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APPLICATION OF TERRACE §
ACRES WATER SUPPLY §
CORPORATION AND BOLIVAR §
WATER SUPPLY CORPORATION §
FOR SALE, TRANSFER, OR §
MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS IN DENTON §
COUNTY §

PUBLIC UTILITY COMMISSION

OF TEXAS

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PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S RECOMMENDATION REGARDING SUFFICIENCY OF CLOSING DOCUMENTS AND PROPOSED PROCEDURAL SCHEDULE

COMES NOW the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Order No. 4 and Recommendation Regarding Sufficiency of Closing Documents and Proposed Procedural Schedule:

I. Background

On November 30, 2015, Terrace Acres Water Supply Corporation (Terrace Acres WSC) and Bolivar Water Supply Corporation (Bolivar WSC) (collectively, Applicants) filed an application for sale, transfer, or merger of facilities and certificate rights in Denton County. Applicants seek approval of a transaction in which Bolivar WSC will acquire all of Terrace Acres WSC's certificated service area under water certificate of convenience and necessity (CNN) No. 12323 in Denton County, and associated facilities. Bolivar WSC's CCN No. 11257 will be amended.

On April 19, 2015, the Administrative Law Judge (ALJ) issued Order No. 4 approving the sale. Order No. 4 also required the applicants to submit closing documents and Staff to file a recommendation regarding the sufficiency of the closing documents within thirty days of their submission. Applicants filed the closing documents on May 23, 2016.

II. Staff's Recommendation

As detailed in the attached memorandum, Staff reviewed the closing documents filed by the Applicants and recommends the closing documents be found sufficient to show that the

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transaction has been fully completed. Pursuant to 16 Tex. Admin. Code § 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 May 23, 2016, the Applicants filed a general warranty deed indicating the transfer had taken place and filed an affidavit attesting that Terrace Acres WSC never had any customer deposits. Therefore, Staff recommends the ALJ find that documents filed by the Applicants have complied with the requirements of 16 TAC § 24.109(g).

III. Proposed Procedural Schedule

Staff recommends that the Commission adopt the following procedural schedule for further processing of this application

Event	Date
Deadline for Staff to submit revised maps and blank consent form to Applicants for review	August 10, 2016
Deadline for Applicants to file completed and signed consent form	August 24, 2016
If no disputed issues, deadline for parties to file a proposed notice of approval, including findings of fact, conclusion of law and ordering paragraphs.	September 7, 2016

V. Conclusion

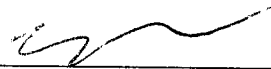
Staff respectfully requests that the ALJ issue an order consistent with this Response.

PUBLIC UTILITY COMMISSION
LEGAL DIVISION

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney



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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on July 11, 2016, in accordance with P.U.C. Procedural Rule 22.74.



Landon J. Lill

PUC Interoffice Memorandum

To: Landon Lill, Attorney
Legal Division

Through: Tammy Benter, Director
Water Utilities Division

From: Jolie Mathis, Engineering Specialist
Tracy Montes, GIS Specialist
Water Utilities Division

SUBJECT: Docket No. 45400, Application of Terrace Acres Water Supply Corporation and Bolivar Water Supply Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Denton County

DATE: July 11, 2016

Staff has reviewed the 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 the customer deposits have been transferred or refunded to the customer with interest.”

On May 23, 2016, the Applicants filed documents as evidence that the transaction has been made final. There were no customer deposits to be transferred or returned because Transferor is a water supply corporation which collected memberships. 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).