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PUBLIC UTILITY COMMISSION  
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**DOCKET NO. 43898**

**SPRINGS HILL WATER SUPPLY  
CORPORATION'S NOTICE OF  
WHOLESALE WATER SUPPLY  
CONTRACT**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

### **COMMISSION STAFF'S RESPONSE TO ORDER NO. 1**

COMES NOW the Staff ("Staff") of the Public Utility Commission of Texas ("Commission"), representing the public interest and files this Response to Order No. 1 and would show the following:

#### **I. BACKGROUND**

On December 8, 2014, Springs Hill Water Supply Corporation (Springs Hill) filed a copy of a water supply agreement between Springs Hill Water Supply Corporation and Crystal Clear Water Supply Corporation pursuant to TEX. WATER CODE § 13.144 and 16 TEX. ADMIN. CODE § 24.15. On December 12, 2014, the Commission Administrative Law Judge issued Order No.1 requiring Staff to file a response by January 5, 2015 which includes comments on whether the filing is informational and will not require formal action, or if formal action is required, propose a procedural schedule. This pleading is timely filed.

#### **II. DISCUSSION**

As described in the attached memorandum of Tammy Benter, Director, Water Utilities Division, the contract filing met all the requirements of the statute and rules and was filed for information purposes only. Therefore, no additional action is required and Staff does not propose a procedural schedule.

### III. CONCLUSION

Staff respectfully requests the entry of an order consistent with the above discussion.

Date: December 31, 2014

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

Shelah J. Cisneros  
Managing Attorney  
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**DOCKET NO. 43898**  
**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on December 31, 2014 in accordance with P.U.C. PROC. R. 22.74.

  
Christina Mann

## PUC Interoffice Memorandum

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**To:** Chrissy Mann, Attorney  
Legal Division

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

**SUBJECT:** Docket No. 43898, Wholesale Water Supply Contract between Springs Hill Water Supply Corporation (WSC), Certificate of Convenience and Necessity (CCN) No. 10666 and Crystal Clear WS, CCN No. 10297

**DATE:** December 29, 2014

On December 5, 2014, Springs Hill WSC filed a copy of a water supply contract entered into on October 9, 2014, with Crystal Clear WSC. The contract was filed with the Public Utility Commission (PUC) as required under Texas Water Code (TWC) §13.144 and the PUC SUBST. R. 24.15. The purpose of the contract filing is to document that Springs Hill WSC will sell groundwater produced from the Carizzo Aquifer to Crystal Clear WSC. In turn, Crystal Clear WSC will use, distribute and resell the water to its retail customers. The contract shall remain active until terminated by the parties.

The contract filing met all the requirements of the statute and rules and was filed for information purposes only. Should Crystal Clear WSC desire to amend its CCN in the future to provide additional water utility service, the contract may be used to meet the requirements of TWC §13.241(b), regarding the capability of providing drinking water that meets the requirements of Chapter 341, Health and Safety Code, and having access to an adequate supply of water. Furthermore, TWC §13.246(c)(4) requires a retail public utility, like Crystal Clear WSC, to demonstrate it has the ability to provide adequate service, taking into consideration the current and projected density and land use of the area, when amending its CCN. The information in the contract may be used in the future to document Crystal Clear WSC's ability to meet this criterion.

No further action is required at this time.