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APPLICATION OF BOLIVAR UTILITY §  
SERVICES, LLC FOR AUTHORITY TO §  
CHANGE SEWER RATES §

PUBLIC UTILITY COMMISSION  
OF TEXAS

### ORDER REQUIRING RESPONSES

This Order identifies the issues that must be addressed by Bolivar Utility Services, LLC regarding its financial capabilities and additional sources of revenue. In accordance with the Commission's decisions at the October 12, 2018 and November 8, 2018 open meetings, Bolivar shall file responses to the following questions:

#### Questions regarding Bolivar

1. How can Bolivar not collect 70% of its revenue requirement and remain a viable operation that can provide continuous and adequate service to its customers when its rates cannot even cover its operating expenses?
2. Has Bolivar been operating in this revenue-short position since its last rate case in 2015?
3. What amount of loans has Bolivar taken from its parent and what are the terms of repayment, including repayment obligations? How often has it received such loans and in what amounts?
4. What sources of revenue, other than rates, have been available to Bolivar and what is the amount of that revenue? What assurances exist that such revenue sources will remain at those levels in the next few years? Is any of this revenue restricted to certain uses, and if so, what are those uses?

#### Questions regarding Allco LLC

5. What is Allco's financial ability and standing?
6. Does Allco have a standing line of credit to cover any loans to Bolivar? If so, what are the terms of that credit line? If not, what funds are available to make loans to Bolivar? What assurances exist that such funds will be available in the future?

7. How much can Allco loan Bolivar in any one year? In total?

Questions regarding contributions in aid of construction

8. What is the nature of Bolivar's identified developer contributions in aid of construction? What were the annual amounts collect over the past four years and who is paying them? What have these fees been used for? Are there any restrictions on the use of these funds?

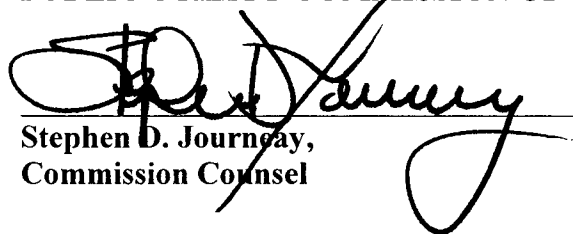
9. How much money has been collected by Bolivar for line extension fees over the past four years and who has paid them? What have these fees paid for? Are there any restrictions on the use of these fees? What assurances exist that such payments will continue in the future?

10. How much money has been collected by Bolivar for low pressure installation fees and who has paid them? What are these funds used for? Are there any restrictions on the use of such funds? What assurances exist that such payments will continue in the future?

Please file your responses in this docket within 30 days of the date of this Order. Final disposition of this docket will be scheduled after your filing.

**Signed at Austin, Texas the 8th day of November 2018.**

**PUBLIC UTILITY COMMISSION OF TEXAS**



Stephen D. Journey,  
Commission Counsel