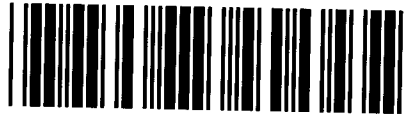


Control Number: 42961



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Addendum StartPage: 0

DOCKET NO. 42961

REQUEST OF GREENWOOD WATER
CORPORATION FOR APPROVAL OF
WATER UTILITY STOCK TRANSFER
(CCN NO. 11792)

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PUBLIC UTILITY COMMISSION
OF TEXAS

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PUBLIC UTILITY COMMISSION
CLERK

COMMISSION STAFF'S REQUEST FOR A HEARING

COMES NOW the Staff ("Staff") of the Public Utility Commission of Texas ("Commission"), representing the public interest and files this Request for a Hearing and would show the following:

I. BACKGROUND

On August 20, 2014, a request was filed with the Texas Commission on Environmental Quality for approval of the transfer of stock in Greenwood Water Corporation ("Greenwood") from Paul R. Wilhite to Permian Basin Water Resources, LLC (the "Purchaser").¹ If the transaction is completed, the Purchaser will become the owner of Greenwood.² This proceeding was transferred to the Commission's jurisdiction on September 1, 2014.

As explained in further detail below, Staff has identified certain deficiencies in the application and cannot recommend approval of the request at this time. In order to permit sufficient time to review the request, Staff now timely requests a hearing in this proceeding.

II. PROCEDURAL DEADLINE FOR REQUIRING A PUBLIC HEARING

P.U.C. SUBST. R. 24.111(a) states that "a person may not acquire a controlling interest in a utility doing business in this state unless the utility or person files a written application with the commission not later than the 61st day before the date on which the transaction is to occur." The

¹ Request for Approval of Water Utility Stock Transfer (Aug. 20, 2014).

² *Id.* at 3.

term "commission" is defined by P.U.C. SUBST. R. 24.3(14) as "The Public Utility Commission of Texas or a presiding officer, as applicable." Unless the Commission or a presiding officer, as applicable, requires that a public hearing be held, the purchase may be completed as proposed at the end of 60 days after the filing of the written application.³

Staff notes that the 60th day following the filing of the application in this proceeding is October 19, 2014. Because this date is a Sunday, Staff notes that the last date on which the Commission is open for business prior to the expiration of 60 days is October 17, 2014, which is also the date of an Open Meeting of the Commission. Unless the Commission or a presiding officer, as applicable, requires that a public hearing be held by October 19, 2014, the transaction may be completed as proposed.

III. REQUEST FOR A HEARING

A person acquiring a controlling interest in a utility may be required to demonstrate adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area and any areas currently certificated to the person.⁴ Staff has discovered certain deficiencies in the application that must be addressed before Staff can complete a technical review of the application. Specifically, Staff notes that the application does not provide (1) documentation showing that the Purchaser is financially capable to be responsible for Greenwood or of ensuring the provision of continuous and adequate service, (2) documentation demonstrating Greenwood's financial position for years 2013 and 2014, or (3) a copy of the Purchaser's Certificate of Good Standing with the State of Texas.

In order to allow sufficient time for the discovery and review of these and other relevant materials before the transaction may be completed, Staff requests that, before October 19, 2014, the Commission or a presiding officer, as applicable, require that a public hearing be held. If the Commission or presiding officer, as applicable, finds that it is appropriate to require that a public hearing be held, Staff recommends that this proceeding be referred to the State Office of Administrative Hearings.

³ P.U.C. SUBST. R. 24.111(e).

⁴ P.U.C. SUBST. R. 24.111(b).

IV. CONCLUSION

Consistent with the above discussion, Staff respectfully requests that, before October 19, 2014, the Commission or a presiding officer, as appropriate, require that a public hearing be held.

Date: October 1, 2014

Respectfully Submitted,

Joseph P. Younger
Division Director
Legal Division

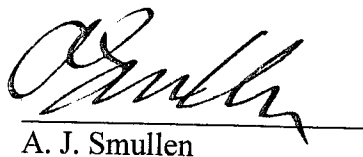
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DOCKET NO. 42961
CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 1, 2014 in accordance with P.U.C. PROC. R. 22.74.



A. J. Smullen