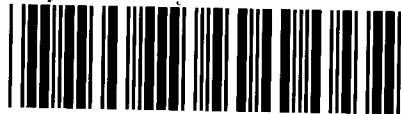


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APPLICATION OF AQUA UTILITIES, §
 INC. AND AQUA TEXAS, INC. FOR §
 SALE, TRANSFER, OR MERGER OF §
 FACILITIES AND TO AMEND §
 CERTIFICATES OF CONVENIENCE §
 AND NECESSITY IN CHAMBERS, §
 JEFFERSON AND LIBERTY §
 COUNTIES (GRAY UTILITY §
 SERVICE WATER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

PUBLIC UTILITY COMMISSION

2017 MAR 16 PM 1:59
 PUBLIC UTILITY COMMISSION
 OF TEXAS FILING CLERK

**JOINT MOTION FOR ADMISSION OF EVIDENCE AND ADOPTION OF PROPOSED
 NOTICE OF APPROVAL**

COME NOW, Aqua Utilities, Inc. and Aqua Texas, Inc. (together, Aqua Texas or Applicants) and the Staff of the Public Utility Commission of Texas (Staff) (collectively, the Parties) and file this Joint Motion for Admission of Evidence and Adoption of Proposed Notice of Approval. In support thereof, the Parties show the following.

I. BACKGROUND

On June 14, 2014, Aqua Texas, Inc. d/b/a Aqua Texas, together with Aqua Utilities, Inc., filed an application (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Texas pursuant to Texas Water Code § 13.301(TWC) and 16 Texas Administrative Code (TAC) §§ 24.109 and 24.112 (now repealed). Subsequently, jurisdiction over the Application was transferred to the Commission.

On February 6, 2017, the Administrative Law Judge (ALJ) issued Order No. 18 deeming the Application and Applicants' closing documentation sufficient and establishing a procedural schedule. Order No. 18 directed Parties to file a request to admit evidence and proposed notice

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of approval, including findings of fact, conclusions of law, and ordering paragraphs by March 17, 2017. Therefore, this pleading is timely filed.

II. JOINT MOTION TO ADMIT EVIDENCE

The Parties move to admit the following evidence into the record of this proceeding:

- a. The Applicants' June 4, 2014 Application (Item No. 1, filed September 25, 2014).
- b. Applicants' amendments to Application filed on October 20, 2014 (Item No. 5), Aqua Texas' Response to Order No. 4 (Item No. 9), Aqua Texas' Response to Order No. 6 (Item No. 14), Aqua Texas's Supplemental Response to Order No. 6 (Item No. 17), Aqua Texas' Response to Order No. 10 (Item No. 24), Aqua Texas' Response to Order No. 11 (Item No. 27), and Aqua Texas' Supplemental Response to Order No. 11 (Item No. 28).
- c. Affidavit dated September 30, 2015, attesting to notice mailed on September 25, 2015 (Item No. 32).
- d. Aqua Texas' Response to Order No. 14 (Item No. 37).
- d. Applicants' closing documents and bill of sale (Item No. 52).
- e. Commission Staff's Recommendation on Closing Documents and attachments thereto (Item No. 58).
- f. Applicant's consent form (Item No. 60).
- g. Commission Staff's Recommendation on Final Disposition

III. JOINT MOTION FOR ADOPTION OF PROPOSED NOTICE OF APPROVAL

The attached Proposed Notice of Approval would grant the Applicants' Application to sell/transfer a portion of Aqua Utilities, Inc.'s service areas served under Certificate of Convenience and Necessity No. 11157 to Aqua Texas, Inc., to transfer certain water system facilities used in those areas to Aqua Texas, Inc., and to amend Aqua Texas, Inc.'s CCN No. 13203 accordingly.

IV. CONCLUSION

The Parties respectfully request that the Commission grant the joint motions to admit the evidence specified above and adopt the attached proposed Notice of Approval.

