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APPLICATION OF AQUA UTILITIES, §  
 INC. AND AQUA TEXAS, INC. FOR §  
 SALE, TRANSFER, OR MERGER OF §  
 FACILITIES AND TO AMEND §  
 CERTIFICATES OF CONVENIENCE §  
 AND NECESSITY IN CHAMBERS, §  
 JEFFERSON AND LIBERTY §  
 COUNTIES (GRAY UTILITY §  
 SERVICE WATER SYSTEM; 37943-S) §

PUBLIC UTILITY COMMISSION

 2016 MAR -9 AM 10:59  
 PUBLIC UTILITY COMMISSION  
 OF TEXAS FILING CLERK

### AQUA TEXAS' STATUS REPORT

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

Aqua Utilities, Inc. and Aqua Texas, Inc. ("Aqua Texas") file this Status Report in Response to Order No. 15 and state the following.

#### I. BACKGROUND

On June 4, 2014, Aqua Texas filed an application with the Texas Commission on Environmental Quality (TCEQ) regarding the sale, transfer, or merger (STM) and amendment of Certificate of Convenience and Necessity (CCN) No. 11157 held by Aqua Utilities, Inc. in Chambers, Jefferson, and Liberty Counties, Texas pursuant to TEX. WATER CODE ANN. § 13.301 and Title 16, TEX. ADMIN. CODE (16 TAC) §§ 24.109 and 24.112. Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities and this case formerly pending at the TCEQ was transferred to the Commission. On January 7, 2016, the ALJ issued Order No. 15 approving the sale and directing Aqua Texas to proceed with the transfer. Pursuant to Order No. 9, the parties were directed to file monthly status updates on the status of the transaction beginning on February 9, 2016. Aqua Texas filed the first Status Report on February 9, 2016. The second status report is due on March 9, 2016. Therefore, this Status Report is timely filed.

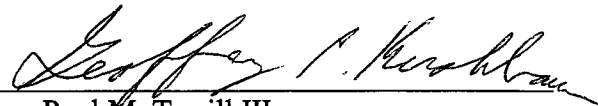
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## II. STATUS UPDATE

Aqua Texas is diligently working toward completing the transaction, but it has not yet finalized all components needed for same. Thus, the approved transaction is not complete at this time. If necessary, Aqua Texas will file its next monthly status report by April 8, 2016. Alternatively, pursuant to 16 TAC § 24.112(d) and Order No. 15, Aqua Texas will file proof within the next month that the approved transfer was consummated and that customer deposits were addressed after completing the transfer process.

**Respectfully submitted,**

**THE TERRILL FIRM, P.C.**

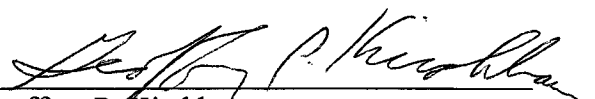
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**ATTORNEYS FOR AQUA UTILITIES, INC.  
AND AQUA TEXAS, INC. D/B/A AQUA TEXAS**

## CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on March 9, 2016 in accordance with P.U.C. Procedural Rule 22.74.

  
Geoffrey P. Kirshbaum