

Control Number: 43132



Item Number: 5

Addendum StartPage: 0

SOAH DOCKET NO. 473-15-0587  
PUC DOCKET NO. 43132

RECEIVED

2014 OCT -9 AM 10:04

APPLICATION OF PEACH CREEK  
DAM AND LAKE CLUB WATER  
SYSTEM AND CITY OF PATTON  
VILLAGE FOR SALE, TRANSFER, OR  
MERGER OF FACILITIES AND  
CERTIFICATE OF CONVENIENCE  
AND NECESSITY IN MONTGOMERY  
COUNTY, TEXAS (37915-S)

§  
§  
§  
§  
§  
§  
§  
§

BEFORE THE STATE OFFICE

PUBLIC UTILITY COMMISSION  
FILING CLERK

OF

ADMINISTRATIVE HEARINGS

SOAH ORDER NO. 1  
CASE DESCRIPTION, NOTICE OF PREHEARING CONFERENCE, AND FILING  
REQUIREMENTS

I. DESCRIPTION OF CASE

On May 9, 2014, the City of Patton Village (Patton Village) filed with the Texas Commission on Environmental Quality (TCEQ) an application to acquire facilities and transfer certificate of convenience and necessity (CCN) No. 12574 held by Peach Creek Dam & Lake Club, Inc. to Patton Village under Texas Water Code § 13.301. On June 6, 2014, TCEQ accepted the application for filing. On June 11, 2014, Patton Village completed notice by mail, which triggered the 120-day notification period under P.U.C. Subst. R. 24.109(a)(2). On August 5, 2014, TCEQ notified Patton Village that it had failed to meet the necessary financial and managerial capabilities under P.U.C. Subst. R. 24.109(b), and requested that Patton Village provide updated 2013 audited financial statements. On August 26, 2014, Patton Village submitted audited financial records requested by TCEQ.

Effective September 1, 2014, functions relating to the economic regulation of water and sewer utilities transferred from TCEQ to the Public Utility Commission of Texas (Commission); therefore, effective September 1, 2014, the Commission acquired jurisdiction of this case.<sup>1</sup> Under P.U.C. Subst. R. 24.109(e), prior to the expiration of the 120-day notification period, the

<sup>1</sup> House Bill 1600 and Senate Bill 567, the 83rd Legislature. The transfer of this case allows the Commission to process this case under P.U.C. Subst. R. 24.109, relating to the purchase or acquisition of a water or sewer system.

5

Commission shall either approve the sale administratively or require a hearing to determine if the transaction will serve the public interest.

On October 1, 2014, after a review of the application and documents submitted by Patton Village, Commission Staff was unable to determine if Patton Village has the adequate financial capability to ensure continuous and adequate utility service under the Texas Water Code and Commission rules. Staff requested that his case be referred to the State Office of Administrative Hearings (SOAH) for a hearing on the merits.

On October 3, 2014, the Commission referred this case to SOAH, requesting the assignment of an Administrative Law Judge (ALJ) to conduct a hearing and issue a proposal for decision, if such is necessary. On October 6, 2014, SOAH assigned the undersigned ALJ to this case. SOAH has jurisdiction over matters relating to the conduct of the hearing in this proceeding pursuant to Texas Government Code § 2003.049. The Commission will consider this case at its November 14, 2014 open meeting and subsequently issue a preliminary order.

## **II. NOTICE OF PREHEARING CONFERENCE**

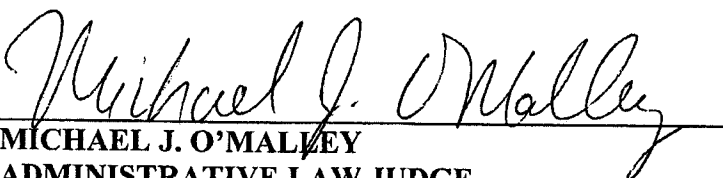
The ALJ will convene a prehearing conference at **10:00 a.m. on Thursday, November 20, 2014**, in a SOAH hearing room located on the Fourth Floor of the William P. Clements Building, 300 West 15th Street, Austin, Texas. At the prehearing conference, the ALJ will address a procedural and discovery schedule, a hearing on the merits date(s), a protective order if necessary, notice, and any other issues that will assist in the fair disposition of this case. If there are any objections to the notice provided in this case, those objections shall be filed no later than October 24, 2014.

## **III. FILING AND SERVICE PROCEDURES**

All pleadings shall be filed with the Commission's filing clerk, not with the SOAH filing clerk. The Commission's filing clerk will forward a copy of the pleadings to SOAH. The parties

may contact Liz Slick, the ALJ's administrative assistant, at 512-475-3363, with any procedural questions.

**SIGNED October 8, 2014.**

  
**MICHAEL J. O'MALLEY**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARING**