



Control Number: 43006



Item Number: 7

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House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 24, 2014



Mr. Glen E. Lewis
Director of Corporate Development, Aqua Texas
1106 Clayton Lane, Suite 400W
Austin, TX 78723

Re: Application from Aqua Texas, Inc., Certificate of Convenience and Necessity (CCN) No. 13201 to Transfer and Cancel CCN No. 12809 held by Texas H2O in Hood, Johnson and Tarrant Counties; Application No. 37922-S

Application from Aqua Texas, Inc., Certificate of Convenience and Necessity (CCN) No. 21059 to Transfer and Cancel CCN No. 20814 held by Texas H2O in Hood, Johnson and Tarrant counties; Application No. 37923-S

CN: 601570773; RN: 106107709 (water) RN: 106107733 (sewer) (Aqua Texas)

CN: 600656201; RN: 101451862 (water) RN: 101274991 (sewer) (Texas H2O)

Dear Mr. Lewis:

We have reviewed the criteria in Texas Water Code (TWC), Section 13.301(e) and determined that a public hearing will not be requested. You may complete your proposed transaction as scheduled, or any time after you receive this notification. Please note that the transaction must comply with the requirements of TWC Section 13.301(d) and therefore cannot be completed prior to the issuance of this letter.

The second part of the application, which is transferring the CCN, will occur following receipt of the following:

- a copy of the signed contract or bill of sale, and
- documents supporting the disposition of customer deposits.

The application cannot be approved nor the CCN transferred until we receive evidence that the transaction was completed. These items must be received by the Utilities Financial Review Team, Water Supply Division, within 30 days after the effective date of the transaction.

After the proper documentation is received, staff will prepare a proposed map, certificates, and recommendation for both applicants to review before submitting them to the Executive Director for approval and the transfer of the CCN. A copy of this information will be sent to both the buyer and seller.

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If you concur with the recommendation, the consent forms must be signed and returned by both applicants before the recommendation to transfer the CCN can be approved by the Executive Director. If both consents are not received, the CCN will remain in the name of the seller and the seller remains responsible for the systems for purposes of TWC Section 13 regulations. (See TWC, Section 5.122 and 30 Texas Administrative Code Section 50.33).

As an alternative to the seller's continued involvement in the process, the closing document(s) and any accompanying correspondence may include a statement that the seller consents with the transfer of the CCN to the buyer with specific references to the statute and rule noted above. The statement will serve to authorize the Executive Director to take action upon receipt of the buyer's signed consent form. In this situation, however, the seller is relying on the buyer to provide the final consent on the CCN transfer.

Finally, please note that from the time the application is filed until the CCN is transferred, it is the applicants' (buyer and seller) responsibility to notify and update the Utilities Financial Review Team, of changes in the financial, managerial, or technical information provided in the application.

If you have further questions, please contact Ms. Debbie Reyes Tamayo at (512) 239-4683, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,

A handwritten signature in cursive script, reading "Cari-Michel La Caille".

Cari-Michel La Caille, Assistant Director
Water Supply Division
Texas Commission on Environmental Quality

CML/DRT/mmg

cc: Mr. D. Davis
Mr. Robert Ortiz Jr.
Mr. Wallace E Hardie, Jr.