

Control Number: 47178



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DOCKET NO. 47178

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APPLICATION OF RICHARD
SULLIVAN AND MICHAEL & HEIDI
FENSTERBUSH FOR SALE, TRANSFER,
OR MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN LUBBOCK
COUNTY (VALLEY ESTATES)

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PUBLIC UTILITY COMMISSION

OF TEXAS

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO MICHAEL & HEIDI FENSTERBUSH (VALLEY ESTATES WATER SERVICE)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

Pursuant to 16 Tex. Admin. Code Ann. § 22.144 (TAC), the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) requests that Heidi and Michael Fensterbush (Purchasers), by and through their attorney(s) 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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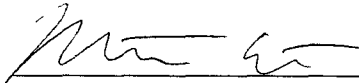
Dated: August 18, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

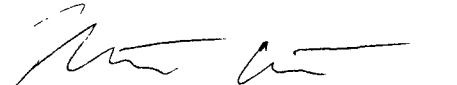


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CERTIFICATE OF SERVICE

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



Matthew A. Arth

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO MICHAEL & HEIDI FENSTERBUSH (VALLEY ESTATES WATER SERVICE)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

DEFINITIONS

- A. "Purchasers," "Valley Estates Water Service" or "you" refers to Michael and Heidi Fensterbush and any person acting or purporting to act on their 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 FIRST REQUEST FOR INFORMATION
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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 FIRST REQUEST FOR INFORMATION
TO MICHAEL & HEIDI FENSTERBUSH (VALLEY ESTATES WATER SERVICE)
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

- Staff 1-1 Please provide documentation such as personal financial statements to support the position that Heidi Fensterbush and Michael Fensterbush (Purchasers) can meet one of the leverage tests pursuant to 16 Tex. Admin. Code § 24.11(e)(2). The financial information provided should demonstrate that the Purchasers generate sufficient income and/or cash flow to meet the contract agreement payment terms of \$5,000 per month provided in the supplemental information filed in this docket by the Purchasers on July 19, 2017. This financial information should also show that the Purchasers have the ability to maintain a debt coverage ratio greater than 1.25, or the ability to maintain a debt-to-equity ratio of less than one (1).
- Staff 1-2 Please indicate if the financial statements filed on July 19, 2017 in this docket, pages 9 through 15, are for the operation of the Valley Estates Water Service system only. If not, please indicate the entity or entities represented by the financial statements.
- Staff 1-3 For the financial statements referenced in Staff RFI 1-2:
- a. Please amend the statements so that the accounting is correct; specifically that assets = liabilities + owner's equity;
 - b. Reconcile the detailed expense amounts to the expenses claimed on pages 10 and 13 of that same filing; and
 - c. Amend the financial statements to include net income effects on the balance sheets as appropriate.
- Staff 1-4 Please provide any voluminous data electronically in Microsoft Excel format, especially the general ledgers and financial statements. Staff notes that confidential information may be filed using the Commission's confidential filing instructions located on the Commission's website.