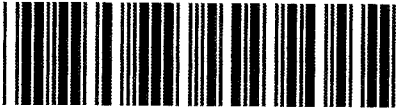




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Addendum StartPage: 0

DOCKET NO. 45400

APPLICATION OF TERRACE
ACRES WATER SUPPLY
CORPORATION AND BOLIVAR
WATER SUPPLY CORPORATION
FOR SALE, TRANSFER, OR
MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN
DENTON COUNTY

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PUBLIC UTILITY COMMISSION

2016 MAR 17 AM 9:19

PUBLIC UTILITY COMMISSION
FILING CLERK

OF TEXAS

**TERRACE ACRES WATER SUPPLY CORPORATION
AND BOLIVAR WATER SUPPLY CORPORATION
RESPONSE TO COMMISSION STAFF'S FIRST
REQUEST FOR INFORMATION**

Staff 1-1 Please reference page 13 of 23 of Applicant's on-line application titled, "Projected Income Statement." The projected income statement contains projections which are necessary to complete the technical portion of the STM review. Please complete this form for the project next 5 years for the buyer, Bolivar WSC.

RESPONSE: See attached.

Staff 1-2 Please reference page 10 of 23 of Applicant's on-line application titled, "Historical Income Statement." The historical income statement contains historical information which is necessary to complete the technical portion pf the STM review. Please complete this form for the seller, Terrace Acres WSC.

RESPONSE: See attached.

Respectfully submitted,

LAW OFFICES OF MARK H. ZEPPA, PC
4833 Spicewood Springs Road, Suite 202
Austin, TX 78759
(512) 346-4011
FAX (512) 346-6847

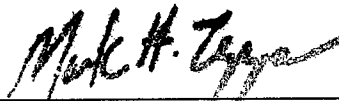
By: _____



Mark H. Zeppa
State Bar No. 22260100

CERTIFICATE OF SERVICE

I, Mark H. Zeppa, counsel for the Applicant, certify the foregoing pleading was served in accordance with 16 TAC § 22.74 on March 15, 2016.

A handwritten signature in black ink, appearing to read "Mark H. Zeppa", written over a horizontal line.

Mark H. Zeppa

PROJECTED INCOME STATEMENT

2016 2017 2018 2019 2020

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps	3203	3253	3353	3453	3553	3553
New Taps Per Year	50	100	100	100	100	450
Total Meters at Year End	3253	3353	3453	3553	3653	3653
METER REVENUE						
Fees Per Meter	3825.-	3825.-	3825.-	3825.-	3825.-	19,125.-
Cost Per Meter	600.-	600.-	600.-	600.-	600.-	3,000.-
Operating Revenue Per Meter	3225.-	3225.-	3225.-	3225.-	3225.-	16,125.-
GROSS WATER REVENUE						
Fees	2,500,000	2,800,000	3,200,000	3,500,000	3,800,000	15,800,000
Other	100,000	250,000	300,000	400,000	500,000	1,500,000
Gross Income	2,600,000	3,050,000	3,500,000	3,900,000	4,300,000	17,300,000
OPERATING EXPENSES						
General & Administrative	2,000,000	2,300,000	2,500,000	2,700,000	2,900,000	12,400,000
Interest	75,000	75,000	68,000	64,000	61,000	343,000
Other	100,000	200,000	300,000	300,000	400,000	1,300,000
NET INCOME	428,225	525,225	635,225	839,225	942,225	3,307,125

Jan-Feb
2016

NO Records Provided

HISTORICAL INCOME STATEMENT	CURRENT YEAR (A)	A-1 YEAR 2015	A-2 YEAR 2014	A-3 YEAR 2013	A-4 YEAR 2012	A-5 YEAR 2011
METER NUMBER						
Existing Number of Taps	29	29	29	29		
New Taps Per Year	0	0	0	0		
Total Meters at Year End	29	29	29	29		
METER REVENUE						
Fees Per Meter						
Cost Per Meter	N/A					
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees	2886. ⁰⁰	19,444. ⁰⁰	19,971. ⁰⁰	21,641. ⁰⁰		
Other	-	-	-	-		
Gross Income	2886. ⁰⁰	19,444. ⁰⁰	19,971. ⁰⁰	21,641. ⁰⁰		
OPERATING EXPENSES						
General & Administrative	1200. ⁰⁰	8000. ⁰⁰	7700. ⁰⁰	7,800. ⁰⁰		
Interest	-	-	-	-		
Other	-	-	-	-		
NET INCOME	1686. ⁰⁰	11,444. ⁰⁰	12,271. ⁰⁰	13,841. ⁰⁰		