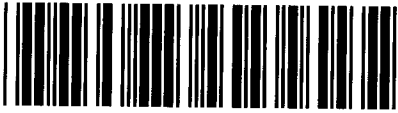


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Item Number: ´

Addendum Sta

APPLICATION OF CRYSTAL CLEAR WATER SUPPLY CORPORATION AND CITY OF SAN MARCOS FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND TO AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY IN COMAL, GUADALUPE, AND HAYS COUNTIES (37671-S)	§ § § § § § § § § §	RECEIVED 15 PM 1:33 PUBLIC UTILITY COMMISSION OF TEXAS
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COMMISSION STAFF'S FINAL RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Final Recommendation.

I. Background

On July 26, 2013, Crystal Clear Water Supply Corporation (Crystal Clear) and City of San Marcos filed an application for the sale, transfer, or merger of facilities and to amend a certificate of convenience and necessity (CCN) in Comal, Guadalupe, and Hays Counties pursuant to TEX. WATER CODE ANN. §§ 13.246 and 13.301 and 30 TEX. ADMIN. CODE § 291.109.

On June 5, 2014, the Texas Commission on Environmental Quality (TCEQ) issued a letter stating that a determination was made that a public hearing was not going to be requested regarding the transaction and that the parties may complete their proposed transaction. Subsequently on September 1, 2014, the Public Utility Commission of Texas (Commission or PUC) began the economic regulation of water and sewer utilities and this case was transferred from the TCEQ to the Commission for further review. On November 13, 2014, the City of San Marcos and Crystal Clear filed consent forms with the Commission stating that they concur with the maps and certificates attached. On October 14, 2014, the Administrative Law Judge issued Order No. 3, which requires Staff to file a recommendation on final disposition by December 15, 2014. Therefore, this response is timely filed.

II. Recommendation

Based on the attached memorandum of George Gogonas of the Commission's Water Utility Division, Staff recommends approval of the application. As stated in Commission Staff Response to Order No. 2, filed October 7, 2014, the Commission has received proper

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documentation that confirms the transaction has now been completed. As detailed in the attached memorandum of Mr. Gogonas, Staff recommends a finding that the transaction will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public. Staff has prepared proposed certificates and a proposed map, both of which are attached. Additionally, both applicants have provided consent to the maps as established in the consent forms filed November 13, 2014.

TCEQ's approval for sale will expire on June 5, 2015. Therefore, the Applicants have complied with the Commission's rule¹ requiring consummation of the sale within one year of approval.

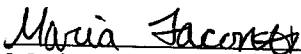
III. Conclusion

Staff recommends that the application be approved. Staff intends to work with the parties to file a proposed findings of fact, conclusions of law, and ordering paragraphs by January 14, 2015.

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director- Legal Division

Shelah J. Cisneros
Managing Attorney-Legal Division



Maria Faconti
Attorney-Legal Division
State Bar No. 24078487
(512) 936-7235
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

DATED: December 15, 2014

¹ Pursuant to 16 TAC 24.112(e), the TCEQ's approval of a sale expires one year from the date of the commission's written approval of sale. 16 TCA 24.112(e) further specifies that if the sale has not been consummated within the one-year 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*).

DOCKET NO. 42983
CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 15th of December, 2014, in accordance with P.U.C. Procedural Rule 22.74.


Maria Faconti

Public Utility Cor

Memo

TO: Maria Faconti, Attorney
Legal Division

THRU: Tammy Benter, Director
Water Utilities Division

FROM: George Gogonas, Utility R
Water Utilities Division

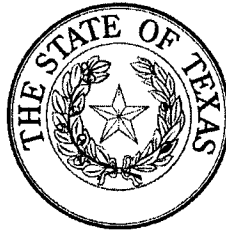
SUBJECT: Staff Recommendation Do
Clear Water Supply Corpor
Transfer, or Merger of Faci
Convenience and Necessity
Counties (37671-S)

DATE: November 25, 2014

City of San Marcos (Applicant), Certific (CCN) No. 10298, filed an application t a portion of CCN No. 10297, held by C in Comal, Guadalupe and Hays Countie to the criteria in Texas Water Code, §§ Utility Commission's Substantive Rules and 24.112.

Upon review of the application, Staff fir statutory requirements of Texas Water SUBST R., Chapter 24. Approving this a and 10297 is necessary for the service, safety of the public.

The Applicant provided sufficient eviden capability of providing continuous and a recommend approval of the application are attached to the recommendation.



Public Utility Commission of Texas

By These Presents Be It Known To All That

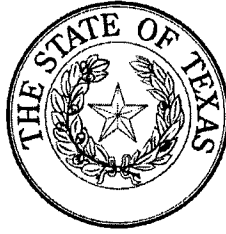
City of San Marcos

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 10298

to provide continuous and adequate water utility service to that service area or those service areas in Comal, Guadalupe and Hays Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 42983 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty City of San Marcos to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, the _____ day of _____ 2014.