Respectfully submitted,

TERRILL & WALDROP

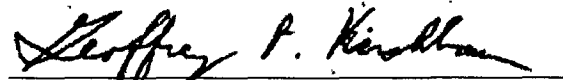
By: 

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**ATTORNEYS FOR AQUA UTILITIES, INC.
AND AQUA TEXAS, INC.**

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on March 16, 2017 in accordance with P.U.C. Procedural Rule 22.74.


Geoffrey P. Kirshbaum

PUC DOCKET NO. 42958

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

NOTICE OF APPROVAL

This Notice addresses the application of Aqua Utilities, Inc. (Aqua Utilities) and Aqua Texas, Inc. d/b/a Aqua Texas (Aqua Texas) (collectively, Applicants) for the sale, transfer, or merger of facilities and certificate rights in Chambers, Jefferson, and Liberty Counties, Texas. The application, as amended, is approved.

The Commission adopts the following findings of fact, conclusions of law and ordering paragraphs.

I. FINDINGS OF FACT

Procedural History, Description, and Background

1. On June 10, 2014, Aqua Utilities, Inc. and Aqua Texas, Inc. d/b/a Aqua Texas filed an application for the sale transfer, or merger of facilities and certificate rights to multiple service areas in Chambers, Jefferson, and Liberty Counties with the Texas Commission on Environmental Quality (TCEQ) pursuant to Texas Water Code §§ 13.241, 13.246, and 13.301 (TWC) and 16 Texas Administrative Code (TAC) Subchapter G (Application).
2. Aqua Utilities, Inc. holds water certificate of convenience and necessity (CCN) No. 11157.
3. Aqua Texas, Inc. holds water CCN No. 13203.

4. Aqua Texas, Inc. d/b/a Aqua Texas is acquiring certain Aqua Utilities, Inc. water customers, service areas, and associated facilities located in Chambers, Jefferson, and Liberty Counties, which includes all water systems that Aqua Utilities, Inc. previously acquired from Gray Utility Service, L.L.C, plus improvements thereto. Approximately 1,619 current customers are affected.
5. Approval of the Application would result in multiple portions of CCN No. 11157, with associated facilities and customers, being transferred to CCN No. 13203.
6. Effective September 1, 2014, jurisdiction over the economic regulation of water and sewer utilities was transferred from the TCEQ to the Commission. This Application, once pending at TCEQ, is now before the Commission for consideration.
7. On January 5, 2015, the Commission issued Order No. 4, deeming the application incomplete and deficient and establishing deadlines and an opportunity to cure.
8. On January 30, 2015, Aqua Texas filed its Response to Order No. 4.
9. On April 1, 2015, Order No. 6 was issued finding the application incomplete and deficient and establishing deadlines and an opportunity to cure.
10. On April 7, 2015, Aqua Texas filed its Response to Order No. 6. On May 22, 2015, Aqua Texas filed its supplemental response to Order No. 6.
11. On June 29, 2015, Order No. 10 was issued finding the Application incomplete and deficient.
12. On July 2, 2015, Aqua Texas filed its Response to Order No. 10.
13. On July 21, 2015, Order No. 11 was issued finding the Application incomplete and deficient.

14. On July 23, 2015, Aqua Texas filed its Response to Order No. 11. On August 12, 2015, Aqua Texas filed its Supplemental Response to Order No. 11.
15. On September 4, 2015, Order No. 12 was issued deeming the Application sufficient, addressing notice and establishing procedural schedule.
16. On December 7, 2015, Order No. 14 was issued requiring responses and adopting a supplemental procedural schedule.
17. On December 18, 2015, Aqua Texas filed its Response to Order No. 14.
18. On January 7, 2016, Order No. 15 was issued approving the sale and authorizing the transaction to proceed.
19. On January 3, 2017, Applicants filed a Bill of Sale and other closing documents to show that the transaction was finalized, a Customer Deposits Report, and Motion for Protective Order.
20. On January 17, 2017, Order No. 17 was issued, entering a protective order in this proceeding.
21. On February 2, 2017, Commission Staff filed its recommendation on the sufficiency of Applicants' closing documents finding that the documents and closing deposits report were sufficient to show that the transaction was fully completed and that customer deposits had been properly addressed.
22. On February 6, 2016, Order No. 18 was issued deeming Applicants' closing documentation sufficient and establishing a further procedural schedule.
23. On March 7, 2017, Aqua Texas, Inc. filed a signed consent form for the proposed amended map of CCN No. 13203 and proposed amended certificates as emailed by Commission Staff on February 21, 2017.

