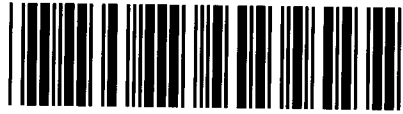




Control Number: 42984



Item Number: 14

Addendum StartPage: 0

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

2014 DEC 15 1:53
FILED
PUBLIC UTILITY COMMISSION

COMMISSION STAFF'S RESPONSE TO ORDER NO. 3 AND FINAL
RECOMMENDATION

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files this Revised Response to Order No. 3 and Final Recommendation. In support of its Response, Staff states the following:

I. BACKGROUND AND STATUS UPDATE

On July 26, 2013, Crystal Clear Water Supply Corporation (Crystal Clear WSC) and the City of San Marcos (City) filed a sale, transfer, merger (STM) application with the Texas Commission on Environmental Quality (TCEQ) pursuant to TEX. WATER CODE ANN. § 13.301 and Title 16, TEX. ADMIN. CODE (16 TAC) §§ 24.109 and 24.112. The parties request the decertification of a portion of Certificate of Convenience and Necessity (CCN) No. 12097, held by Crystal Clear WSC in Guadalupe County. Additionally, Crystal Clear WSC seeks to acquire facilities and transfer a portion of CCN No. 10298 held by the City in Guadalupe and Hays Counties to Crystal Clear WSC. The TCEQ accepted the application for filing on January 10, 2014. Crystal Clear WSC indicated that it published notice of the application in the Seguin Gazette in Guadalupe County and the San Marcos Daily Record in Hays County on January 26, 2014 and February 2, 2014. Crystal Clear WSC also stated that it provided notice of the application to its customers and other affected parties on February 4, 2104, triggering the 120-day deadline for STMs required by 16 TAC § 24.109(e). The 120-day deadline for Commission action on the application was June 4, 2014.

The comment period ended on July 4, 2014. The TCEQ received one protest letter; however, the TCEQ determined that the concerns listed in the protest letter did not meet the

14

criteria in Title 30, TEX. ADMIN. CODE (30 TAC) § 291.109(e)¹ and that a public hearing on the application was not required. On May 1, 2014, TCEQ sent a letter to the parties stating that a public hearing would not held on the application, instructing that the parties should proceed with the signed contract or bill of sale, and requesting the parties to provide documents supporting the disposition of customer deposits with the closing documents. The 365-day deadline to complete the transaction, as required by 16 TAC § 24.112(e), ends on May 1, 2015.

Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities and this case formerly pending at the TCEQ was transferred to the Commission. On September 24, 2014, Order No. 2 Requiring Comments on Status was issued requiring Staff to file an update on the status of the proceeding, to file a recommendation on the need for a hearing or on final disposition of the application, or to propose a procedural schedule by October 7, 2014. On October 7, 2014, Staff filed its Revised Response to Order No. 2 in which Staff confirmed that the parties have submitted the proper documentation to the Commission to confirm that the transaction has been completed and that Staff was in the process of finalizing the maps for the parties' consent. The parties filed the completed and signed consent forms with the Commission on November 13, 2014. On October 15, 2014, Order No. 3 was issued requiring Staff to file a recommendation on final disposition of the application by December 16, 2014. This Response is timely filed.

II. STAFF'S RECOMMENDATION ON FINAL DISPOSITION

Staff recommends approval of the application. As stated in Staff's Response to Order No. 2, the Commission has received proper documentation that confirms that the transaction has now been completed. As detailed in the attached memo (Attachment A) of George Gogonas, Utility Rates Analyst/Auditor in the Commission's Water Utilities Division, the Applicant provided sufficient evidence to demonstrate it has the capability of providing continuous and adequate service. Additionally, Staff recommends that the transaction will serve the public interest and that the amendment of the CCNs is necessary for the service, accommodation, convenience, and safety of the public. Both Crystal Clear WSC and the City have submitted signed consent forms (Attachment B) evidencing their agreement with the CCN service area map (Attachment C) as revised by Staff to reflect the intent of the application.

¹ Currently 16 TAC § 24.109(e).

III. CONCLUSION

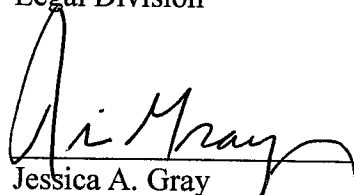
Staff respectfully requests that the Administrative Law Judge issue an order consistent with Staff's recommendation to approve the application. Consistent with the procedural schedule in this matter, Staff intends to file a proposed notice of approval with findings of fact, conclusions or law, and ordering paragraphs no later than January 15, 2015.

Date: December 16, 2014

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Shelah J. Cisneros
Managing Attorney
Legal Division

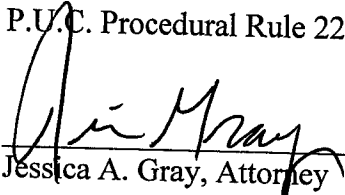


Jessica A. Gray
State Bar No. 24079236
Attorney, Legal Division
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7228
(512) 936-7268 (facsimile)

DOCKET NO. 42984

CERTIFICATE OF SERVICE

I certify that a copy of this document was served his document was served on all parties of record on December 16, 2014 in accordance with P.U.C. Procedural Rule 22.74.


