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DOCKET NO. 42898

APPLICATION OF HARLINGEN
WATERWORKS SYSEM AND
EAST RIO HONDO WATER SUPPLY
CORPORATION FOR SALE,
TRANSFER, OR MERGER OF
CERTIFICATE RIGHTS IN CAMERON
COUNTY

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PUBLIC UTILITY COMMISSION

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STAFF'S RESPONSE TO ORDER NO. 3

Commission Staff of the Public Utility Commission of Texas files this Response to Order No. 3 and would show the following:

I. BACKGROUND

On July 8, 2013, the City of Harlingen Waterworks System (Harlingen) and East Rio Hondo Water Supply Corporation (Rio Hondo) filed an Application for Sale, Transfer, or Merger of a Retail Pubic Utility pursuant to TEX. WATER CODE ANN. §§ 13.246(c), 13.254, 13.301 and 30 TEX. ADMIN. CODE Section 291.109.

Order No. 3, issued September 10, 2014, required that within 10 working days of Harlingen and East Rio Hondo submitting proof that the sale has been consummated, Commission Staff shall file its recommendation regarding the sufficiency of the sales documents. The parties filed a Bill of Sale on March 27, 2015. Ten working days from March 27, 2015 is April 10, 2015. This response is therefore timely filed.

II. STAFF'S RECOMMENDATION ON SUFFICIENCY OF PROOF OF SALE DOCUMENTS

The parties submitted a Sale and Transfer Agreement documenting the transaction on March 27, 2015. The "Sale and Transfer Agreement" references Exhibits 1, 2, and 3, which are not attached to that agreement. Harlingen has clarified that Exhibit 1 can be found in the Commission's Interchange at item number 4, Exhibit A. Exhibit 2 can be found in the Commission's Interchange at item number 4, Exhibit C. Finally, Exhibit 3 can found in the

Commission's Interchange at item number 9, page 83 of 112. With this clarification, Staff finds that sufficient proof that the sale has been consummated has been provided.

Staff will prepare maps and certificates for the parties' review and consent. If both parties concur with the information provided in the maps and certificates and sign the provided consent forms, Staff will make a recommendation that the transaction be approved and request that a final order be issued.

Staff proposes that by May 11, 2015, Harlingen and East Rio Hondo sign and return the consent forms provided by Staff, or that parties file a status update on May 11, 2015 if the consent forms have not yet been returned.


III. CONCLUSION

Staff respectfully requests that the Administrative Law Judge find that parties have submitted sufficient documentation that the sale has been consummated. Staff also requests that by May 11, 2015, Harlingen and East Rio Hondo sign and return the consent forms provided by Staff, or parties will file a status update on that date.

Respectfully Submitted,


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CERTIFICATE OF SERVICE

I certify that a copy of this document was served his document was served on all parties of record on April 9, 2015 in accordance with P.U.C. Procedural Rule 22.74.



Katherine Lengieza Gross