests imposed by this Limited Liability Company Agreement in view of the Company purposes and the relationship of the Members. Accordingly, the restrictions on transfer contained herein shall be specifically enforceable. No Member shall pledge or otherwise encumber any of his, her, or its Membership Interest as security for repayment of a liability without the prior written consent of Members who own a majority of the Membership Interests in the Company.

10.2 Rights of Transferee. Unless and until admitted as a Member of the Company in accordance with Section 10.3, the transferee of a Membership Interest shall not be entitled to any of the Voting Rights or other rights or privileges of a Member, except that the transferee shall be entitled to the Financial Rights of the transferor. Such transferee shall be subject to all of the terms and conditions of this Limited Liability Company Agreement.

10.3 Admission of Transferees as Members. A transferee of a Membership Interest may be admitted as a Member of the Company upon furnishing to the Company all of the following:

- (a) The written consent of Members owning a majority of the Membership Interests in the Company;

(b) The acceptance, in a form satisfactory to Members owning a majority of the Membership Interests in the Company, of all the terms and conditions of this Limited Liability Company Agreement;

(c) Payment of such reasonable expenses as the Company may incur in connection with his, her, or its admission as a Member; and

(d) An opinion of counsel satisfactory to the Company that such transfer will not terminate the Company under Section 708 of the Internal Revenue Code or adversely affect the Company from being taxed as a partnership for federal income tax purposes, unless the receiving of such opinion is waived by Members owning a majority of the Membership Interests in the Company.

10.4 Admission of New Members. New Members to the Company may only be admitted with the consent of Members owning a majority of the Membership Interests in the Company, upon compliance with all terms specified by the Managers, and upon receipt by the Company of an opinion of counsel, satisfactory in form and substance to Members owning a majority of the Membership Interests in the Company, that neither the offering nor the proposed sale of the Membership Interest will violate any federal or applicable state securities laws and that neither such offering nor sale will adversely affect the Company from being taxed as a partnership for federal income tax purposes, unless the receiving of such opinion is waived by Members owning a majority of the Membership Interests in the Company. No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company.

ARTICLE XI

DISSOLUTION AND TERMINATION

11.1 Dissolution. The Company shall be dissolved by the unanimous written agreement of the Members. Neither the death, retirement, resignation, expulsion, bankruptcy, nor dissolution of a Member nor the occurrence of any other event that terminates the continued membership of a Member in the Company shall cause a dissolution or termination of the Company.

11.2 Winding Up, Liquidation, and Distribution of Assets.

(a) Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities, and operations, from the date of the last previous accounting until the date of dissolution. The Managers shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Managers shall:

- (i) Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Managers may determine to distribute any assets to the Members in kind),
- (ii) Allocate any net profit or net loss resulting from such sales to the Members'

Capital Accounts in accordance with Article IX hereof,

- (iii) Discharge all liabilities of the Company, including liabilities to Members who are also creditors, to the extent otherwise permitted by law, other than liabilities to Members for distributions and the return of capital, and establish such Reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members, the amounts of such Reserves shall be deemed to be an expense of the Company),
- (iv) Distribute the remaining assets in the following order:
 - (1) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members shall be adjusted pursuant to the provisions of Article IX and Section 8.2 of this Limited Liability Company Agreement to reflect such deemed sale.
 - (2) The positive balance (if any) of each Member's Capital Account (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs) shall be distributed to the Members, either in cash or in kind, as determined by the Managers, with any assets distributed in kind being valued for this purpose at their fair market value. Any such distributions to the Members in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Treasury Regulations.

(c) Notwithstanding anything to the contrary in this Limited Liability Company Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a deficit Capital Account (after giving effect to all contributions, distributions, allocations, and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation, and distribution of the assets, the Company shall be deemed terminated.

(e) The Managers shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

11.3 Certificate of Dissolution. When all debts, liabilities, and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, a certificate of dissolution shall be executed and

filed with the Delaware Secretary of State, which certificate shall set forth the information required by the Act.

11.4 Return of Contribution Nonrecourse to other Members. Except as provided by law or as expressly provided in this Limited Liability Company Agreement, upon dissolution, each Member shall look solely to the assets of the Company for the return of his, her, or its Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Members, such Member or Members shall have no recourse against any other Member.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Limited Liability Company Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or Company's address, as appropriate, that is set forth in this Limited Liability Company Agreement. Except as otherwise provided herein, any such notice shall be deemed to be given three business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid.

12.2 Books of Account and Records. Proper and complete records and books of account shall be kept or shall be caused to be kept by the Members in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company.

12.3 Application of Delaware Law. This Limited Liability Company Agreement, and the application of interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Delaware, and specifically the Act, without giving effect to its conflict of law provisions.

12.4 Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company any right that he, she, or it may have to maintain any action for partition with respect to the property of the Company.

12.5 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney, and other instruments necessary to comply with any laws, rules, or regulations.

12.6 Construction. Whenever the singular number is used in this Limited Liability Company Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

12.7 Headings and Pronouns. The headings in this Limited Liability Company Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Limited Liability Company Agreement or any

provision hereof. All pronouns and only variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural as the identity of the Person or Persons may require.

12.8 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Limited Liability Company Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

12.9 Rights and Remedies Cumulative. The rights and remedies provided by this Limited Liability Company Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

12.10 Severability. If any provision of this Limited Liability Company Agreement or the application thereof to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Limited Liability Company Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

12.11 Heirs, Successors, and Assigns. Each and all of the covenants, terms, provisions, and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Limited Liability Company Agreement, their respective heirs, legal representatives, successors, and assigns.

