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House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014

**SOAH DOCKET NO. 582-12-6658
TCEQ DOCKET NO. 2012-1058-UCR**

**IN THE APPLICATION OF AQUA § BEFORE THE STATE OFFICE
TEXAS, INC., AQUA UTILITIES, INC., §
AQUA DEVELOPMENT, INC., HARPER §
WATER COMPANY, INC., AND §
KERRVILLE SOUTH WATER § OF
COMPANY, INC., DBA AQUA TEXAS §
FOR NORTH AND SOUTH WEST §
REGION WATER RATE/TARIFF §
CHANGES § ADMINISTRATIVE HEARINGS**

ORDER NO. 8

**SOAH DOCKET NO. 582-13-0755
TCEQ DOCKET NO. 2012-1989-UCR**

**APPEAL OF AQUA TEXAS, INC., AQUA § BEFORE THE STATE OFFICE
UTILITIES, INC., AQUA §
DEVELOPMENT, INC., KERRVILLE §
SOUTH WATER COMPANY, INC., AND §
HARPER WATER COMPANY, INC. DBA § OF
AQUA TEXAS, CCN NOS. 11157, 11421, §
11484, 12902, & 13201, OF CITY OF §
KERRVILLE RATEMAKING ACTION § ADMINISTRATIVE HEARINGS**

ORDER NO. 1


GRANTING MOTION TO CONSOLIDATE

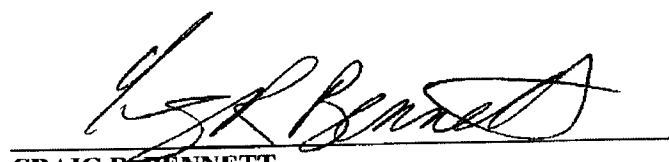
On October 30, 2012, the City of Kerrville filed a motion to consolidate the appeal of its decision involving Aqua Texas, Inc., Aqua Utilities, Inc., Aqua Development, Inc., Harper Water Company, Inc., and Kerrville South Water Company, Inc., d/b/a Aqua Texas (Aqua Texas) with the pending rate case on Aqua Texas' application to change rates. The Hill Country Group, a group of parties involved in SOAH Docket No. 582-12-6658, as well as the Office of Public Interest Counsel have each filed a response urging that the motion to consolidate be granted. The Executive Director (ED) of the Texas Commission on Environmental Quality (TCEQ) filed a response stating that, although not opposed to the motion, the ED suggests waiting until the preliminary hearing in SOAH

Docket 582-13-0755 to rule on the motion so that all parties may weigh-in on the matter. Aqua Texas opposes the motion to consolidate.

The Administrative Law Judges (ALJs) have reviewed the motion and the responsive filings and find that the motion should be conditionally granted. For the reasons noted in the motion, it is standard practice to consolidate rate appeal actions that involve the TCEQ's appellate jurisdiction with cases involving the TCEQ's original jurisdiction when those ratemaking actions involve the same utility and are based upon the same test year and other underlying data. From reviewing the pleadings in this case, there does not appear to be any sufficient basis for not consolidating these dockets. Therefore, it is **ORDERED** that SOAH Docket Nos. 582-12-6658 and 582-13-0755 are conditionally consolidated at this time for purposes of hearing. However, this order is conditional in that any new parties that appear at the preliminary hearing on December 10, 2012, may challenge this order and provide arguments on the matter. The ALJs will consider such arguments and, if they find them persuasive, may sever the cases later. But, at this time, the cases are hereby consolidated for hearing. Accordingly, the City of Kerrville may fully participate as a party in any pending mediation currently scheduled in SOAH Docket No. 582-12-6658. Other matters related to the consolidation, including revisions to the existing procedural schedule, will be addressed after the preliminary hearing has been conducted in SOAH Docket No. 582-13-0755.

SIGNED November 9, 2012.


KERRIE JO O'ALTROUGH
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS


CRAIG R. BENNETT
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS

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AGENCY: Environmental Quality, Texas Commission on (TCEQ)
STYLE/CASE: AQUA UTILITIES, INC., AQUA TEXAS, INC. AQUA
DEVELOPMENT, INC
SOAH DOCKET NUMBER: 582-12-6658
REFERRING AGENCY CASE: 2012-1058-UCR

**STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

ADMINISTRATIVE LAW JUDGE
ALJ CRAIG R. BENNETT

REPRESENTATIVE / ADDRESS

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Note: THIS CASE HAS BEEN CONSOLIDATED WITH DOCKET NO. 582-13-0755 FOR PURPOSE
OF HEARING.