

Control Number: 46150



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SOAH DOCKET NO. 473-17-0685.WS  
PUC DOCKET NO. 46150

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APPLICATION OF PK-RE §  
DEVELOPMENT COMPANY, INC. §  
DBA OAK SHORES WATER SYSTEM §  
AND UNDINE DEVELOPMENT, LLC §  
FOR SALE, TRANSFER OR MERGER §  
OF FACILITIES AND CERTIFICATE §  
RIGHTS IN TRAVIS COUNTY §

PUBLIC UTILITY COMMISSION  
OF TEXAS  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S SECOND REQUEST FOR  
INFORMATION TO UNDINE DEVELOPMENT, LLC  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-5**

Pursuant to 16 Tex. Admin. Code (TAC) § 22.144, the Staff (Staff) of the Public Utility Commission of Texas (Commission) requests that Undine Development, LLC (Undine) by and through its attorneys 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 78711-3326.

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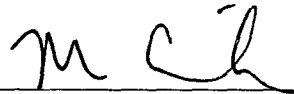
Dated: January 18, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney



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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on January 18, 2017, in accordance with 16 Tex. Admin. Code § 22.74.



Michael Crnich

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INFORMATION TO UNDINE DEVELOPMENT, LLC  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-5**

**DEFINITIONS**

- 1) "Undine," "the Company," or "you" refers to collectively, Undine Development LLC and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.
- 2) "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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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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QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-5**

- Staff 2-1            Provide a copy of the projected financial statements (balance sheet, cash flow, and income statement) for five years from 2017 to 2021 for Undine Utility, LLC.
- Staff 2-2            Provide a copy of the projected financial statements (balance sheet, cash flow, and income statement) for five years from 2017 to 2021 for Undine Development, LLC.
- Staff 2-3            Please provide the accounting journal entries in the buyer's (Undine Development's) books to record the sale transaction. The accounting journal entries should show the acquisition adjustment amount and associated account number and name.
- Staff 2-4            If Undine is planning to obtain loans to fund the acquisition costs of the system, please provide a copy of documentation of the proposed or existing loan for this transaction.
- Staff 2-5            Please refer to page 5 of the application, Question No. 11.C, which states: "Describe the source and availability of funds required to make the planned or required improvements, if any, to meet the minimum requirements of the TCEQ and PUC and ensure continuous and adequate service." The Applicant responded: "Undine Development, LLC is funded through personal equity and bank financing. Additional funding information will be provided upon request." Please provide the following information:
- a) Provide the name of the bank which will provide financing;
  - b) Provide the amount of the approved credit line of Undine Development, LLC and its owner, if any;
  - c) List whose personal equity is mentioned in the above statement; and
  - d) Provide evidence that funds are available to invest in "personal equity."