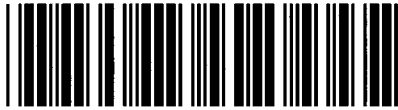


Control Number: 42967



Item Number: 31

Addendum StartPage: 0

**DOCKET NO. 42967**

**APPLICATION OF LOWER §  
COLORADO RIVER AUTHORITY §  
AND CORIX UTILITIES (TEXAS) §  
INC. FOR SALE, TRANSFER, OR §  
MERGER OF FACILITIES AND TO §  
OBTAIN A CERTIFICATE OF §  
CONVENIENCE AND NECESSITY §**

**PUBLIC UTILITY COMMISSION**

**OF**

**TEXAS**

2015 JUN 22 PM 2:51  
FILING CLERK

**RESPONSE TO ORDER NO. 8**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Response to Order No. 8.

**I. BACKGROUND**

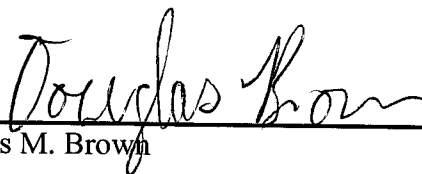
Corix Utilities (Texas) Inc. (Applicant) filed 17 related sale, transfer, or merger applications (STM) with the Texas Commission on Environmental Quality (TCEQ), which were subsequently consolidated under Docket No. 42867 (Application).<sup>1</sup> The Commission received the applications between September 15 and September 22, 2014. The Application is now being reviewed pursuant to the Tex. Water Code §§ 13.254 and 13.301 (TWC), the 16 Tex. Admin. Code §§ 24.109 and 24.112 (TAC).

In Order No. 3, the Administrative Law Judge (ALJ) consolidated the applications under the above referenced docket number, deemed them administratively complete, and found they provided sufficient notice. Staff filed a final recommendation on February 26, 2015 recommending approval of the Application. On May 8, 2015, the parties filed a Joint Proposed Notice of Approval, and on May 12, 2015 the parties filed an Amended Joint Proposed Notice of Approval. In Order No. 8, the ALJ requested the parties file a clarification regarding service areas not included in the Application by June 22, 2015. Therefore, this pleading is timely filed.

<sup>1</sup> Docket Nos. 42967, 42968, 42969, 42970, 42971, 42972, 42973, 42976, 42977, 42978, 42979, 42980, 42986, 42987, 43112, 43124, and 43126 were consolidated under one docket number.