Public Utility Commission of Texas

By These Presents Be It Known To All That

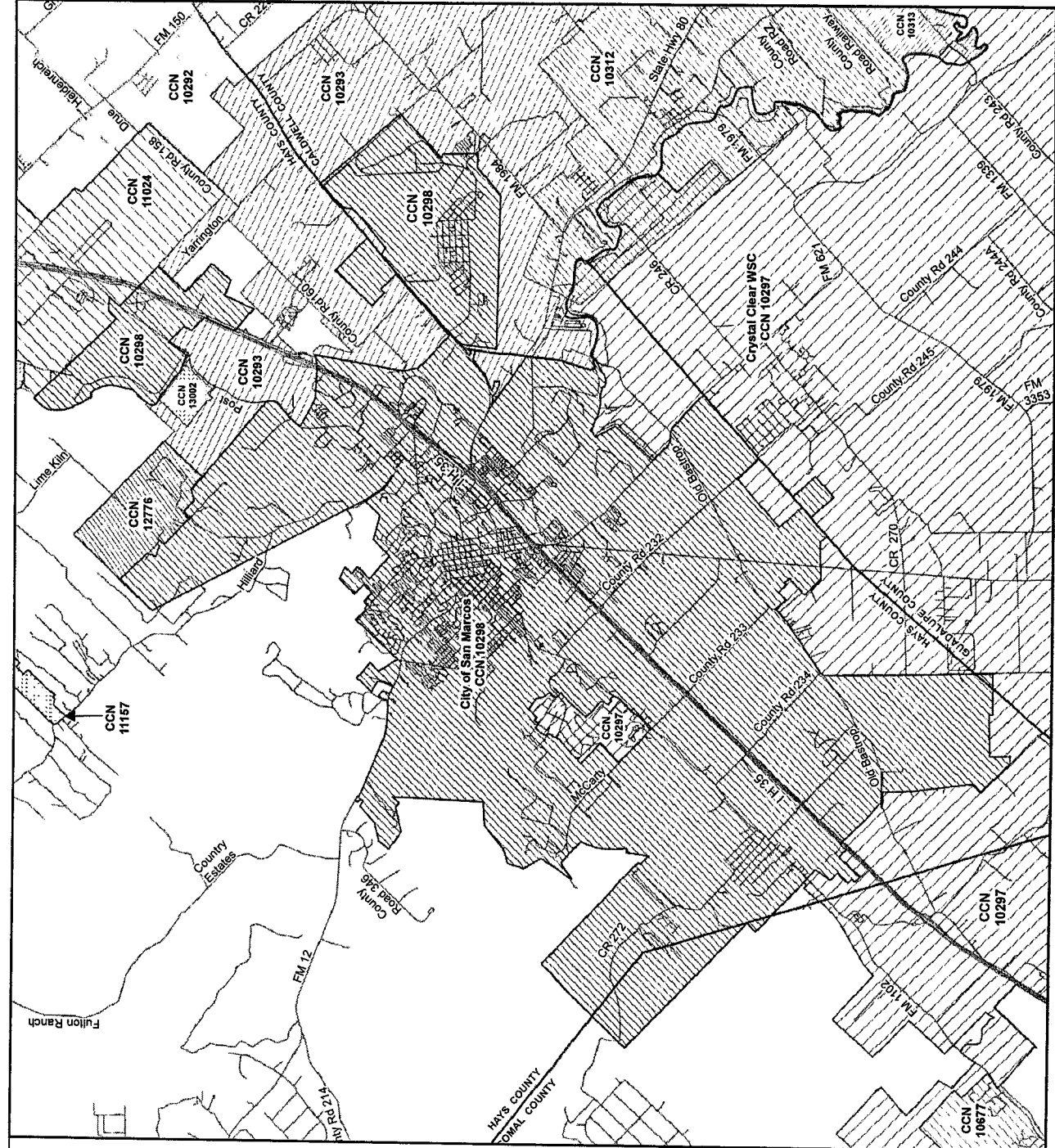
Crystal Springs Water Supply Corporation

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 10297

to provide continuous and adequate water utility service to that service area or those service areas in Comal, Guadalupe and Hays Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 42983 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty Crystal Springs Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, the _____ day of _____ 2014.



City of San Marcos
Water Service Area
CCN No. 10298
PUC Docket No. 42983
Transferred a Portion of Crystal Clear WSC, CCN No. 10297
and Amended City of San Marcos, CCN No. 10298
in Comal, Guadalupe and Hays Counties

Water CCN Service Areas

- 10298 - City of San Marcos
- 10297 - Crystal Clear WSC
- 10292 - County Line WSC
- 10293 - Maxwell WSC
- 10312 - Martindale WSC
- 10313 - Tri Community WSC
- 10677 - City of New Braunfels
- 11024 - City of Kyle
- 11157 - Aqua Texas Inc
- 12776 - Rocket Water Co Inc
- 13002 - Blanco River Ranch HOA



Public Utility Commission of Texas
1701 N Congress Ave
Austin, TX 78701

Map by: Suzanne Jester
Date created: Oct. 22, 2014
Project path: n:\gis\projects\applications\42983.mxd