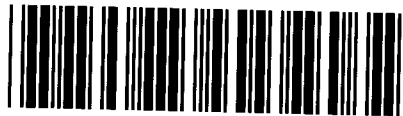


Control Number: 42948



Item Number: 15

Addendum StartPage: 0

PUC DOCKET NO. 42948

APPLICATION OF QUADVEST, L.P.
TO ACQUIRE AND TRANSFER
FACILITIES HELD BY BAYER
UTILITY, CCN NO. 12281, IN HARRIS
COUNTY, TEXAS

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PUBLIC UTILITY COMMISSION
OF
TEXAS

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STAFF'S STATUS UPDATE

Comes Now, Staff (Staff) of the Public Utility Commission of Texas (Commission) and files this Status Update. In support of its Request, Staff states the following:

I. BACKGROUND AND STATUS UPDATE

On February 8, 2013, Quadvest, L.P. (Quadvest) and Bayer Utility (Bayer) filed an Application with the Texas Commission on Environmental Quality (TCEQ for Sale, Transfer, or Merger of a Retail Pubic Utility pursuant to TEX. WATER CODE ANN. §§ 13.246, 13.254 and 13.301 and 30 TEX. ADMIN. CODE § 291.109.¹ The application addressed the proposed sale from Bayer to Quadvest of its water utility system and transfer of service area Certificate of Convenience and Necessity (CCN) No. 12281 in Harris County, Texas. The TCEQ accepted the application for filing on April 22, 2013. Sufficient notice was provided to all affected and interested parties by May 16, 2013. The end of the comment period for protests was June 13, 2013; no protests were received. Therefore no public hearing was required.

By letter dated September 23, 2013, the TCEQ instructed the parties to proceed with the sale from Bayer to Quadvest. TCEQ directed the parties to provide documents supporting the disposition of customer deposits with closing documents in order to fulfill the second part of the application, to transfer CCN No. 12281 to Quadvest.

On July 2, 2014, the parties provided the TCEQ the signed contract and transfer serving as bill of sale and information regarding the disposition of customer deposits, in accordance with

¹ Currently P.U.C. SUBST. R. 24.109.

30 TEX. ADMIN. CODE § 291.112(e).² Effective September 1, 2014, functions relating to the economic regulation of water utilities transferred from the TCEQ to the Commission.³

On September 26, 2014, Order No. 2 was issued requiring Staff to file an update on the status of the proceeding, to file a recommendation on the need for a hearing or on final disposition of the application, or to propose a procedural schedule by October 15, 2014. Therefore, this Status Update is timely filed.

II. RECOMMENDATION

No hearing is necessary. Staff's next steps are to prepare final maps, tariffs, and CCN certificates and request approval of these documents from the parties. Staff anticipates being able to complete these tasks and make a final recommendation consistent with the following proposed schedule.

III. PROPOSED SCHEDULE

In response to Order No. 2, Staff proposes the following procedural schedule:

Event	Date
Application Received	February 8, 2013
Application Accepted for Filing	April 22, 2013
TCEQ Approval of Transfer	September 23, 2013
TCEQ Received Closing Documents	July 2, 2014
<i>Proposed Deadlines:</i>	
Deadline for Commission Staff's Recommendation on Final Disposition	December 18, 2014
Deadline for Parties to File a Joint Proposed Order	January 6, 2015

IV. CONCLUSION

Staff respectfully requests that the Administrative Law Judge enter an order consistent with this filing.

² Currently P.U.C. SUBST. R. 24.112(e)

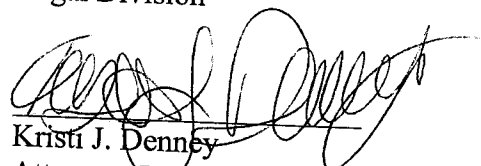
³ See House Bill (HB) 1600 and Senate Bill (SB) 567, the 83rd Legislature.

DATED: October 15, 2014

Respectfully Submitted,

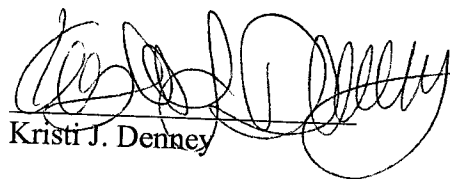
Joseph P. Younger
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division


Kristi J. Denney
Attorney, Legal Division
State Bar No. 24074129
(512) 936-7290
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

**PUC DOCKET NO. 43002
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on October 15, 2014 in accordance with P.U.C. Procedural Rule 22.74.


Kristi J. Denney