



Control Number: 42982



Item Number: 24

Addendum StartPage: 0

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)	§	

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PUBLIC UTILITY COMMISSION
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NOTICE OF APPROVAL

This Notice addresses the application of HMW Special Utility District (HMW SUD) and Quadvest, L.P. (Quadvest) for approval of a sale, transfer or merger of facilities and certificate rights in Montgomery County. Public Utility Commission of Texas (Commission) Staff recommended approval of the application. The application is approved.

The Commission makes the following findings of fact and conclusions of law.

I. Findings of Fact

1. On July 3, 2013, HMW SUD and Quadvest filed with the Texas Commission on Environmental Quality (TCEQ) an application requesting approval of the sale and transfer of HMW SUD's facilities and certificated service area in Montgomery County to Quadvest.
2. HMW SUD holds sewer CCN No. 20734.
3. Quadvest holds sewer CCN No. 20952.
4. The application proposes to transfer all of HMW SUD's certificated service area under sewer CCN No. 20734 and associated facilities to Quadvest, adding approximately 1,439 acres with 145 current customers to Quadvest's sewer CCN No. 20952. HMW SUD's CCN will be cancelled. Quadvest's CCN will be amended.
5. On September 5 and 27, 2013, Quadvest submitted to the TCEQ its affidavit regarding notice to customers and affected parties on these dates.
6. On April 17, 2014, TCEQ sent Quadvest a letter notifying the applicants that they could complete the proposed transaction, and instructing the applicants to provide proof the

transaction was completed and documents supporting the disposition of customer deposits.

7. Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities.
8. On May 6, 2015, Quadvest filed closing documents proving the sale had been completed in December 2014 and that customer deposits held by HMW SUD had been transferred to Quadvest.
9. On June 19, 2015, Commission Staff recommended that the documents provided by Quadvest regarding proof of sale and disposition of deposits were sufficient. Further, Commission Staff recommended approval of the application.
10. HMW SUD and Quadvest consummated the sale, transfer or merger within one (1) year of when the TCEQ approved the transaction.
11. On June 10, 2015, Commission Staff emailed a proposed amended certificate, tariff and map of Quadvest's CCN No. 20952, and proposed certificate of cancellation of HMW SUD's CCN No. 20734 to the parties for their review and approval with consent forms to be executed and submitted.
12. On June 25, 2015, HMW SUD and Quadvest submitted their respective signed consent forms approving the amended certificate, tariff and map for Quadvest and the cancellation of HMW SUD's certificate, as prepared by Commission Staff.
13. The map, tariff and certificates discussed in Findings of Fact 11 and 12 are attached to this Notice.
14. On July 17, 2015, Commission Staff filed a motion to admit into evidence exhibits that were attached to the motion.
15. On July 29, 2015, Order No. 8 was issued, entering the requested evidence into the record in this proceeding.
16. More than 15 days have passed since the completion of notice in this proceeding.
17. No one contested the application and no public hearing was required.

II. Conclusions of Law

1. The Commission has jurisdiction over this application pursuant to Tex. Water Code §§ 13.241, 13.244, 13.246, 13.251, 13.254 and 13.301 (TWC).
2. HMW SUD and Quadvest are retail public utilities as defined by TWC § 13.002(19) and 16 Tex. Admin. Code § 24.3(41) (TAC).
3. Public notice of this application was provided as required by TWC § 13.301(a)(2) and 16 TAC §§ 24.106, 24.109(a) and 24.112(c).
4. This application was processed in accordance with the requirements of TWC § 13.301 and 16 TAC §§ 24.109 and 24.112.
5. HMW SUD consummated the sale and transfer of HMW SUD's facilities in Montgomery County and the certificated service area associated with sewer CCN No. 20734 to Quadvest within one year from the date of TCEQ's approval of their transaction, as required by 16 TAC § 24.112(e).
6. After considering the factors in TWC § 13.246(c), Quadvest has demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to customers in the requested area and its existing service area under sewer CCN No. 20952.
7. Quadvest has demonstrated that the sale and transfer of certificated service area and facilities requested in this application are necessary for the service, accommodation, convenience or safety of the public as required by 16 TWC 13.246(b).
8. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.


III. Ordering Paragraphs

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

1. HMW SUD's and Quadvest's application is approved.
2. HMW SUD's sewer CCN No. 20734 is cancelled.
3. Quadvest's sewer CCN No. 20952 is amended consistent with this Notice.
4. Quadvest shall record a certified copy of the amended map and a boundary description of the amended service area of CCN No. 20952 in the real property records of each county in which the service area or a portion of the service area is located, as required by 16 TWC § 13.257(r).
5. 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 AT AUSTIN, TEXAS the 29th day of July 2015.

PUBLIC UTILITY COMMISSION OF TEXAS



SUSAN E. GOODSON
ADMINISTRATIVE LAW JUDGE