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**DOCKET NO. 42983**

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PUBLIC UTILITY COMMISSION  
OF TEXAS  
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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) §

PUBLIC UTILITY COMMISSION

**ORDER NO. 4**

**REQUIRING CLARIFICATION**

**DOCKET NO. 42984**

APPLICATION OF CITY OF SAN §  
MARCOS AND CRYSTAL CLEAR §  
WATER SUPPLY CORPORATION FOR §  
SALE, TRANSFER, OR MERGER OF §  
FACILITIES AND TO AMEND A §  
CERTIFICATE OF CONVENIENCE §  
AND NECESSITY IN COMAL, §  
GUADALUPE, AND HAYS COUNTIES §  
(37672-S) §

PUBLIC UTILITY COMMISSION

OF TEXAS

**ORDER NO. 4**

**REQUIRING CLARIFICATION**

On December 15, 2014, Public Utility Commission of Texas (Commission) Staff filed its final recommendation in Docket No. 42983. On December 16, 2014, Commission Staff filed its final recommendation in Docket No. 4298. On January 14, 2015, Commission Staff filed a proposed notice of approval in Docket No. 42983. On January 15, 2015, Commission Staff filed a proposed notice of approval in Docket No. 42984.

In Docket No. 42983, Commission Staff stated that it had contacted the parties to provide them the opportunity to review and agree to the proposed notice of approval, and that they had no objection. Therefore, it appears that the City of San Marcos and Crystal Clear Water Supply Corporation approve of that proposed notice of approval. However, before any approvals or further orders are issued in either proceeding the undersigned Administrative Law Judge (ALJ) requires some clarification.

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Docket Nos. 42983 and 42984 involve the same parties and the transactions and transfers involved appear to be related. As the ALJ reads these applications, specifically the unsigned and undated copy of the agreement concerning water service areas attached to the applications and specifically mentioned in the cover letters to the applications, several questions arise.

In the cover letter to the applications, the parties state that one of the reasons the parties initiated these applications was to eliminate areas where they are dually certificated. However, Section 2.3(a) of the agreement, titled Transfer Areas, contemplates not just a transfer of facilities and service area from each party to the other, but the addition of new service area to each of their certificates of convenience and necessities (CCN). Specifically, Section 2.3(a) of the agreement attached to the applications states as follows:


“The City is seeking the addition of approximately 2,462 acres to its CCN (includes the parcels north of Kingswood) and to release, decertify and transfer approximately 4,044 acres of its service area to [Crystal Clear]. [Crystal Clear] is seeking the addition of approximately 1,360 acres to its CCN and to release, decertify and transfer approximately 4,510 acres of its service area to the City of San Marcos.”

This language in the agreement is not consistent with the proposed notices of approval in either. Pursuant to the proposed notice of approval in this docket, and consistent with the agreement, 4,510 acres would be transferred from Crystal Clear to the City. However, the proposed notice of approval in Docket No. 42984 would transfer 1,360 from the City to Crystal Clear, not the 4,044 mentioned in the agreement. And neither of these notices address the new service areas included in the agreement, but the maps attached to the applications include these areas. Therefore, on or before **February 13, 2015**, Commission Staff and the parties shall file information that clarifies the precise transactions, transfers and amendments requested in both dockets. The parties shall also file a signed and dated copy of the agreement.

Lastly, Commission Staff shall comment on whether consolidation of these dockets is appropriate.

SIGNED AT AUSTIN, TEXAS the 30<sup>th</sup> day of January 2015.

PUBLIC UTILITY COMMISSION OF TEXAS

  
SUSAN E. GOODSON  
ADMINISTRATIVE LAW JUDGE

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