



Control Number: 45400



Item Number: 22

Addendum StartPage: 0

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

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PUBLIC UTILITY COMMISSION

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**JOINT PROPOSED NOTICE OF APPROVAL AND REQUEST TO ADMIT EVIDENCE**

COMES NOW Staff (Staff) of the Public Utility Commission (Commission) files this Joint Proposed Notice of Approval and Request to Admit Evidence

**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 approval of a sale, transfer, or merger of facilities and certificate rights in Denton County pursuant to Tex. Water Code Ann. §§ 13.301, 13.246, and 13.301 (TWC) and 16 Tex. Admin. Code §§ 24.102, 24.109, and 24.112 (TAC). The Applicants seek approval for Terrace Acres WSC's retail water Certificate of Convenience and Necessity (CCN) No. 12323 and associated facilities to be transferred to Bolivar WSC. This Joint Proposed Notice of Approval and Request to Admit Evidence includes findings of fact, conclusions of law, and ordering paragraphs. The Applicants have reviewed and agree to the Proposed Notice of Approval attached hereto. The Proposed Notice of Approval is timely filed on or before September 14, 2016.

**I. Request to Admit Evidence**

The Applicants and Staff request to admit the following evidence into the record of this proceeding:

- a) Application of Bolivar WSC and Terrace Acres WSC and all attachments, filed November 30, 2015;
- b) Affidavit regarding notice to customers, neighboring utilities, and other affected parties, filed on January 13, 2016;
- c) Staff's Final Recommendation and all attachments, filed on April 5, 2016;
- d) Closing Documents to STM and all attachments, filed on May 23, 2016;
- e) Staff's Recommendation Regarding Sufficiency of Closing Documents and Proposed Procedural Schedule, filed on July 11, 2016;

- f) Staff's Final Recommendation and all attachments, filed on May 11, 2015.

## **II. Proposed Notice of Approval**

The Proposed Notice of Approval (Attachment A) would approve the application for the transfer of facilities and certificate rights in Denton County, Texas currently held under Terrace Acres WSC's certificate of convenience and necessity (CCN) No. 12323 to Bolívar WSC.

## **III. Conclusion**

Staff has reviewed the application and recommends its approval. Staff respectfully requests that the Commission adopt the attached findings of fact and conclusions of law as well as granting the admittance of the specified pieces of evidence.

**DATED: May 20, 2016**

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney



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**DOCKET NO. 45400**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on September 14, 2016, in accordance with 16 TAC § 22.74.



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Landon J. Lill

**DOCKET NO. 45400**

<b>APPLICATION OF TERRACE</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>ACRES WATER SUPPLY</b>	<b>§</b>	
<b>CORPORATION AND BOLIVAR</b>	<b>§</b>	<b>OF TEXAS</b>
<b>WATER SUPPLY CORPORATION</b>	<b>§</b>	
<b>FOR SALE, TRANSFER, OR</b>	<b>§</b>	
<b>MERGER OF FACILITIES AND</b>	<b>§</b>	
<b>CERTIFICATE RIGHTS IN DENTON</b>	<b>§</b>	
<b>COUNTY</b>	<b>§</b>	

**PROPOSED NOTICE OF APPROVAL**

This Proposed Notice of Approval addresses the application for the sale, transfer, or merger of facilities and certificate rights in Denton County, Texas currently held by Terrace Acres Water Supply Corporation (Terrace Acres WSC or Seller) to Bolivar Water Supply Corporation (Bolivar WSC) (collectively, Applicants). Terrace Acres WSC, Bolivar WSC and Staff (Staff) of the Public Utility Commission of Texas (Commission) are the only parties to this proceeding. Applicants seek approval to transfer Terrace Acres WSC's water Certificate of Convenience (CCN) No. 12323 and associated facilities to Bolivar WSC. On July 11, 2016, Staff recommended approval of the application. The application is approved.

Consistent with the above discussion, the Administrative Law Judge (ALJ) makes the following findings of fact and conclusions of law:

**I. Findings of Fact**

**Procedural History, Description, and Background**

1. On November 11, 2015, the Applicants filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Denton County, Texas.
2. Terrace Acres WSC holds water CCN No. 12323 in Denton County, Texas.
3. Approval of the application would transfer the service area and facilities from CCN No. 12323 held by Terrace Acres WSC to Bolivar WSC. CCN No. 12323 will be cancelled.
4. On December 4, 2015, the Administrative Law Judge (ALJ) issued Order No. 1 requiring Staff to file comments/recommendation regarding administrative completeness of the application.

