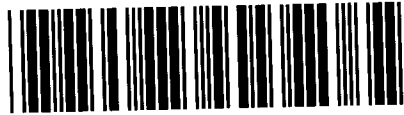


Control Number: 42969



Item Number: 13

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 §
(LAKE BUCHANAN WATER §
SYSTEM; 37593-S) §

PUBLIC UTILITY COMMISSION

OF

TEXAS

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PUBLIC UTILITY COMMISSION
FILING CLERK

DOCKET NO. 42968

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 §
(PARADISE POINT WATER §
SYSTEM; 37594-S) §

PUBLIC UTILITY COMMISSION

OF

TEXAS

DOCKET NO. 42969

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 §
(CAMP SWIFT WASTEWATER §
SYSTEM; 37595-S) §

PUBLIC UTILITY COMMISSION

OF

TEXAS

DOCKET NO. 42970

APPLICATION OF LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY	§	
AND CORIX UTILITIES (TEXAS)	§	
INC. FOR SALE, TRANSFER, OR	§	OF
MERGER OF FACILITIES AND TO	§	
OBTAIN A CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY	§	TEXAS
(ALLEYTON WATER UTILITY	§	
SYSTEM; 37597-S)	§	

DOCKET NO. 42971

APPLICATION OF LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY	§	
AND CORIX UTILITIES (TEXAS)	§	
INC. FOR SALE, TRANSFER, OR	§	OF
MERGER OF FACILITIES AND TO	§	
OBTAIN A CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY	§	TEXAS
(ALLEYTON WASTEWATER	§	
UTILITY SYSTEM; 37598-S)	§	

DOCKET NO. 42972

APPLICATION OF AND CORIX	§	PUBLIC UTILITY COMMISSION
UTILITIES (TEXAS) FOR A	§	
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY IN COLORADO	§	OF
COUNTY (ALLEYTON WATER	§	
AND SEWER SYSTEMS)	§	
	§	TEXAS

DOCKET NO. 42973

APPLICATION	OF	LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY			§	
AND CORIX UTILITIES (TEXAS)			§	
INC. FOR SALE, TRANSFER, OR			§	OF
MERGER OF FACILITIES AND TO			§	
OBTAIN A CERTIFICATE OF			§	
CONVENIENCE AND NECESSITY			§	TEXAS
(SPICEWOOD BEACH WATER			§	
SYSTEM; 37601-S)			§	

DOCKET NO. 42976

APPLICATION	OF	LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY			§	
AND CORIX UTILITIES (TEXAS)			§	
INC. FOR SALE, TRANSFER, OR			§	OF
MERGER OF FACILITIES AND TO			§	
OBTAIN A CERTIFICATE OF			§	
CONVENIENCE AND NECESSITY			§	TEXAS
(RIDGE HARBOR WATER			§	
SYSTEM; 37605-S)			§	

DOCKET NO. 42977

APPLICATION	OF	LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY			§	
AND CORIX UTILITIES (TEXAS)			§	
INC. FOR SALE, TRANSFER, OR			§	OF
MERGER OF FACILITIES AND TO			§	
OBTAIN A CERTIFICATE OF			§	
CONVENIENCE AND NECESSITY			§	TEXAS
(SANDY HARBOR WATER			§	
SYSTEM; 37606-S)			§	

DOCKET NO. 42978

APPLICATION	OF	LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY			§	
AND CORIX UTILITIES (TEXAS)			§	
INC. FOR SALE, TRANSFER, OR			§	OF
MERGER OF FACILITIES AND TO			§	
OBTAIN A CERTIFICATE OF			§	
CONVENIENCE AND NECESSITY			§	TEXAS
(QUAIL CREEK WATER SYSTEM;			§	
37607-S)			§	

DOCKET NO. 42979

APPLICATION	OF	LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY			§	
AND CORIX UTILITIES (TEXAS)			§	
INC. FOR SALE, TRANSFER, OR			§	OF
MERGER OF FACILITIES AND TO			§	
OBTAIN A CERTIFICATE OF			§	
CONVENIENCE AND NECESSITY			§	TEXAS
(SMITHWICK MILLS WATER			§	
SYSTEM; 37608-S)			§	

