



Control Number: 44024



Item Number: 19

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THE TERRILL FIRM

A PROFESSIONAL CORPORATION

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2015 JUL 14 PM 2:00

PUBLIC UTILITY COMMISSION
FILING CLERK

July 14, 2015

Sam Chang
Public Utility Commission of Texas
1701 N Congress PO Box 13326
Austin, Texas 78711-3326

Re: PUD Docket No. 44024; Application by Aqua Texas, Inc., CCN No. 13201, for Approval of a Sale, Transfer, or Merger of CCN No. 11439, Union Hill Water Supply Corporation Service Area and Assets.

Dear Sam:

In reviewing the filed application by Aqua Texas, Inc. ("Aqua Texas") for the Approval of a Sale, Transfer, or Merger of CCN No. 11439, Union Hill Water Supply Corporation Service Area and Assets, Aqua Texas discovered two errors in the figures listed on page 7 of 23 of the application form. In the application as filed, the numbers for "Utility Plant in Service" and "Others: Net Book Value" are formatted incorrectly. They were intended to match the "Total Original Cost" and "Net Book Value" figures, respectively, correctly set forth on page 6 of 23.

Attached please find a correction page which properly formats the numbers for "Utility Plant in Service" and "Others: Net Book Value." Thank you for your attention to this matter. If there is anything else needed to process this STM application, please let me know.

Sincerely,



Geoffrey P. Kirshbaum
THE TERRILL FIRM, P.C.

Enclosures.

- ☞ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: Date:

- ☞ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.

[attach additional sheet(s) if necessary]:

The transaction strictly involves an asset sale/acquisition/transfer between Union Hill WSC and Aqua Texas, Inc. d/b/a Aqua Texas. This is not a stock purchase transaction. Legal ownership and responsibility for the assets will be transferred to Aqua Texas which will become the certificated retail public water utility for Union Hill water customers in place of Union Hill Water Supply Corporation. Day-to-day utility operations will remain the same or improve under Aqua Texas' experienced management and operations personnel. Aqua Texas has been the contract operator for the Union Hill WSC water system (PWS No. 1070032) for over four years. Further, the Union Hill WSC water system was interconnected with an Aqua Texas water system (Phoenix Water Works, PWS No. 1070211) in 2010. Prior to the interconnect, Union Hill WSC's water well was failing. Now, the Union Hill WSC water system has a sustainable water supply purchased from Aqua Texas. The applicants note that all rights under the Asset Purchase Agreement included in Attachment 3 were assigned by Aqua Utilities, Inc. d/b/a Aqua Texas, Inc. to Aqua Texas, Inc. d/b/a Aqua Texas as reflected in the assignment document also included within Attachment 3. Aqua Texas is not requesting a water rate change upon completion of the transaction, but is requesting that its service policies be incorporated into a "Water Utility Tariff for North Region – Union Hill" as there are requirements for investor-owned utilities that do not apply to non-profit water supply corporations.

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

| | |
|------------------------------------|-------------------------------|
| Utility Plant in Service: | \$1,008,330.00** |
| Plant Acquisition Adjustment: | Not yet known** |
| Extraordinary Loss on Purchase: | Not applicable. |
| Accumulated Depreciation of Plant: | \$270,693.00* |
| Cash: | Not applicable. |
| Notes Payable: | Not applicable. |
| Mortgage Payable: | Not applicable. |
| Others (please list): | Net Book Value: \$737,637.00* |

As the purchaser, I understand that it is _____ in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Aqua Texas Date: December 15, 2014

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

☒ All the customers will be charged the same rates as they were charged before the transaction.
☐ Some ☐ All customers will be charged different rates than they were charged before the transaction.

SEE ATTACHMENT 4 (which includes the current Union Hill WSC Tariff and the proposed Aqua Texas, Inc. d/b/a Aqua Texas Water Utility Tariff for North Region – Union Hill).