

Control Number: 45001



Item Number: 25

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APPLICATION OF RANCH COUNTRY	§	PUBLIC UTILITY COMMISSION
OF TEXAS, INC. TO AMEND A WATER	§	FILING CLERK
CERTIFICATE OF CONVENIENCE	§	OF TEXAS
AND NECESSITY IN AUSTIN COUNTY	§	

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO RANCH COUNTRY OF TEXAS, INC.  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-5**

Pursuant to Tex. Admin Code § 22.144 (TAC), the Staff of the Public Utility Commission of Texas (Staff) requests that Ranch Country of Texas, Inc. by and through its attorney of record, provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78712-3326.

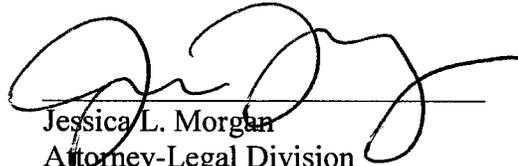
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Dated: April 18, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director-Legal Division

Karen S. Hubbard  
Managing Attorney-Legal Division



Jessica L. Morgan  
Attorney-Legal Division  
State Bar No. 24079023  
(512) 936-7229  
(512) 936-7268 (facsimile)  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78712-3326

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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on April 18, 2016, in accordance with 16 TAC § 22.74.



Jessica L. Morgan

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**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO RANCH COUNTRY OF TEXAS, INC.  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-5**

**DEFINITIONS**

- A. "Ranch Country," or "You" refers to Ranch Country of Texas, Inc. and any person acting or purporting to act on his behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.
- B. "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do not exist and these documents will be provided.

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**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO RANCH COUNTRY OF TEXAS, INC.  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-5**

**INSTRUCTIONS**

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to 16 TAC § 22.144(g)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO RANCH COUNTRY OF TEXAS, INC.  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-5**

- Staff 2-1** Please refer to the Projected Income Statement (for the proposed CCN amendment water system only, not all of Ranch Country) filed in Ranch Country's Response to Question Nos. Staff 1-1 Through 1-4 (AIS Item No. 21).
- a) Please complete the Projected Income Statement including the interest amounts due each year in relation to the shareholder note amount of \$50,000. If the shareholder note is paid off please respond that is the case and provide a revised Projected Income Statement excluding the shareholder note. If the shareholder note is still valid, please ensure the amounts carry forward into the company financial statements.
  - b) Please complete the Projected Income Statement with "fees" and "other" completed in the GROSS INCOME section of the statement for all years requested.
  - c) Please describe and explain what income constitutes the line item "other" for each year and provide a monetary amount for each.
- Staff 2-2** Please refer to the Projected Expenses Statement (for all of Ranch Country) filed in Ranch Country's Response to Questions Nos. Staff 1-1 Through 1-4 (AIS Item No. 21). Please provide amounts for depreciation expense and any other relevant amounts for all years reported in the Projected Expenses Statement. Please also ensure that depreciation expense ties to the appropriate cross-referencing schedules.
- Staff 2-3** Please refer to the Projected Sources and Uses of Cash Statement (for all of Ranch Country) chart filed in Ranch Country's Response to Question Nos. Staff 1-1 Through 1-4 (AIS Item No. 21).
- a) Please describe and explain what constitutes "other" for each year requested in the statement an amount is reported for "other." Please provide a monetary amount for each item categorized as other.
  - b) Please identify each appropriate amount for principle portion of payments for each year in relation to the shareholder note amount of \$50,000.
  - c) Please identify all appropriate amounts for depreciation (if funded) amounts for each year requested in the statement.
- Staff 2-4** Please complete Attachment A - Projected Balance Sheet (for all of Ranch Country)
- a) Please ensure that accumulated depreciation ties to the depreciation expense totals included in the Projected Income Statements provided in Ranch Country's Response to Question Nos. Staff 1-1 through Staff 1-4.
  - b) Please ensure that the notes payable, either long-term or current, properly reflect the shareholder note amount of \$50,000 for each year reported.

**Staff 2-5**

Please submit an amortization schedule reflecting annual interest and principal payments the shareholder note in the amount of \$50,000 for all projected years reported in the application and Ranch Country's Response to Question Nos. Staff 1-1 through Staff 1-4. If the shareholder note is paid off, please state that is the case.

# Attachment A

## PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
<b>TOTAL ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>TOTAL LIABILITIES</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO</b>						
<b>EQUITY TO TOTAL ASSETS</b>						