DOCKET NO. 42980

APPLICATION	OF	LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY			§	
AND CORIX UTILITIES (TEXAS)			§	
INC. FOR SALE, TRANSFER, OR			§	OF
MERGER OF FACILITIES AND TO			§	
OBTAIN A CERTIFICATE OF			§	
CONVENIENCE AND NECESSITY			§	TEXAS
(RIDGE HARBOR WASTEWATER			§	
SYSTEM; 37613-S)			§	

DOCKET NO. 42986

APPLICATION	OF	LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY			§	
AND CORIX UTILITIES (TEXAS)			§	
INC. FOR SALE, TRANSFER, OR			§	OF
MERGER OF FACILITIES AND TO			§	
OBTAIN A CERTIFICATE OF			§	
CONVENIENCE AND NECESSITY			§	TEXAS
(LOMETA WATER SYSTEM; 37704-S)			§	
			§	

DOCKET NO. 42987

APPLICATION	OF	LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY			§	
AND CORIX UTILITIES (TEXAS)			§	
INC. FOR SALE, TRANSFER, OR			§	OF
MERGER OF FACILITIES AND TO			§	
OBTAIN A CERTIFICATE OF			§	
CONVENIENCE AND NECESSITY			§	TEXAS
(LOMETA WASTEWATER			§	
SYSTEM; 37705-S)			§	

DOCKET NO. 43112

APPLICATION	OF	LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY			§	
AND CORIX UTILITIES (TEXAS)			§	
INC. FOR SALE, TRANSFER, OR			§	OF
MERGER OF FACILITIES AND TO			§	
OBTAIN A CERTIFICATE OF			§	
CONVENIENCE AND NECESSITY			§	TEXAS
(MATAGORDA DUNES WATER			§	
AND WASTEWATER SYSTEMS;			§	
37602-S, 37603-S, 37604)			§	

DOCKET NO. 43124

APPLICATION OF LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY	§	
AND CORIX UTILITIES (TEXAS)	§	
INC. FOR SALE, TRANSFER, OR	§	OF
MERGER OF FACILITIES AND TO	§	
OBTAIN A CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY	§	TEXAS
(MCKINNEY ROUGHS	§	
WASTEWATER SYSTEM; 37595-S)	§	

DOCKET NO. 43126

APPLICATION OF LOWER	§	PUBLIC UTILITY COMMISSION
COLORADO RIVER AUTHORITY	§	
AND CORIX UTILITIES (TEXAS)	§	
INC. FOR SALE, TRANSFER, OR	§	OF
MERGER OF FACILITIES AND TO	§	
OBTAIN A CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY	§	TEXAS
(WINDMILL RANCH	§	
WASTEWATER SYSTEM; 37595-S)	§	

STAFF'S RESPONSES TO ORDER NO. 2

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Staff's Responses to Order No. 2 for Docket Nos. 42967, 42968, 42969, 42970, 42971, 42972, 42973, 42976, 42977, 42978, 42979, 42980, 42986, 42987, 43112, 43124, and 43126.¹

¹ No orders have been filed yet for PUC Docket Nos. 43112, 43124, and 43126, but Staff provides these status updates for them regardless. Additionally, there is a pending motion to consolidate all of these related applications into one docket number because all the applications originated from one financial transaction.

I. BACKGROUND

Corix Utilities (Texas) Inc. (Corix) filed the above referenced sale, transfer, or merger and certificate of convenience and necessity applications with the Texas Commission on Environmental Quality (TCEQ) pursuant to TEX. WATER CODE ANN. § 13.301 and § 13.241. The Commission received the applications between September 15 and September 22, 2014.

In Order No. 2 for the above referenced applications, the Administrative Law Judge (ALJ) directed Staff to file status updates regarding the progress of these applications and the potential need for a hearing, final disposition, and a procedural schedule. The status updates for these applications are due on dates falling between October 6 and October 10, 2014, so these responses are timely filed.

II. COMMENTS ON APPLICATIONS

Staff has reviewed Docket Nos. 42967, 42968, 42969, 42970, 42971, 42972, 42973, 42976, 42977, 42978, 42979, 42980, 42986, 42987, 43112, 43124, and 43126, and has determined that adequate notice was given for the applications. Furthermore, Staff determined that Corix has the financial, managerial and technical capability to provide the water and wastewater service within the areas being requested in the applications.

