



Control Number: 44387



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DOCKET NO. 44387

**APPLICATION OF NORTHWEST
WATER SYSTEMS, INC. AND NERRO
SUPPLY INVESTORS, LLC FOR SALE,
TRANSFER, OR MERGER OF
FACILITIES AND CERTIFICATE
RIGHTS IN HARRIS AND
MONTGOMERY COUNTIES**

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PUBLIC UTILITY COMMISSION

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OF TEXAS
PUBLIC UTILITY COMMISSION
FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION THAT CLOSING DOCUMENTS BE
FOUND SUFFICIENT**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Response to Order No. 6 and Recommendation that Closing Documents be Found Sufficient. In support thereof, Staff shows the following:

I. BACKGROUND

On January 29, 2015, Northwest Water Systems, Inc. (Northwest) and Nerro Supply Investors, LLC (Nerro) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger (STM) of facilities and certificate rights in Harris and Montgomery Counties, Texas. Nerro seeks approval to purchase the water assets currently held by Northwest under certificate of convenience and necessity (CCN) number 10336 and retain Northwest's CCN. The Applicants state that the rates will not change for the affected customers.¹

On January 8, 2015, the Administrative Law Judge (ALJ) issued Order No. 6 finding the closing documentation insufficient due to lack of customer deposit information as required and establishing a deadline for the Applicants to file additional information. Order No. 6 required the Applicants to file documentation as evidence that the disposition of any remaining deposits has been addressed by February 5, 2016. On January 11, 2016, the Applicants filed documentation as evidence that the disposition of any remaining deposits had been addressed. Order No. 6 also required Staff to file a supplemental recommendation regarding the sufficiency of the documents and propose a schedule for the continued processing of this docket. Accordingly, this recommendation is timely filed.

¹ Application at 7 (Jan. 29, 2015).

II. STAFF'S RECOMMENDATION

Staff has reviewed the additional closing documents filed by the Applicants and recommends the closing documents be found sufficient to show that the transaction has been fully completed. Pursuant to 16 TAC § 24.109(g), the parties "must file a signed contract, bill of sale, or other appropriate documents as evidence that the transaction has been made final and documentation that customer deposits have been transferred or refunded to the customer with interest." On December 15, 2015, the Applicants filed documents as evidence that the transaction has been made final. On January 11, 2016, the Applicants filed documentation as evidence that the disposition of any remaining deposits had been addressed. Therefore, Staff recommends the documents filed by the Applicants meet the criteria for final approval of the application and have complied with the requirements of 16 TAC § 24.109(g).

Staff is in the process of preparing final maps and obtaining consent forms from the Applicants. Staff proposes to file a final recommendation on this application by **April 1, 2016**.

III. CONCLUSION

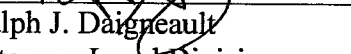
Staff respectfully requests that the ALJ issue an order consistent with the above recommendations.

DATED: March 7, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director - Legal Division

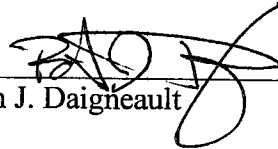
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on March 7, 2016, in accordance with 16 TAC § 22.74.



Ralph J. Daigneault