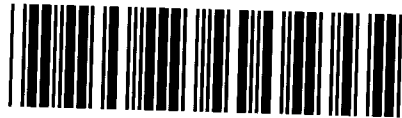




Control Number: 42982



Item Number: 21

Addendum StartPage: 0

DOCKET NO. 42982

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

§
§
§
§
§
§

PUBLIC UTILITY COMMISSION 2015 JUL 10: 33
OF TEXAS FILING CLERK

PROPOSED NOTICE OF APPROVAL

Commission Staff of the Public Utility Commission of Texas files this Proposed Notice of Approval.

Date: July 17, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Shelah J. Cisneros
Managing Attorney
Legal Division



Sam Chang
State Bar No. 24078333
Attorney, Legal Division

Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7261
(512) 936-7268 (facsimile)
sam.chang@puc.texas.gov

DOCKET NO. 42982

CERTIFICATE OF SERVICE

I certify that a copy of this document was served on all parties of record on July 17, 2015,
in accordance with 16 TAC § 22.74.


Sam Chang

DOCKET NO. 42982

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

PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application filed by HMW Special Utility District (HMW SUD) and Quadvest, L.P. regarding the sale and transfer of HMW's facilities in its certificated area in Montgomery County, Texas and corresponding sewer certificate of convenience and necessity (CCN No. 20734) to Quadvest. On June 19, 2015, Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) recommended that the Commission approve HMW SUD and Quadvest's application and the sale and transfer of HMW SUD's facilities in Montgomery County, Texas and corresponding sewer CCN No. 20734 to Quadvest.

The Commission approves HMW SUD and Quadvest's application and the sale and transfer of HMW SUD's facilities in Montgomery County, Texas and corresponding sewer CCN No. 20734 to Quadvest. The Commission makes the following findings of fact and conclusions of law:

I. Findings of Fact

1. HMW SUD is the seller/transferor. HMW SUD owns certain facilities and holds corresponding sewer CCN No. 20734 for a certificated service area in Montgomery County, Texas.
2. Quadvest is the purchaser.
3. On July 3, 2013, HMW SUD and Quadvest filed with the Texas Commission on Environmental Quality (TCEQ) their sale/transfer/merger application requesting Commission approval of the sale and transfer of HMW SUD's facilities in Montgomery County, Texas and corresponding sewer CCN No. 20734 to Quadvest.
4. On September 5 and 27, 2013, Quadvest submitted to the TCEQ its affidavit regarding

- notice to customers and affected parties.
5. On April 17, 2014, TCEQ sent Quadvest a letter approving the application and notifying Quadvest that a hearing will not be requested. With regards to the transfer of sewer 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.
 6. Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities. HMW SUD and Quadvest's application, which was being processed at the TCEQ, was transferred to the Commission for processing.
 7. On September 22, 2014, the Administrative Law Judge entered Order No. 1, which addressed the transfer of economic regulation of water and sewer utilities from the TCEQ to the Commission and general procedural matters.
 8. On September 22, 2014, the Administrative Law Judge also entered Order No. 2, which required Staff to file a status update by October 6, 2015.
 9. On October 6, 2014, Staff filed its Status Update. In its Status Update, Staff stated that HMW SUD and Quadvest need only to finalize their sale and transfer transaction and to submit the necessary closing documents to the Commission. Additionally, Staff proposed a procedural schedule for the processing of the remainder of this proceeding.
 10. On October 15, 2014, the Administrative Law Judge entered Order No. 3, which established a procedural schedule for the processing of the remainder of this proceeding.
 11. On February 6, 2015, the Administrative Law Judge entered Order No. 4, which required HMW SUD and Quadvest to file a status report by April 17, 2015.
 12. On May 6, 2015, Quadvest filed closing documents regarding its sale and transfer transaction with HMW SUD.
 13. On May 8, 2015, the Administrative Law Judge entered Order No. 5, which required Staff to review the closing documents submitted by Quadvest and to recommend whether HMW SUD and Quadvest have met the requirements of 16 Tex. Admin. Code § 24.112.
 14. On June 9, 2015, the Administrative Law Judge entered Order No. 6, which established June 19, 2015 as the deadline for Staff to recommend whether HMW SUD and Quadvest have met the requirements of 16 Tex. Admin. Code § 24.112.

