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APPLICATION OF NI PACOLET
MILLIKEN UTILITIES, LLC TO
PURCHASE AND TRANSFER THE
STOCK OF NI AMERICA TEXAS, LLC §
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PUBLIC UTILITY COMMISSION
FILED JUL 24 2015
OF TEXAS

**SUPPLEMENT TO STOCK TRANSFER APPLICATION
PURSUANT TO ORDER NO. 3**

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

1. On June 30, 2015, the Public Utility Commission of Texas (the Commission) entered Order No. 3, which required the Applicants to cure all deficiencies described by the Commission Staff in its June 29, 2015 filing and attached memo.
2. The first item identified in the Commission Staff's memo was to provide historical financial statements for Ni America Texas and Ni Pacolet Milliken.
3. Ni America Texas is not individually audited because it is part of a consolidated company, Ni America Capital Management LLC. On July 24, 2015, to supplement the Application, Applicants confidentially filed historical financial information related to Ni America Texas.
4. Ni Pacolet Milliken does not have individually audited historical financial statements because it is a newly formed entity and has no historical financial statements to audit. On July 22, 2015, to supplement the Application, Applicants confidentially filed historical financial information related to Ni Pacolet Milliken's parent company, Pacolet Milliken Enterprises (PME). Applicants also confidentially filed a letter from PME's independent auditor regarding Ni Pacolet Milliken's financials.
5. The second item identified in the Commission Staff's memo was to provide information to document how the Purchaser is able to pay the purchase price of \$7,875,000 for a utility with a netbook value of \$2,053,124, to provide documentation of a loan agreement if the Purchaser is using loans to acquire the stock, and to demonstrate that the Purchaser can pay the cost of the

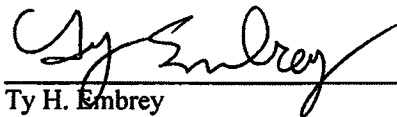
acquisition plus provide sufficient financial backing for the utility to be able to provide continuous and adequate service for at least the first five years of operations.

6. The transfer of stock ownership in Ni America Texas to Ni Pacolet is part of a larger transaction. The transaction included utilities in Florida and South Carolina, of which the Texas business represented 5% of the purchase price allocation. Therefore, the total purchase price was analyzed based on combined results of the company, Ni America Capital Management. The transaction can be reviewed using an EBITDA multiple similar to valuations of publicly traded companies. Additionally, the sale of Ni America Capital Management was conducted under a bid process from which there were multiple bids received, thus creating an inherent value in excess of rate base. The purchase was made with cash, so there is no loan agreement. Finally, Applicants believe that the financial information filed confidentially on July 22, 2015 demonstrates that PME is capable of paying the cost of the acquisition plus providing continuous and adequate service for at least the first five years of operations, if and when any customers develop within this currently empty CCN.

DATED: JULY 24, 2015

Respectfully Submitted,

NI AMERICA TEXAS, LLC



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