



Control Number: 42982



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DOCKET NO. 42982

**APPLICATION OF HMW SPECIAL
UTILITY DISTRICT AND QUADVEST,
L.P. FOR THE SALE, TRANSFER, OR
MERGER OF FACILITIES AND TO
AMEND A CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
MONTGOMERY COUNTY (37656-S)**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

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COMMISSION STAFF'S STATUS UPDATE IN RESPONSE TO ORDER NO. 2

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files its Status Update in response to Order No. 2. In support of its Comments, Staff states the following:

I. Background

On July 3, 2013, HMW Special Utility District (HMW) and Quadvest, L.P. (Quadvest) filed with the Texas Commission on Environmental Quality (TCEQ) its application for the sale, transfer, or merger of facilities and to amend a sewer certificate of convenience and necessity (CCN No. 20734) in Montgomery County, Texas. HMW is the seller, and Quadvest is the purchaser. According to the application, the proposed effective date of the sale transaction is November 2013.

On April 17, 2014, TCEQ sent Quadvest a letter approving the application and notifying Quadvest that a hearing will not be requested regarding HMW and Quadvest's application. With respect to the transfer of CCN No. 20734, the letter stated that the TCEQ must receive a copy of the signed contract or bill of sale and documents regarding the disposition of customer deposits. The letter also stated that HMW and Quadvest's application cannot be approved until the TCEQ receives these documents.

On September 1, 2014, the processing of HMW and Quadvest's application was transferred to the Commission.

On September 15, 2014, the Commission received HMW and Quadvest's application from the TCEQ.

On September 22, 2014, the Administrative Law Judge entered Order No. 2, which requires Staff to file a status update or recommend a need for a hearing by October 6, 2014. This Status Update is timely filed.

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II. Status of HMW and Quadvest's Application

Staff has determined that, given TCEQ's April 17, 2014 letter approving the application, HMW and Quadvest need only to finalize the sale transaction and submit the necessary documents to the Commission. Staff has conferred with Quadvest, and Quadvest has stated that it is in the process of completing the sale transaction with HMW.

With respect to the sale of certificate of convenience and necessity, the Commission's substantive rules state:

The commission's approval of a sale expires one year from the date of the commission's written approval of the sale. If the sale has not been consummated within that period and unless the applicant has requested and received an extension from the commission, the approval is void and the applicant must reapply for approval of the sale. The commission will review the application as though it was being filed for the first time (*de novo*).¹

Thus, HMW and Quadvest have up to April 15, 2015—a year from TCEQ's April 17, 2014 letter approving their application—to complete the sale transaction.

III. Proposed Procedural Schedule to Complete the Sale Transaction

Staff proposes the following procedural schedule regarding the completion of the sale transaction between HMW and Quadvest:

Date HMW and Quadvest filed its application with TCEQ.	July 3, 2013
Date TCEQ sent its letter approving the application.	April 17, 2014
Deadline for HMW and Quadvest to file a status update regarding the submission of documents evidencing completion of the sale transaction.	January 16, 2015
Expiration of TCEQ's approval of the sale between HMW and Quadvest. Pursuant to P.U.C. SUBST. R. 24.112(e), the TCEQ's approval of the sale expires one (1) year from the date of the written approval of the sale.	April 17, 2015

¹ P.U.C. SUBST. R. 24.112(e).

If the sale transaction is completed within the one (1) year April 17, 2015 deadline and HMW and Quadvest provide all documents responsive to the April 17, 2014 TCEQ letter approving the sale, deadline for a joint proposed order with findings of fact, conclusions of law, and ordering paragraphs.

April 22, 2015

III. Conclusion

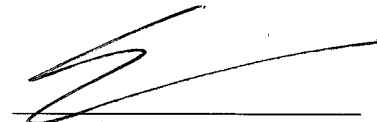
Staff has determined that HMW and Quadvest need only to complete the sale transaction and submit the necessary documents to the Commission. HMW and Quadvest have up to April 17, 2015 to complete the sale transaction. Staff requests that the Administrative Law Judge adopt the proposed procedural schedule.

Date: October 6, 2014

Respectfully Submitted,

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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 October 6, 2014 in accordance with P.U.C. Procedural Rule 22.74.



Sam Chang