



Control Number: 43048



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PUC DOCKET NO. 43048

**APPLICATION OF CORIX UTILITIES,
INC. TO ACQUIRE AND TRANSFER
FACILITIES HELD BY BLUEBONNET
RURAL WATER CORPORATION, AND
OBTAIN A CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
WASHINGTON COUNTY**

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PUBLIC UTILITY COMMISSION

OF

TEXAS

STAFF'S RESPONSE TO ORDER NO. 4

Comes Now, Staff (Staff) of the Public Utility Commission of Texas (Commission) and files this Response to Order No. 4. In support of this filing, Staff states the following:

I. BACKGROUND

On July 31, 2014, Bluebonnet Rural Water Corporation (Bluebonnet) and Corix Utilities (Texas) Inc. (Corix) (collectively, Applicants) filed with the Texas Commission on Environmental Quality (TCEQ) an application for sale, transfer, or merger (STM) of facilities and to obtain a Certificate of Convenience and Necessity (CCN) in Washington County.

Effective September 1, 2014, functions relating to the economic regulation of water utilities transferred from the TCEQ to the Commission.¹ The application by Bluebonnet and Corix was received by the Public Utility Commission of Texas on September 24, 2014.

Staff filed a Status Update on October 20, 2014 recommending the application be found administratively complete and requested more time to review the notice forms and propose a procedural schedule. Staff filed another Status Update on November 4, 2014 providing Corix with instructions to provide sufficient notice and requesting time for Corix to issue notice, and time for Staff to file a recommendation on the sufficiency of notice and a proposed procedural schedule. In Order No. 4, the Administrative Law Judge (ALJ) allowed Corix until December 5, 2014 to issue notice and until December 12, 2014 to provide the Commission with affidavit of notice. Order No. 4 further allowed Staff until December 17, 2014 to provide a recommendation

¹ See House Bill (HB) 1600 and Senate Bill (SB) 567, the 83rd Legislature.

on the sufficiency of notice and propose a procedural schedule to further process the application. Therefore, this Response to Order No. 4 is timely filed.

III. SUFFICIENCY OF NOTICE

As noted in the attached memorandum of George Gogonas of the Water Utilities Division (Attachment A), Staff recommends the notice provided by Corix be deemed sufficient. Corix issued notice on November 25, 2014 as attested to in the affidavit of notice and sample notice Corix filed with the Commission on December 9, 2015.

III. PROPOSED PROCEDURAL SCHEDULE

Staff recommends the following procedural schedule apply to this proceeding:

Deadline for customers to file comments	December 29, 2014
Proposed deadline for Staff to request a hearing or to file a final recommendation.	February 23, 2015
Proposed deadline for Purchaser to file a response to Staff's recommendation or file a Joint Proposed Notice of Approval.	March 2, 2015
Deadline for final disposition if no hearing requested	March 25, 2015

IV. CONCLUSION

Staff respectfully requests that the Administrative Law Judge enter an order consistent with this filing.

Dated: December 17, 2014

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division

Doug Brown w/permission
Douglas M. Brown
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DOCKET NO. 43048
CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 17, 2014 in accordance with P.U.C. Procedural Rule 22.74.

Doug Brown w/permission
Douglas M. Brown
Stephen Mack

Attachment A

(Subject Matter Expert's Memorandum)

PUC Interoffice Memorandum

To: Douglas Brown, Attorney
Legal Division

Through: Tammy Benter, Director
Water Utilities Division

From: George Gogonas, Utility Rates Analyst/Auditor

Date: December 11, 2014

Subject: Executive Summary and Staff Recommendation for Commission Approval of Docket No. 43048, Corix Utilities Texas, Inc., to Acquire and Cancel Certificate of Convenience and Necessity (CCN) No. 11556 held by Blue Bonnet Rural Water Corporation, and to amend CCN No. 13227 in Washington County

On July 31, 2014, Corix Utilities Texas, Inc. (Applicant) filed an application under Texas Water Code, Section 13.301, with the Texas Commission on Environmental Quality (TCEQ) to acquire and cancel CCN No. 11556 held by Blue Bonnet Rural Water Corporation. On September 1, 2014, the application was transferred to the Public Utility Commission (PUC) as a pending matter and as part of the transfer of the water utility rates and CCN programs from the TCEQ to the PUC, pursuant to legislation enacted by the passing of House Bill 1600 and Senate Bill 567.

Based on my review of the information in the application, the Applicant provided a signed affidavit to the PUC that proper notice was provided to all necessary parties.