Jessica A. Gray, Attorney

ATTACHMENT A

Public Utility Commission of Texas

Memorandum

TO: Jessica Gray, Attorney
Legal Division

THRU: Tammy Benter, Director
Water Utilities Division

FROM: George Gogonas, Utility Rates Analyst/Auditor
Water Utilities Division

SUBJECT: Docket No. 42984; Staff Recommendation for Commission Approval of the Sale/Transfer/Merger (STM) Application filed by Crystal Clear Water Supply Corporation, Certificate of Convenience and Necessity (CCN) No. 10297, for a CCN Amendment and to Transfer a Portion of CCN No. 10298 from the City of San Marcos in Guadalupe and Hays Counties

DATE: November 25, 2014

Crystal Clear Water Supply Corporation (Applicant), CCN No. 10297 filed an application to amend its water CCN and to acquire a portion of CCN No. 10298 from City of San Marcos, in Guadalupe and Hays Counties. This application was filed pursuant to the criteria in Texas Water Code, §§13.246 and 13.301, and the Public Utility Commission's Substantive Rules (P.U.C. SUBST R.) §§ 24.102, 24.109 and 24.112.

The Applicant meets all of the statutory requirements of Texas Water Code Chapter 13 and the P.U.C. SUBST R., 24.109. Approving this application to amend CCN Nos. 10297 and 10298 is necessary for the service, accommodation, convenience and safety of the public.

The Applicant provided sufficient evidence to demonstrate it has the capability of providing continuous and adequate service. The parties have reviewed and consented to the revised maps. Therefore, I recommend approval of the application as proposed. The revised map and signed consent forms are attached to the recommendation.

ATTACHMENT B

CONSENT FORM

Applicant's Name: City of San Marcos
Docket No.: 42984

RECEIVED
2014 NOV 13 AM 9:19
PUBLIC UTILITY COMMISSION
FILED CLERK

- I concur with the maps and certificates transmitted by e-mail dated **November 4, 2014.**
- I do not concur with the maps and certificates transmitted by e-mail dated **November 4, 2014.** I understand that I have 14 days from the date of this letter to provide my response.

I am authorized by City of San Marcos to sign this form.

Signature: 

Printed Name: Jared Miller

Relationship to Applicant: City Manager

Date signed: 11/07/2014

Mail to:
Public Utility Commission of Texas
Central Records
1701 N Congress PO Box 13326
Austin, Texas 78711-3326

or for Shipping/Overnight Delivery:
Public Utility Commission of Texas
Central Records
1701 N. Congress, Suite 8-100
Austin, Texas 78701

CONSENT FORM

Applicant's Name: Crystal Clear Water Supply Corporation
Docket No.: 42984

- I concur with the maps and certificates transmitted by e-mail dated **November 4, 2014.**
- I do not concur with the maps and certificates transmitted by e-mail dated **November 4, 2014.** I understand that I have 14 days from the date of this letter to provide my response.

I am authorized by Crystal Clear Water Supply Corporation to sign this form.

Signature: Mike Taylor

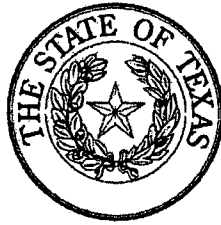
Printed Name: Mike Taylor

Relationship to Applicant: General Manager

Date signed: Nov. 5, 2014

Mail to:
Public Utility Commission of Texas
Central Records
1701 N Congress PO Box 13326
Austin, Texas 78711-3326

or for Shipping/Overnight Delivery:
Public Utility Commission of Texas
Central Records
1701 N. Congress, Suite 8-100
Austin, Texas 78701



Public Utility Commission of Texas

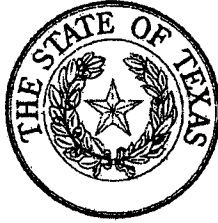
**By These Presents Be It Known To All That
Crystal Clear Water Supply Corporation.**

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 Guadalupe & Hays Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 42984 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 Clear 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.



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 Guadalupe & Hays Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 42984 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.

ATTACHMENT C

Crystal Clear Water Supply Corporation
 Portion of Water Service Area
 CCN No. 10297
 PUC Docket No. 42984
 and Amended Crystal Clear WSC, CCN No. 10298
 in Guadalupe and Hays Counties

- Water CCN Service Areas**
- 10297 - Crystal Clear WSC
 - 10298 - City of San Marcos
 - 10293 - Maxwell WSC
 - 10312 - Martindale WSC
 - 10313 - Tri Community WSC
 - 10686 - Springs Hill WSC
 - 10677 - City of New Braunfels



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

Map by: Suzanna Jaster
 Date created: Oct. 22, 2014
 Project path: n:\gis\projects\applications\sa\2984.mxd

