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DOCKET NO. 42958

**APPLICATION OF AQUA UTILITIES, §
INC. AND AQUA TEXAS, INC. D/B/A §
AQUA TEXAS 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

OF TEXAS

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COMMISSION STAFF'S RECOMMENDATION ON CLOSING DOCUMENTS

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Recommendation on Closing Documents. In support thereof, Staff shows the following:

I. BACKGROUND

On June 4, 2014, Aqua Utilities, Inc. dba Aqua Texas (Seller or Aqua Utilities) and Aqua Texas dba Aqua Texas Inc. (Buyer or Aqua Texas) (collectively, Applicants) submitted an application with the Texas Commission on Environmental Quality (TCEQ) to transfer portions of water service areas and water system assets held by Aqua Utilities CCN No. 11157 to Aqua Texas CCN No. 13203 in Chambers, Jefferson and Liberty Counties pursuant to Tex. Water Code Ann. § 13.301 and Title 16, Tex. Admin. Code (16 TAC) §§ 24.109 and 24.112.

On January 7, 2016, the Administrative Law Judge issued Order No. 15 requiring Staff to file its recommendation on the adequacy of the closing documents and propose a schedule for the continued processing of this docket within thirty days following the filing of the Applicants' proof that the transaction has been consummated and customer deposits have been addressed. On January 3, 2017, the Applicants filed a Bill of Sale, Affidavit of Closing, and documentation regarding how the customer deposits were addressed. Accordingly, this pleading is timely filed.

II. STAFF'S RECOMMENDATION

As supported by the attached memorandum from Debbie Reyes Tamayo, Program Specialist with the Water Utility Regulation Division, Staff has reviewed the documents and finds them sufficient pursuant to 16 Tex. Admin. Code § 24.109 (TAC). Therefore, Staff recommends

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the documents filed by the Applicants meet the criteria for final approval of the application and have complied with the requirements of 16 TAC § 24.109.

III. PROPOSED PROCEDURAL SCHEDULE

Staff recommends the following procedural schedule be adopted for the continued processing of this docket:

<u>Event</u>	<u>Date</u>
Deadline for Staff to provide final maps and certificates to Applicants for review and consent	February 22, 2017
Deadline for Applicant to file signed consent forms with the Commission	March 7, 2017
If no hearing is requested, deadline for Commission Staff to file a final recommendation on the Application	March 11, 2017
If no hearing is requested, deadline for parties to file joint proposed findings of fact and conclusions of law	March 18, 2017

IV. CONCLUSION

Staff respectfully requests the entry of an order consistent with the above Recommendation.


Dated: February 2, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
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 on February 2, 2017, in accordance with 16 TAC § 22.74.



Ralph J. Daigneault

PUC Interoffice Memorandum

To: Ralph Daigneault, Attorney
Legal Division

Thru: Tammy Benter, Director
Lisa Fuentes, Manager
Debi Loockerman, Manager
Water Utilities Division

From: Debbie Reyes Tamayo, Program Specialist
Tracy Montes, GIS Specialist
Heidi Graham, Manager
Fred Bednarski III, Financial & Managerial Review Specialist
Komal Patel, GIS Specialist
Water Utilities Division

Date: February 2, 2017

Subject: **Docket No. 42958;** *Application of Aqua Utilities, Inc. and Aqua Texas, Inc. d/b/a Aqua Texas for Sale, Transfer and Merger of Facilities and to Amend Certificates of Convenience and Necessity (CCN) in Chambers, Jefferson and Liberty Counties (37943-S)*

On June 4, 2014, Aqua Utilities, Inc. dba Aqua Texas (Seller or Aqua Utilities) and Aqua Texas dba Aqua Texas Inc. (Buyer or Aqua Texas) (collectively, Applicants) submitted an application with the Texas Commission on Environmental Quality (TCEQ) to transfer portions of water service areas and water system assets held by Aqua Utilities, CCN No. 11157 to Aqua Texas, CCN No. 13203 in Chambers, Jefferson and Liberty Counties. As a result of the transaction, both the Buyer's and Seller's water CCN's will be amended to reflect the transfer. The application was filed pursuant to the criteria in the Tex. Water Code §§ 13.241, 13.246, and 13.301 (TWC). On September 1, 2014, the rates and CCN programs were transferred from the TCEQ to the Public Utility Commission (PUC or Commission). This application was part of the transfer and is now under the PUC's purview and is now being reviewed under 16 Tex. Admin. Code §§ 24.102, 24.109 and 24.112 (TAC) and TWC §§ 13.241, 13.246 and 13.301.

Pursuant to 16 TAC § 24.109(f), under Order No. 15, Item No. 39, Staff recommended the Applicant to proceed with the proposed transaction and that a public hearing was not necessary. Staff also recommended that the Applicant file documentation as evidence that all assets have been transferred to the acquiring entity and that the disposition of any remaining deposits be addressed pursuant to 16 TAC § 24.109(f).

On January 3, 2017, the Applicant filed a Bill of Sale, Affidavit of Closing, and documentation regarding how the customer deposits were addressed. Staff has reviewed the documents and finds them sufficient.