There have been no valid protests received for any application during the protest period, so there is no need for a hearing.

Staff is currently in the process of obtaining maps for the certificates of convenience and necessity and the associated tariffs for these applications. There is no need for a procedural schedule. In the event no recommendations are filed by December 1, 2014, Staff proposes to provide a status report at that time.

As detailed in the attached memorandum from Debi Loockerman (Attachment A), Staff finds that the applications are sufficient to continue processing.

III. CONCLUSION

Staff continues to gather the mapping information and appropriate documentation needed to finalize these applications, and, to the extent that Staff has not

made a recommendation on the applications by December 1, 2014, Staff proposes to provide a status update on these applications at that time.

Respectfully Submitted,

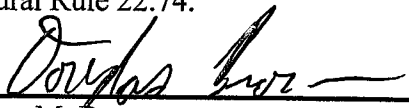
Joseph P. Younger
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division


Douglas M. Brown
Attorney-Legal Division
State Bar No. 24048366
(512) 936-7203
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 6, 2014 in accordance with P.U.C. Procedural Rule 22.74.


Douglas M. Brown

ATTACHMENT A
(Subject Matter Expert's Recommendation Memo)

PUC Interoffice Memorandum

To: Douglas Brown
Legal Division

Thru: Tammy Benter, Director
Water Utilities Division

From: *DL* Debi Loockerman, Regulatory Accountant
Rate Regulation Division

Date: 10/6/2014

Subject: Status update and recommendation for the following cases

Corix Utilities (Texas) Inc. was recently formed as a wholly-owned subsidiary of Corix Infrastructure (US) Inc. The Company was established to acquire the assets and operations of 18 small utility systems from LCRA and to undertake additional utility operations and activities in the State of Texas. On July 1, 2012, Corix Utilities (Texas) Inc. assumed day-to-day operations, maintenance and asset management responsibility for 18 utility systems subject to this transaction under contract with LCRA. Corix has hired many of the utility operating staff from LCRA to maintain these systems and retain institutional knowledge. Corix Utilities (Texas) Inc. is a part of the Corix Group which provides utility services across North America. In April of 2013, Corix filed multiple sale/merger/transfer applications to transfer each individual system, transfer associated certificates of convenience and necessity (CCN), and amend the proposed CCN area to include uncertificated areas served by LCRA. The TCEQ issued sale approval letters in December of 2013. Corix filed a signed bill of sale on August 29, 2014.

The applications are all part of one financial transaction. I have reviewed the applications and determined that adequate notice has been given in all the applications. There have been no valid protests received for any subject application during the protest period. Furthermore, I have determined that Corix has the financial, managerial and technical capability to provide the water and wastewater service within the areas being requested in the applications.

Staff is currently in the process of obtaining maps for the certificates of convenience and necessity, and associated tariffs. Staff requests that the recommendation be due on December 1, 2014.

Doug Brown
PUC interoffice memo
October 6, 2014
Page 2

The following docket numbers relate to the proposed purchase of LCRA retail public water and sewer systems to Corix Utilities (Texas) Inc. (Corix), an investor owned utility:

Docket No.	System	TCEQ Application No(s)
42967	Lake Buchanan – water	37593-S
42968	Paradise Point – water	37594-S
42969	Camp Swift - wastewater	37595-S
43124	McKinney Roughts – wastewater	37595-S
43126	Windmill Ranch - wastewater	37595-S
42970	Alleytown – water	37597-S
42971	Alleytown – wastewater	37598-S
42972	Alleytown - CCN	37600-S
42973	Spicewood Beach - water	37601-S
42976	Ridge Harbor – water	37605-S
42980	Ridge Harbor – sewer	37613-S
42977	Sandy Harbor (water)	37607-S
42978	Quail Creek (water)	37606-S
42979	Smithwick Mills (water)	37608-S
42986	Lometa –water	37704-S
42987	Lometa – wastewater	37705-S
43112	Matagorda Dunes (water/ww)	37602-S, 37603-S, 37604-C

Note: There is a separately filed Corix application which should not be consolidated: PUC Docket 43048, Corix STM to transfer from Blue Bonnet Rural Water Corporation (not LCRA). There will be another filing near October 31 2014 of LCRA systems Toe Village and Bonanza Beach to Corix. These systems experienced water quality issues required to be addressed by LCRA prior to purchase.