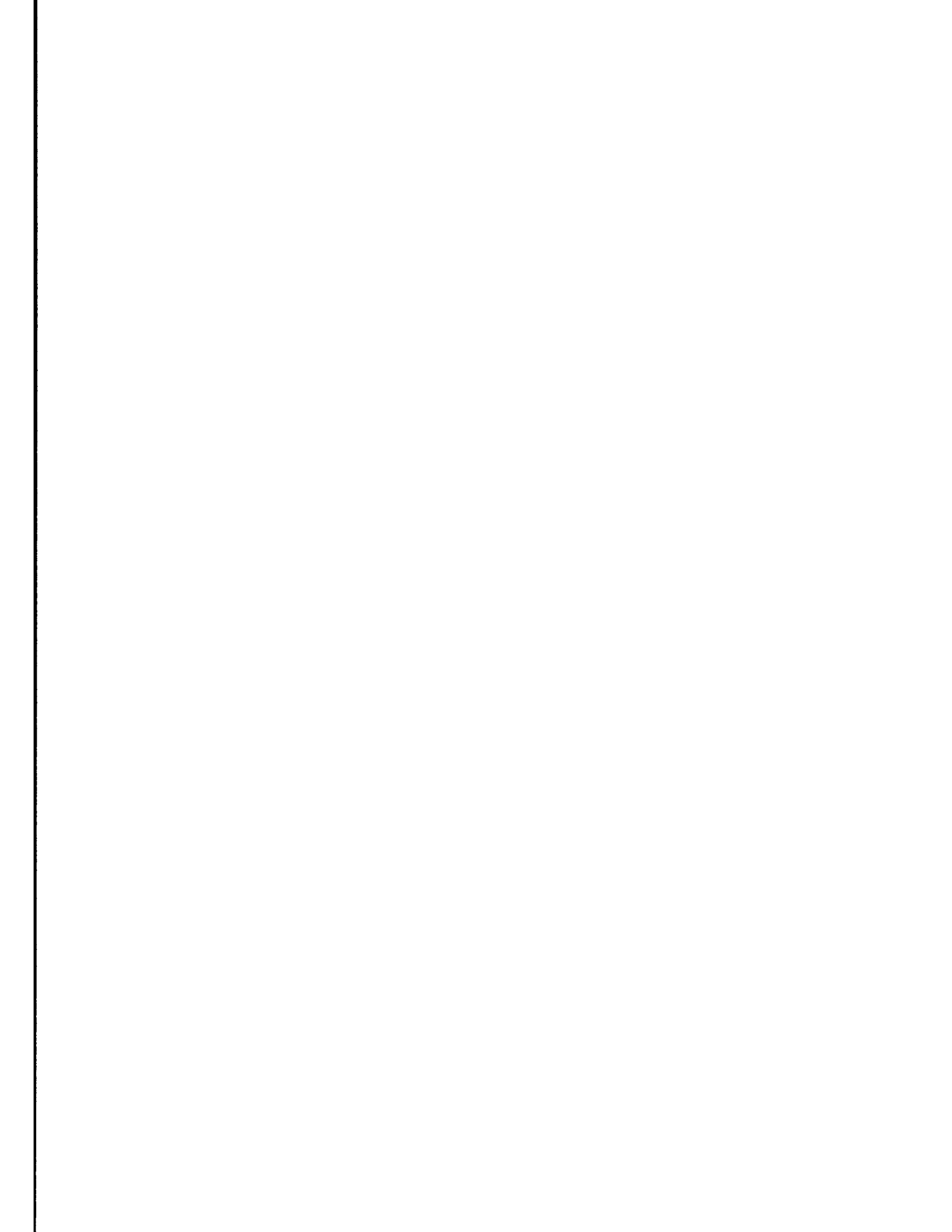
**DOCKET NO. 42967**  
**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on June 22, 2015 in accordance with 16 TAC § 22.74.



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Douglas M. Brown



# **ATTACHMENT A**

# Public Utility Commission of Texas

## Memorandum

**TO:** Doug Brown, Attorney  
Legal Division

**THRU:** Tammy Benter, Director  
Lisa Fuentes, Work Leader  
Water Utilities Division

**FROM:** Debi Loockerman, Work Leader  
Water Utilities Division

**DATE:** June 18, 2015

**SUBJECT:** Response to Order No. 8, Requesting Clarification in Docket No. 42967, *Application of the Lower Colorado River Authority and Corix Utilities (Texas), Inc. for Sale, Transfer and Merger of Facilities and to Obtain Water and Wastewater Certificates*

In response to Order No. 8, the following information is provided: the sewer service area being requested and previously served by LCRA includes three distinct areas which contain sewer facilities that were not included in Lower Colorado River Authority (LCRA) Certificate of Convenience and Necessity (CCN) No. 20769. LCRA is not required to have a CCN to provide water and/or wastewater service, and therefore did not certify the three areas. Corix transferred three uncertificated wastewater facilities from LCRA, including the Lometa wastewater system (TCEQ application No. 37705-S) in Lampasas County, the Matagorda Dunes wastewater system in Matagorda County (TCEQ application No. 37603-S), and the Alleyton wastewater system (TCEQ application No. 37598-S) in Colorado County. Furthermore, staff notes that the water service area being requested and previously served by LCRA includes two distinct areas which were not included in LCRA CCN No. 11670, a portion of the Lometa water system (TCEQ application No. 37704-S) and the Alleyton water system (TCEQ application No. 37597-S). The requested area for the Lometa water system corrected the actual LCRA certificated area, and the requested area for the Alleyton system was served by LCRA, but never certificated. Again, as a political subdivision, LCRA was not required to have a CCN to serve the Alleyton area. Corix, however, as an Investor-Owned Utility (IOU) is required to have a CCN.

Staff offers additional clarifying information for the Commissioners' review upon consideration of the final order for Docket application.

Corix applied to transfer the facilities, customers and service area served by the Lometa wastewater system (originally TCEQ application No. 37705-S, on August 26, 2013). Corix chose to file for the Lometa area after filing applications to take over other parts of LCRA's water and wastewater facilities, customers and service area. This was because Corix negotiated with LCRA to require that certain improvements be made before filing to acquire the Lometa area.