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DOCKET NO. 43075

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PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

APPLICATION OF HIGHLAND §
UTILITIES, INC. AND WILDERNESS §
COVE WATER COMPANY, LLC FOR §
SALE, TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN BURNET COUNTY §

**ORDER NO. 5
APPROVING SALE/TRANSFER TO PROCEED**

On August 27, 2014, Highland Utilities, Inc. d/b/a Highland Utilities (Highland) and Wilderness Cove Water Company, LLC (Wilderness Cove) (collectively, Applicants) submitted an application for the sale of Highland’s Wilderness Cove Subdivision Water System (Facility) in Burnet County to Wilderness Cove, including Highland’s certificate of convenience and necessity (CCN) rights under CCN No. 12334.

On September 1, 2014, functions relating to the economic regulation of water and sewer utilities were transferred from TCEQ to the Commission. On October 2, 2014, Commission Staff requested referral to State Office of Administrative Hearings (SOAH) and on October 6, 2014, the matter was referred by Commission order. On October 31, 2014, SOAH abated the proceeding at the request of Commission Staff. Subsequently, on March 5, 2015, Commission Staff requested that the docket be unabated in order to allow Applicants to cure identified deficiencies. On May 21, 2015, Applicants were afforded additional time to update the application and cure identified deficiencies. On July 20, 2015, Applicants were directed to provide notice and a deadline was established for Commission Staff to request remand to the Commission for further processing or for all parties to propose a supplemental procedural schedule. Applicants filed proof of notice on August 10 and 28, 2015.

On September 9, 2015, Commission Staff proposed a procedural schedule for SOAH, which did not provide for a contested case hearing. Instead, the procedural schedule provided deadlines for the filing of closing documentation, Commission Staff’s final recommendation, and a request for remand. Commission Staff recommended that Applicants be ordered to file by **October 5, 2015**, documentation to evidence that all assets have been transferred to the acquiring

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entity and that the disposition of any remaining deposits have been addressed. Commission Staff represented that Applicants agree with the proposed schedule.


On September 17, 2015, the above-styled and numbered docket was dismissed from the SOAH docket and remanded to the Commission for continued processing.

Consistent with Commission Staff's recommendation, the transaction, as contemplated in the application, is approved and may be consummated.¹ The Applicants are advised that there will be no change to the relevant Certificates of Convenience and Necessity until the sale and transfer transaction is complete and in accordance with Commission rules.

On or before **November 5, 2015**, Commission Staff shall file a recommendation regarding the sufficiency of Applicants' closing documentation. Following Commission Staff's recommendation, a subsequent order will be issued regarding continued processing in accordance with the deadlines established in Commission Staff's September 9, 2015 filing.

SIGNED AT AUSTIN, TEXAS the 22nd day of September 2015.

PUBLIC UTILITY COMMISSION OF TEXAS


IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT

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¹ Since Applicants have agreed to the October 5, 2015 deadline, the presiding officer assumes that the transaction can be completed in the coming weeks. In the event Applicants cannot meet the October 5, deadline, Applicants are reminded that pursuant to 16 Tex. Admin. Code § 24.112(e), Applicants have 365 days to submit proof to the Commission that the transaction has been consummated. If closing documents are not submitted within this period, or an extension granted, approval of this transaction is void.