



Control Number: 43048



Item Number: 13

Addendum StartPage: 0

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**

§
§
§
§
§
§
§

PUBLIC UTILITY COMMISSION

2015 SEP 29 AM 10:03
PUBLIC UTILITY COMMISSION
FILING CLERK

OF

TEXAS

COMMISSION STAFF'S FINAL RECOMMENDATION

Comes Now, Staff (Staff) of the Public Utility Commission of Texas (Commission) and files this Final Recommendation. 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 (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.

In Order No. 5, the Administrative Law Judge instructed Staff to request a hearing or file a final recommendation by February 23, 2015. Therefore, this pleading is timely filed.

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

II. FINAL RECOMMENDATION

As noted in the attached memorandum of George Gogonas of the Water Utilities Division (Attachment A), Staff recommends the Application be approved. The Application satisfies the requirements of P.U.C. SUBST. RS. 24.109 and 24.112, and the Purchaser has demonstrated the capability of providing continuous and adequate service to the proposed area.

III. CONCLUSION

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

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division



Douglas M. Brown
Attorney, Legal Division
State Bar No. 24048366
(512) 936-7203
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

DOCKET NO. 43048
CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 23, 2015 in accordance with P.U.C. Procedural Rule 22.74.

Douglas M. Brown

ATTACHMENT A

PUC Interoffice Memorandum

To: Doug Brown, Attorney
Legal Division

Thru: Tammy Benter, Director
Water Utilities Division

From: George Gogonas Utility Rates Analyst/Auditor
Water Utilities Division

Date: February 19, 2015

Subject: Docket No. 43048, Application of Bluebonnet Rural Water Supply Corporation and Corix Utilities (Texas) Inc. for Sale, Transfer or Merger of Facilities and Certificate of Convenience and Necessity in Washington County (38000-S)

On July 31, 2014, Bluebonnet Rural Water Corporation (Bluebonnet) and Corix Utilities (Texas) Inc. (Corix) (collectively, Applicants) filed an application with the Texas Commission on Environmental Quality (TCEQ) for sale, transfer, or merger (STM) of facilities and to obtain a Certificate of Convenience and Necessity (CCN) in Washington County pursuant to the criteria in the Texas Water Code, Chapter 13, and the TCEQ's rules outlined in Title 30, Texas Administrative Code (TAC), Sections 291.109 and 291.112. On September 1, 2014, the rates and CCN programs were transferred from the TCEQ to the Public Utility Commission (PUC). This application was part of the transfer and is now under the PUC's purview. The application is now being reviewed under the PUC's Substantive Rules in Chapter 24, 24.109 and 24.112.

Based on my review of the information in the application and the applicable laws and rules, I have determined that the purchaser has the capability of providing continuous and adequate service to the proposed area. Furthermore, I believe the transaction will serve the public interest. Therefore, I recommend that the Applicants be allowed to proceed with the proposed transaction and also note that a public hearing is not necessary.

I further recommend that the proposed transaction be completed and that the Applicants send documentation as evidence that all assets have been transferred to the acquiring entity and that the disposition of any remaining deposits has been addressed. Pursuant to Title 16, Texas Administrative Code, Section 24.112(e), the approval of the sale expires one year from the date of the Commission's written approval of the sale. If the sale has not been consummated within that period and unless the Applicants have requested and received an extension from the Commission, the approval is void and the Applicant must re-apply for the approval of the sale.