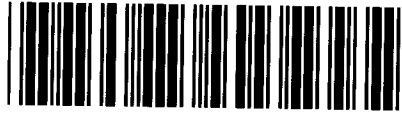




Control Number: 43368



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<p><b>APPLICATION OF CURTIS J. SHUPAK AND HDU SERVICES, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE OF CONVENIENCE AND NECESSITY IN BURLESON COUNTY (37955-S)</b></p>	<p>§ § § § § § §</p>	<p><b>PUBLIC UTILITY COMMISSION OF TEXAS</b></p> <p>COMMISSION: 21</p> <p>FILING CLERK</p>
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**COMMISSION STAFF’S RECOMMENDATION ON FINAL DISPOSITION**

COMES NOW the Staff of the Public Utility Commission of Texas, representing the public interest and files this Recommendation on Final Disposition and would show the following:

**I. BACKGROUND**

On June 23 HDU Services, LLC (Applicant) filed with the Texas Commission on Environmental Quality (TCEQ) an Application for Sale, Transfer, or Merger of a Retail Public Utility pursuant to TEX. WATER CODE ANN. §§ 13.246(c), 13.254, 13.301 and 30 TEX. ADMIN. CODE § 291.1091.<sup>1</sup> The application addressed the proposed transfer of service area Certificate of Convenience and Necessity (CCN) No. 12254 and facilities in Burleson County, Texas from Curtis J. Shupak to the Applicant. According to the application, the Applicant will retain CCN No. 12254. No one contested to the Application; therefore no public hearing was required.

**II. RECOMMENDATION ON FINAL DISPOSITION**

As set forth in the attached memorandum of Leila Guerrero, Staff Regulatory Accountant/Auditor, Water Utilities Division, Staff recommends approval of the application.

**III. CONCLUSION**

Staff recommends that the application be approved. Staff intends to work with the Applicant to file joint proposed findings of fact, conclusions of law, and ordering paragraphs by May 1, 2015.

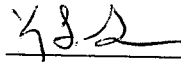
<sup>1</sup> Currently P.U.C. SUBST. R. 24.109.

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Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

Shelah J. Cisneros  
Managing Attorney  
Legal Division



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Katherine Lengieza Gross  
Attorney-Legal Division  
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(512) 936-7268 (facsimile)  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on March 19, 2015 in accordance with P.U.C. Procedural Rule 22.74.



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Katherine Lengieza Gross

## PUC Interoffice Memorandum

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**To:** Katherine Gross, Attorney  
Legal Division

**Thru:** Tammy Benter, Director  
Water Utilities Division

**From:** Leila Guerrero, Regulatory Accountant/Auditor  
Water Utilities Division

**Date:** March 19, 2015

**Subject:** **Docket No. 43368**, Application of HDU Services, LLC and Curtis J. Shupak for Sale, Transfer or Merger of Facilities and Certificate of Convenience and Necessity in Burleson County (37955-S)

On June 23, 2014, the HDU Services, LLC ("Applicant") filed an application with the Texas Commission on Environmental Quality (TCEQ) to purchase and transfer facilities from Certificate of Convenience and Necessity (CCN) No. 12254 held by Curtis J. Shupak in Burleson 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 Applicant 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 Applicant 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 Applicant has requested and received an extension from the Commission, the approval is void and the Applicant must re-apply for the approval of the sale. In addition, I recommend the Applicant be informed that the CCN will remain in the name of Curtis J. Shupak until the transfer is complete and approved in accordance with the PUC rules and regulations.