

Control Number: 44024



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APPLICATION OF AQUA TEXAS, §
INC. AND UNION HILL WATER §
SUPPLY CORPORATION FOR SALE §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN HENDERSON COUNTY §

PUBLIC UTILITY COMMISSION

OF TEXAS

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**RESPONSE TO ORDER NO. 7
COMMISSION STAFF'S RECOMMENDATION ON CLOSING DOCUMENTS**

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files its Recommendation on Closing Documents. Staff recommends that the sale and transfer transaction has been consummated. In support of its Recommendation on Final Disposition, Staff states the following:

I. Background

On December 22, 2014, Aqua Texas, Inc. (Aqua Texas) filed its sale/transfer/merger application. Aqua Texas requested Commission approval of the purchase and transfer of Union Hill Water Supply Corporation's water assets and corresponding water CCN No. 11439. The service area is in Henderson County, Texas.

On July 20, 2015, Staff recommended that the Commission approve Aqua Texas' application and the sale and transfer transaction between Aqua Texas and Union Hill Water Supply Corporation.

On August 12, 2015, the Administrative Law Judge entered Order No. 6, which approved the sale and transfer transaction. Order No. 6 also required Aqua Texas to file closing documents regarding the sale and transfer transaction.

On October 2 and 27, 2015, Aqua Texas filed a bill of sale between Aqua Texas and Union Hill Water Supply Corporation and a HUD-1 settlement statement. According to the accompanying affidavit filed by Aqua Texas, there were no customer deposits that needed to be refunded.

On November 2, 2015, the Administrative Law Judge entered Order No. 7, which established November 16, 2015 as the deadline for Staff to file its recommendation on the closing documents filed by Aqua Texas.

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II. Staff's recommendation

Staff has reviewed the bill of sale and HUD-1 settlement statement filed by Aqua Texas. The executed date on the bill of sale is August 31, 2015, which is within one year of August 12, 2015, the date in which the sale and transfer transaction was approved by the Commission. Likewise, the closing date on the HUD-1 settlement statement is September 4, 2015, which is also within one year of August 12, 2015. Additionally, as indicated by the accompanying affidavit filed by Aqua Texas, there are no customer deposits that need to be refunded. Thus, Staff has determined that Aqua Texas and Union Hill Water Supply Corporation have consummated their sale and transfer transaction. Staff's recommendation is based on the attached memorandum of Elisabeth English from the Water Utilities Division.

III. Proposed Procedural Schedule

To assist in processing of the remainder of this proceeding, Staff requests that the Commission adopt the following proposed procedural schedule:

Event	Date
Deadline for parties to file a response to Staff's recommendation on closing documents	December 7, 2015
If no party has filed a response to Staff's recommendation on closing documents, deadline for Staff to file its final recommendation	January 4, 2016
Deadline for parties to file a response to Staff's final recommendation	January 11, 2016
If no party has filed a response to Staff's final recommendation, deadline for parties to file a joint proposed notice of approval with findings of fact, conclusions of law, and ordering paragraphs	January 25, 2016

IV. Conclusion

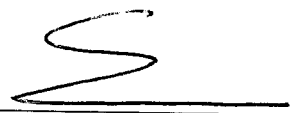
Aqua Texas and Union Hill Water Supply Corporation have consummated their sale and transfer transaction. To assist in the processing of the remainder of this proceeding, Staff requests that the Commission adopt the proposed procedural schedule.

Date: November 16, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division



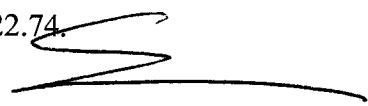
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DOCKET NO. 44024

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on November 16, 2015, in accordance with 16 Tex. Admin. Code § 22.74.



Sam Chang

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APPLICATION OF AQUA TEXAS,	§	PUBLIC UTILITY COMMISSION
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SUPPLY CORPORATION FOR SALE	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN HENDERSON COUNTY	§	

MEMORANDUM OF ELISABETH ENGLISH

Public Utility Commission of Texas

Memorandum

To: Sam Chang, Attorney
Legal Division

Thru: Tammy Benter, Director
Lisa Fuentes, Manager
Water Utilities Division

From: Elisabeth English, Engineering Specialist
Water Utilities Division

Date: November 13, 2015

Subject: **Docket No. 44024:** *Application of Aqua Texas Inc. and Union Hill Water Supply Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Henderson County*

On December 22, 2014, Aqua Texas, Inc. (Aqua) filed an application with the Public Utility Commission (Commission) to purchase water system assets and transfer the service area under Union Hill Water Supply Corporation's (Union Hill) Certificate of Convenience and Necessity, CCN No. 11439, in Henderson County, Texas. Union Hill's CCN No. 11439 will be canceled as a result of this application. The application is being reviewed under the P.U.C. Subst. R. 24.109.

Staff previously considered the Aqua's ability to provide continuous and adequate service pursuant to the CCN criteria outlined in TAC § 24.102(d). Pursuant to 16 TAC § 24.109(f), Staff recommended that the transaction proceed as proposed and Order No 6, issued August 12, 2015, requested that the Applicants provide documentation, as evidence, that all assets were transferred to the acquiring entity, and that the disposition of any remaining deposits were addressed pursuant to 16 TAC § 24.109(f).

On October 2, 2015, Aqua filed a bill of sale and affidavits attesting to the disposition of the applicable deposits. On October 27, Aqua filed further documentation supporting the transaction and an amended affidavit from Aqua regarding the deposits. The Applicants state in their respective affidavits that no refunds of customer deposits was necessary.

Staff has reviewed the closing documents and finds that they meet the requirements of 16 TAC §24.112. Specifically, the closing documents demonstrate that closing occurred within one year of the Commission's written approval of the sale.