24. On March 10, 2017, Commission Staff filed a Recommendation on Final Disposition, recommending the application be approved.

Notice

25. On October 2, 2015, Aqua Texas filed an affidavit of notice attesting to mailing notice to affected customers and neighboring, systems, landowners, or cities on September 25, 2015.

Evidentiary Record

26. On March 16, 2017, Applicants filed a joint proposed notice of approval and request to admit evidence.
27. On _____, 2017, an order was issued in the docket admitting evidence into the record.

Informal Disposition

28. More than 15 days have passed since completion of all notice required for this docket.
29. Aqua Utilities, Inc., Aqua Texas, Inc., and Commission Staff are the only parties to this proceeding.
30. No protests, motions to intervene, or requests for hearing were filed in this docket; therefore, no hearing was necessary.

II. CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this proceeding pursuant to TWC §§ 13.041, 13.241, 13.246, 13.251 and 13.301.
2. Aqua Utilities, Inc. and Aqua Texas, Inc. are water utilities are defined in TWC § 13.002(23).
3. Public notice of the Application was provided as required by TWC § 13.301(a)(2).

4. The Application was processed in accordance with the requirements of TWC §§ 13.301 and 13.251, and the requirements of 16 TAC §§ 24.102, 24.109, and 24.112 (now repealed).
5. Aqua Utilities and Aqua Texas completed the sale within 365 days from the date of the Commission's approval of the sale, consistent with Order No. 15 and 16 TAC § 24.112(e) (now repealed).
6. After consideration of the factors in TWC § 13.246(c), Aqua Texas, Inc. has demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested areas.
7. Aqua Utilities, Inc. and Aqua Texas, Inc. have demonstrated that the certificate transfer requested in this Application is necessary for the service, accommodation, convenience, and safety of the public.
8. Under TWC § 13.257(r) and 16 TAC § 24.106(e), Aqua Texas is required to record a certified copy of the approved CCN map, along with a boundary description of the service area, in the real property records of each county in which the service area or portion of the service area is located, and submit to the Commission evidence of the recording.
9. The requirements for informal disposition pursuant to 16 TAC § 22.35 have been met in this proceeding.

III. ORDERING PARAGRAPHS

In accordance with these findings of fact and conclusions of law, the Commission issues the following Order:

1. The Application, as amended, is approved.

2. Aqua Utilities, Inc. CCN No. 11157 is amended, consistent with this Notice, to reflect decertification and removal of certain service areas, systems and associated facilities as described in the Application which are hereby transferred to Aqua Texas, Inc. d/b/a Aqua Texas CCN No. 13203.
3. Aqua Utilities, Inc. shall continue to serve every customer and applicant for service within the area covered by its CCN No. 11157, and such service shall be continuous and adequate.
4. Aqua Texas, Inc. d/b/a Aqua Texas' CCN No. 13203 is amended consistent with this Notice, reflecting the addition of the water service areas, systems, and associated facilities described in the Application, which are transferred from Aqua Utilities, Inc. CCN No. 11157.
5. Aqua Texas, Inc. shall serve every customer and applicant for service within the additional and existing areas covered by its CCN No. 13203, and such service shall be continuous and adequate.
6. Aqua Texas shall comply with the recording requirements in TWC § 13.257(r) for the areas in Chambers, Jefferson, and Liberty counties affected by the Application and submit to the Commission evidence of recording no later than 31 days after receipt of this Notice.
7. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

SIGNED AT AUSTIN, TEXAS the ____ day of March 2017.

ADMINISTRATIVE LAW JUDGE