15. On June 19, 2015, Staff filed its Recommendation. Staff recommended that the Commission approve HMW SUD and Quadvest's application and the sale and transfer of HMW SUD's facilities in Montgomery County, Texas and corresponding sewer CCN No. 20734 to Quadvest.
16. On June 23, 2015, the Administrative Law Judge entered Order No. 7, which established July 17, 2015 as the deadline for parties to file a joint proposed notice of approval.
17. On June 25, 2015, HMW SUD and Quadvest submitted their respective consent forms.
18. On July 17, 2015, Staff, HMW SUD, and Quadvest filed their Joint Proposed Notice of Approval.
19. On July 17, 2015, Staff filed its Motion to Admit Evidence. Staff requested that certain evidence be admitted into the record in support of its Proposed Notice of Approval.
20. On _____, Order No. ____ was issued, which granted Staff's Motion to Admit Evidence. The following is entered into the evidentiary record for this proceeding:
 - a. Exhibit 1: HMW SUD and Quadvest's application and accompanying documents;
 - b. Exhibit 2: April 17, 2014 approval letter from TCEQ to Quadvest;
 - c. Exhibit 3: Quadvest affidavits regarding notice to customers and affected parties;
 - d. Exhibit 4: Closing documents submitted by Quadvest;
 - e. Exhibit 5: HMW SUD's signed Consent Form;
 - f. Exhibit 6: Quadvest's signed Consent Form; and
 - g. Exhibit 7: Staff's Recommendation and accompanying.

II. Conclusions of Law

1. The Commission has jurisdiction over HMW SUD and Quadvest's application under Tex. Water Code §§ 13.251 and 13.301.
2. HMW SUD and Quadvest are retail public utilities as defined by Tex. Water Code § 13.002(19) and 16 Tex. Admin. Code § 24.3(41).
3. Notice of HMW SUD and Quadvest's application was provided to affected parties, as required by Tex. Water Code § 13.301(a)(2) and 16 Tex. Admin. Code §§ 24.109(a) and 24.112(c).
4. HMW SUD and Quadvest's application was processed in accordance with the requirements of Tex. Water Code § 13.301 and 16 Tex. Admin. Code §§ 24.109 and 24.112.

5. HMW SUD consummated the sale and transfer of HMW SUD's facilities in Montgomery County, Texas and corresponding sewer CCN No. 20734 to Quadvest within one (1) year from the date of TCEQ's April 17, 2014 approval of their sale and transfer transaction, as required by 16 Tex. Admin. Code § 24.112(e).
6. The requirements for informal disposition under 16 Tex. Admin. Code § 22.35 have been met in this proceeding. At least fifteen (15) days have passed since the completion of notice requirements, and it is not necessary to hold a hearing on the merits regarding HMW SUD and Quadvest's application.
7. HMW SUD and Quadvest have demonstrated that Quadvest has adequate financial, managerial, and technical capability to provide continuous and adequate service to customers in the certificated area under sewer CCN No. 20734 in Montgomery County, Texas.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following ordering paragraphs:

1. HMW SUD and Quadvest's application is approved.
2. The sale and transfer of HMW SUD's facilities in its certificated area in Montgomery County, Texas and HMW SUD's corresponding sewer CCN No. 20734 to Quadvest is approved.
3. HMW SUD's sewer CCN No. 20734 is cancelled, and Quadvest's sewer CCN No. 20952 is amended to reflect service to HMW SUD's formerly certificated area in Montgomery County, Texas. The cancellation of HMW SUD's sewer CCN No. 20734, the amendment of Quadvest's sewer CCN No. 20952, the revised map of Quadvest's acquired service area in Montgomery County, Texas, and the tariff for the service area are attached to this Notice of Approval.
4. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted in this Notice of Approval, are denied.

SIGNED IN AUSTIN, TEXAS, this _____ day of _____, 2015

PUBLIC UTILITY COMMISSION OF TEXAS

SUSAN E. GOODSON
ADMINISTRATIVE LAW JUDGE