5. On December 30, 2015, Staff filed its Response to Order No. 1 recommending that the application be found administratively complete pursuant to 16 Tex. Admin. Code §§ 24.109 and 24.112.
6. On January 4, 2016, the ALJ issued Order No. 2 finding the application complete.
7. On January 13, 2016, the Applicants filed an affidavit stating that they provided the requisite notice to the nearby utilities and Terrace Acres WSC's customers.
8. On February 17, 2016, Staff filed a proposed procedural schedule.
9. On February 18, 2016, the ALJ issued Order No. 3 establishing a procedural schedule.
10. On April 15, 2016, Staff filed its Final Recommendation on the sale recommending the sale proceed.
11. On April 19, 2016, the ALJ issued Order No. 4 approving the sale to proceed.
12. On May 23, 2016, Bolivar WSC and Terrace Acres WSC filed closing documents.
13. On July 11, 2016, Staff filed its Recommendation Regarding Sufficiency of Closing Documents and Proposed Procedural Schedule recommending the closing documents were sufficient to demonstrate that Bolivar WSC and Terrace Acres WSC consummated the sale.
14. On July 12, 2016, the ALJ issued Order No. 5 finding the closing documents sufficient and establishing a procedural schedule.
15. On August 15, 2016, Bolivar WSC and Terrace Acres WSC filed consent forms agreeing to the final map and tariff, as prepared by Staff.
16. On September 14, 2016, Bolivar WSC, Terrace Acres WSC, and Staff filed its Proposed Notice of Approval.

#### **Notice**

17. On December 18, 2015, notice of the application was published in the *Texas Register*.
18. Notice of the application was mailed to current customers, neighboring systems, landowners, cities and affected parties on January 8, 2016.

#### **Evidentiary Record**

19. On September 14, 2016, Bolivar WSC, Terrace Acres WSC, and Staff filed a request to admit evidence.
20. On \_\_\_\_\_, the ALJ issued Order No. \_\_\_ admitting evidence into the record.

#### **Informal Disposition**

21. More than 15 days have passed since completion of the notice provided in this docket.
22. No request for hearing was submitted.

## **II. Conclusions of Law**

1. The Commission has jurisdiction over these matters pursuant to Tex. Water Code Ann. §§ 13.242, 13.246, 13.254 and 13.301 (TWC) and 16 Tex. Admin. Code §§ 24.103(d), 24.109 and 24.112 (TAC).
2. Terrace Acres WSC and Bolivar WSC are retail public utilities as defined in TWC § 13.002(19) and 16 TAC § 24.3(58).
3. Public notice of the application was provided as required by TWC § 13.301(a)(2).
4. The application was processed in accordance with the requirements of the Tex. Administrative Procedures Act, TWC §§ 13.242, 13.246, 13.254 and 13.301 and 16 TAC §§ 24.103, 24.109 and 24.112.
5. Terrace Acres WSC and Bolivar WSC completed the sale within one year from the date of the Commission's approval of the sale, consistent with 16 TAC § 24.112(e).
6. Terrace Acres WSC and Bolivar WSC have demonstrated that the sale or lease and transfer of service area and the cancellation of CCN No. 12323 requested in this application are necessary for the service, accommodation, convenience, and safety of the public.
7. The requirements for informal disposition pursuant to 16 TAC § 22.35 have been met in this proceeding.

## **III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following Order:

1. The application is approved and the proposed service area and facilities in Denton County are transferred to Bolivar WSC.
2. Terrace Acres WSC's water CCN No. 12323 is cancelled.
4. Bolivar WSC, as a retail public utility, is required to collect and remit the Regulatory Assessment Fee to the Commission annually.
5. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

**SIGNED AT AUSTIN, TEXAS the \_\_\_\_\_ day of \_\_\_\_\_, 2016.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**SUSAN E. GOODSON**  
**ADMINISTRATIVE LAW JUDGE**