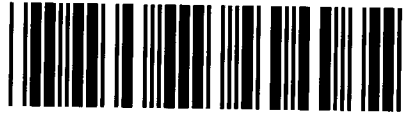




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Addendum StartPage: 0

**P.U.C. DOCKET NO. 43132
SOAH DOCKET NO. 473-15-0587**

FILED
2014 OCT 22 AM 10:18
PUBLIC UTILITY COMMISSION
FILING CLERK

**APPLICATION OF PEACH CREEK
DAM & 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 (37915-S)**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

COMMISSION STAFF'S LIST OF ISSUES

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files Commission Staff's List of Issues, and would show the following:

I. BACKGROUND

On October 3, 2014, the Commission issued an Order of Referral in this proceeding. The Order of Referral provides that by October 22, 2014, Peach Creek and Patton Village shall, and the Commission Staff and any other interested party may, file with the Commission a list of issues to be addressed in this docket, a list of issues not to be addressed in this docket, or identify any legal or policy issues that should be briefed for the purposes of a preliminary order. Accordingly, this list of issues is timely filed.

II. LIST OF ISSUES

Staff has identified the following issues that should be addressed in this proceeding.

1. Have the Applicants provided public notice of the acquisition of the water system and transfer of the certificate of convenience and necessity (CCN) in compliance with the requirements of P.U.C. SUBST. R. 24.109(a) and P.U.C. SUBST. R. 24.112(c)?
2. Has the person acquiring the water system demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the service area being acquired and to any areas currently certificated, consistent with P.U.C. SUBST. R. 24.109(b) and P.U.C. SUBST. R. 24.112(b)??

- a. If the person has not demonstrated adequate financial capability, should the Commission require that the person provide financial assurance to ensure continuous and adequate utility service is provided, consistent with P.U.C. SUBST. R. 24.109(c)?
 - b. If the Commission requires the person to provide financial assurance, what is the reasonable amount of financial assurance that the Commission should require?
3. Will approving the sale serve the public interest?
- a. Is the person acquiring the water system and CCN capable of rendering adequate and continuous service to every consumer within the certificated area, after considering the factors set forth in Texas Water Code (TWC) § 13.246(c), P.U.C. SUBST. R. 24.109(e)(5) and P.U.C. SUBST. R. 24.112(c)(5)?
 - i. Has the person relinquishing the water system failed to comply with a Commission or Texas Commission on Environmental Quality (TCEQ) order?
 - ii. Is the service currently provided in the area adequate?
 - iii. Is additional service needed in the requested area? Have any landowners, prospective landowners, tenants, or residents requested service?
 - iv. What is the effect of granting the certificate on the recipient of the certificate, on the landowners in the area, and on any retail public utility of the same kind already serving the proximate area?
 - v. Does the person acquiring the water system have the ability to provide adequate service, including meeting the standards of the commission, taking into consideration the current and projected density and land use of the area?
 - vi. Is it feasible to obtain service from an adjacent retail public utility?
 - vii. Is the person acquiring the water system financially stable, considering the adequacy of the debt-equity ratio of the person acquiring the water system if the transaction is approved?

- viii. What is the effect of approving the transaction on environmental integrity?
- ix. What is the probable improvement of service or lowering of cost to consumers in that area resulting from approving the proposed transaction?
- x. What is the effect on the land to be included in the certificated area?
- b. What is the experience of the person acquiring the water system as a utility service provider?
- c. Does the person or affiliated interest of the person acquiring the water system have a history of:
 - i. Noncompliance with the requirements of the Commission, the TCEQ, or the Texas Department of State Health Services; or
 - ii. Continuing mismanagement or misuse or revenues as a utility service provider?

III. ISSUES NOT TO BE ADDRESSED

Staff has not identified any issues that should not be addressed in this docket.

IV. THRESHOLD LEGAL/POLICY ISSUES

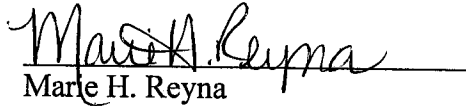
Staff has not identified any legal or policy issues that should be briefed for the purposes of a preliminary order.

Dated: October 22, 2014

Respectfully Submitted,

Joseph P. Younger
Division Director-Legal Division

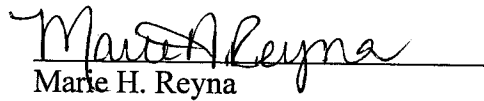
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**P.U.C. DOCKET NO. 43132
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CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on October 22, 2014, in accordance with P.U.C. Procedural Rule 22.74.


Marie H. Reyna