12.12 Creditors. None of the provisions of this Limited Liability Company Agreement shall be for the benefit of or enforceable by any creditors of the Company.


12.13 Counterparts. This Limited Liability Company Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

CERTIFICATE

The undersigned hereby agree, acknowledge, and certify that the foregoing Limited Liability Company Agreement constitutes the Limited Liability Company Agreement of the Company adopted by the sole Member of the Company as of February 25, 2015.

SOLE MEMBER:

PACOLET MILLIKEN ENTERPRISES, INC

By: 
Name: William P. Crawford, Jr.
Title: SVP/ General Counsel

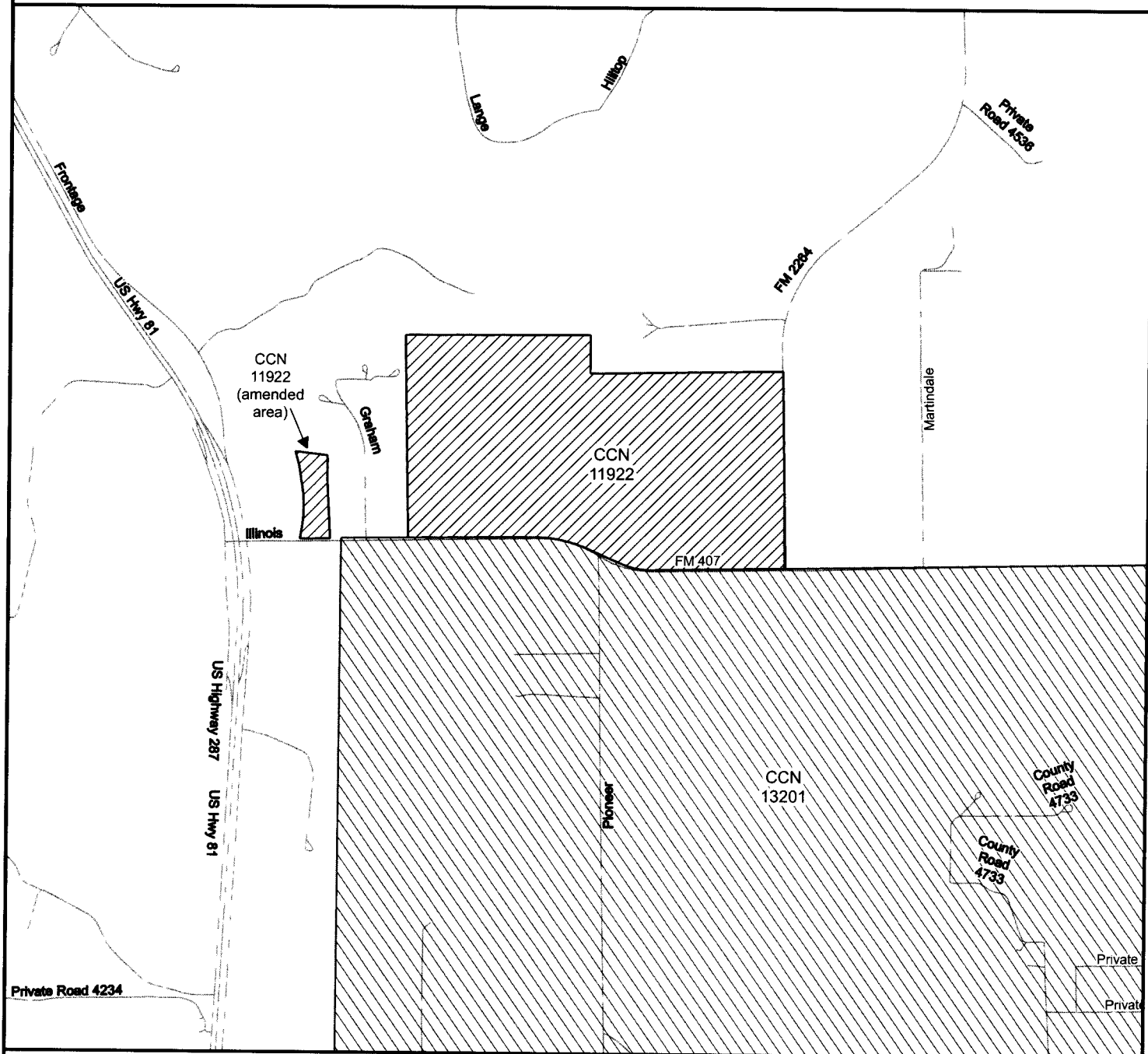
MEMBERSHIP INTERESTS IN THE COMPANY

<u>Members</u>	<u>Membership Interest</u>	<u>Initial Capital Contributions</u>
PACOLET MILLIKEN ENTERPRISES, INC.	100%	\$100

Docket No. 44656
Amendment to Application of Ni Pacolet Milliken Utilities, LLC to
Purchase and Transfer the Stock of Ni America Texas, LLC



Exhibit C
Map of Proposed Area to be Added to CCN 11922,
Pending in Docket 43177

Ni America Texas, LLC
 Portion of Water Service Area
 CCN No. 11922
 PUC Docket No. 43177
 Amended CCN No. 11922 in Wise County



Public Utility Commission of Texas
 1701 N. Congress Ave
 Austin, TX 78701

Water CCN Service Areas

-  11922 - Ni America Texas LLC
-  13201 - Aqua Texas Inc

0 1,000 2,000
 Feet

Map by: Suzanne Burt
 Date created: April 15, 2015
 Project path: n:/gis/projects/applications/43177.mxd