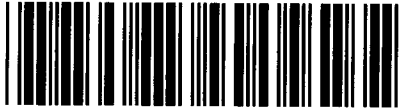




Control Number: 42959



Item Number: 20

Addendum StartPage: 0

**DOCKET NO. 42959**

**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  
MCLENNAN COUNTY (T&A WATER  
AND VLS INC. WATER SYSTEMS;  
37944-S)**

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**PUBLIC UTILITY COMMISSION**  
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**TEXAS**

**COMMISSION STAFF'S RESPONSE TO ORDER NO. 8 AND PROPOSED  
PROCEDURAL SCHEDULE**

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files this Response to Order No. 8 and Proposed Procedural Schedule. In support of its Response, Staff states the following:

**I. BACKGROUND**

On June 4, 2014, Aqua Texas, Inc. d/b/a Aqua Texas (Applicant) 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 McLennan County, 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 September 29, 2014, Order No. 2 Requiring Comments on Status 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 20, 2014.

On October 20, 2014, Staff filed its Response to Order No. 2 and requested that the Administrative Law Judge extend the deadline for Staff to file its recommendation on processing the application until Friday, December 19, 2014. On October 21, 2014, Order No. 2 Granting Extension was issued, requiring Staff to file a recommendation on the need for a hearing or on final disposition, or to propose a procedural schedule for processing this proceeding by

December 19, 2014. On December 19, 2014, Staff filed its Recommendation on the Application, in which Staff identified multiple deficiencies in the application and notice and requested that the Applicant be given additional time to cure the deficiencies. On January 5, 2015, the Administrative Law Judge issued Order No. 4 directing the Applicant to file an amended application to cure the deficiencies by January 30, 2015. The Applicant file supplemental mapping information to cure the identified deficiencies on January 30, 2015, and Staff timely filed its Response to Order No. 4, Status Report, and Request for extension of deadline on February 13, 2015.<sup>1</sup> On February 19, 2015, the Administrative Law Judge issued Order No. 5 granting Staff's request and extending the deadline for Staff to file its supplemental recommendation on sufficiency of the application and notice, and a proposed procedural schedule, until March 30, 2015.

On March 30, 2015, Staff filed its Response to Order No. 5 and Recommendation on the Application in which Staff recommended that the application remained deficient and requested that the Applicant be given additional time to cure the deficiencies. On March 31, 2015, the Administrative Law Judge issued Order No. 6 directing the Applicant to file supplemental information to cure the identified mapping and notice by April 7, 2015 and directing Staff to file a second supplemental recommendation regarding administrative completeness of the application and proposed notice and to propose a procedural schedule for continued processing by May 8, 2015. On May 8, 2015, Staff filed its Response to Order No. 6 in which Staff recommended that the application be deemed administratively complete. On May 8, 2015, the Administrative Law Judge issued Order No. 8 finding the application sufficient for filing and directing Staff to file a supplemental procedural schedule by June 19, 2015. This Response is timely filed.

## **II. PROPOSED SUPPLEMENTAL PROCEDURAL SCHEDULE**

On June 2, 2015, the Applicant filed affidavits of notice indicating that notice of the application was mailed to current customers and affected municipalities on May 26, 2015.<sup>2</sup> Pursuant to 16 TAC § 24.109(e), the 120-day deadline to approve the sale administratively or require a public hearing to determine if the transaction will serve the public interest ends on

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<sup>1</sup> Ten working days from January 30, 2015 falls on Friday, February 13, 2015.

<sup>2</sup> Affidavit of Notice to Current Customers and Affected Parties (June 2, 2015).

September 23, 2015.<sup>3</sup> Staff proposes the following supplemental procedural schedule for the processing of this application:

Last date of notice provided to current customers and affected municipalities.	May 26, 2015 <sup>4</sup>
Intervenor deadline for comments or requests for hearing.	June 25, 2015
Deadline for Staff to file a recommendation on the application or request a hearing.	July 24, 2015
Expiration of 120-day deadline for Commission action pursuant to 16 TAC § 24.109(e).	September 23, 2015

### III. CONCLUSION

To facilitate the processing of this application, Staff recommends the adoption of the proposed supplemental procedural schedule and respectfully requests an order consistent with this Response.

**Date: June 19, 2015**

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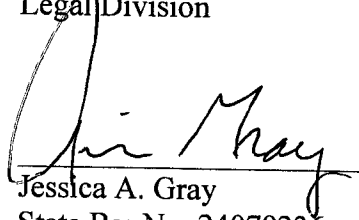
<sup>3</sup> The 120-day deadline begins on the *later* of: “(1) the date the applicant files an application under this section; (2) if mailed notice is required, the last date the applicant mailed the required notice as stated in the applicant's affidavit of notice; or (3) if newspaper notice is required, the last date of the publication of the notice in the newspaper as stated in the affidavit of publication.” 16 TAC § 24.109(a) (emphasis added).

<sup>4</sup> Affidavit of Notice to Current Customers and Affected Parties at 1.

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

Shelah J. Cisneros  
Managing Attorney  
Legal Division

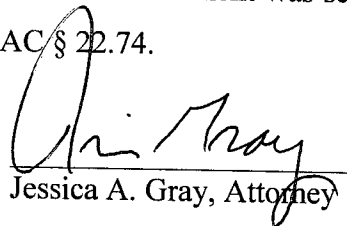


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**CERTIFICATE OF SERVICE**

I certify that a copy of this document was served his document was served on all parties of record on June 19, 2015 in accordance with 16 TAC § 22.74.



Jessica A. Gray, Attorney