

Control Number: 44794



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DOCKET NO. 44794

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APPLICATION OF QUADVEST, L.P. §
AND WESTSIDE WATER, LLC FOR §
SALE, TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN HARRIS, WALLER, AND §
FORT BEND COUNTIES §

PUBLIC UTILITY COMMISSION

PUBLIC UTILITY COMMISSION
FILING CLERK

OF TEXAS

COMMISSION STAFF'S RESPONSE TO ORDER NO. 4

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Response to Order No. 4. In support thereof, Staff would show the following:

I. BACKGROUND

On June 3, 2015, Quadvest, L.P. (Quadvest) and Westside Water, LLC (Westside) (collectively Applicants) filed a STM application (STM or Application) with the Commission for Quadvest to purchase facilities and transfer customers and service area of water and sewer Certificates of Convenience and Necessity (CCNs) 12942 (water) and 20878 (sewer) from Westside in Harris County. As a result of the proposed transaction, Quadvest's water and sewer CCNs will be expanded to include the proposed area and Westside's CCNs will be cancelled. In addition, Westside will no longer be in the retail water or sewer utility business. The application was filed pursuant to the criteria in Tex. Water Code §§ 13.241, 13.246 and 13.301, and 16 Tex. Admin. Code §§ 24.102-107, 24.109 and 24.112.

On June 6, 2016, Quadvest filed closing documentation. On June 7, 2015, Quadvest filed an amendment to this documentation. Order No. 4 set the deadline for Staff to file a recommendation regarding the sufficiency of the closing docs as 20 working days from the submission of proof of sale. Twenty (20) working days from June 6, 2016 is July 5, 2016. This pleading is therefore timely filed.

II. RECOMMENDATION

As explained in the memorandum (Attachment A) of Sean Scaff and Komal Patel of the Water Utilities Division, Staff recommends that the closing documents be found sufficient and complete. Quadvest also submitted documentation showing that Lake Pointe Estates did not need a separate Public Water System Designation, as requested in Staff's Final Recommendation, filed on October 16, 2016.

III. PROCEDURAL SCHEUDLE

Staff recommends the sale documents be found sufficient. Staff therefore proposes the following procedural schedule:

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to Applicant for review and consent	<i>July 15, 2016</i>
Deadline for Applicant to file signed consent forms with the Commission	<i>July 29, 2016</i>
Deadline for Staff to file a recommendation on final disposition	<i>August 5, 2016</i>
Deadline for parties to file joint proposed findings of fact and conclusions of law	<i>August 12, 2016</i>

IV. CONCLUSION

Staff respectfully requests that the ALJ issue an order reflecting the above request.

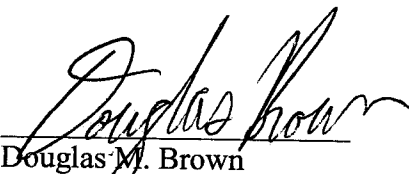
Dated: July 1, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

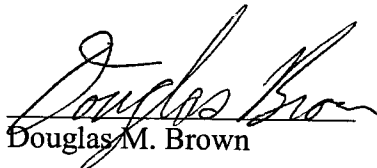
Stephen Mack
Managing Attorney

A handwritten signature in cursive script, appearing to read "Douglas Brown", written over a horizontal line.

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**DOCKET NO. 44794
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on or before
July 1, 2016 in accordance with 16 TAC § 22.74.

A handwritten signature in cursive script, appearing to read "Douglas Brown", written over a horizontal line.
Douglas M. Brown

ATTACHMENT A

PUC Interoffice Memorandum

To: Doug Brown, Attorney
Legal Division

Through: Tammy Benter, Director
Water Utilities Division

From: Sean Scaff, Engineering Specialist
Komal Patel, GIS Specialist
Water Utilities Division

DATE: June 17, 2016

SUBJECT: **Docket No. 44794:** *Application of Quadvest, L.P. and Westside Water, LLC sale, transfer, or merger of facilities and certificate rights in Harris, Waller and Fort Bend Counties*

On June 3, 2015, Quadvest, L.P. (Quadvest) and Westside Water, LLC (Westside) filed an application for sale, transfer, or merger of facilities and certificate rights in Fort Bend, Harris and Waller Counties. Quadvest seeks to acquire all of the water and sewer systems and certificated areas included in Westside's water Certificate of Convenience and Necessity (CCN) No. 12942 and Sewer CCN No. 20878. The area includes the Lakes of Fairhaven subdivision in Harris County, the Lake Pointe Estates subdivision in Fort Bend County, and the Cane Island subdivision in Harris/Waller Counties, comprising approximately 1126 acres and 621 current customers.

On October 16, 2015 commission staff recommended that Quadvest had demonstrated adequate financial, managerial and technical capability to providing continuous and adequate service to the proposed area and any existing area served by Westside. However, in the approval letter staff recommended that in addition to approving the sale, Quadvest would need to receive a determination from the Texas Commission on Environmental Quality as to whether the Lake Pointe Estates would meet the definition of a public water system (PWS), and thus would need to seek as-built approval of the water system from the TCEQ and receive PWS designation.

On June 7, 2016, Quadvest submitted documentation from the TCEQ showing that Lake Pointe Estates did not need a separate PWS designation and the system was combined with Bridlewood Estates PWS No. 0790350. This documentation, in addition to the closing documentation and record of the transfer of customer deposits from Westside to Quadvest, fulfills all criteria outlined in the October 16, 2015 staff memo recommending approval to the sale.