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| APPLICATION OF AQUA TEXAS, INC. | Ś | BEFORE THE PUBLICATION AM 9: 15 |
|--------------------------------------------------------------|---------|----------------------------------------|
| AND MONTGOMERY COUNTY | § | PUBLIC UTILITY COMMISSION FILING CLERK |
| MUNICIPAL UTILITY DISTRICT NO. 126 FOR APPROVAL OF A SERVICE | §. § | COMMISSION OF TEXAS |
| AGREEMENT DESIGNATING SERVICE | § | |
| AREA AND CERTIFICATE RIGHTS, AND TO DECERTIFY CERTAIN AREAS | § 8 | , |
| IN MONTGOMERY COUNTY, TEXAS | 8 | |

AQUA TEXAS' STATUS REPORT

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

COMES NOW, Aqua Texas, Inc. d/b/a Aqua Texas ("Aqua") and files this Status Report in response to Order No. 8. In support thereof, Aqua would state the following.

I. BACKGROUND

On February 24, 2016, Aqua and Montgomery County Municipal Utility District No. 126 (MUD 126) filed an application for approval of a service agreement under Texas Water Code § 13.248 (TWC), which would transfer a portion of Aqua's water certificate of convenience (CCN) No. 13203 and sewer CCN No. 21065 service areas to MUD .126, and to decertify a portion of Aqua's water CCN No. 13203 and sewer CCN No. 21065 in Montgomery County. On October 19, 2016, Order No. 8 Approving Sale and Transfer Transaction to Proceed was issued requiring applicants to file monthly status updates. The next status update is due by February 20, 2017. Therefore, this Status Report is timely filed.

II. STATUS ÚPDATE

Aqua is diligently working toward completing the transaction, but it has not yet finalized all documentation needed for same. Thus, the approved transaction is not complete at this time. If necessary, Aqua will file its next monthly status report by March 27, 2017. Alternatively, pursuant

to 16 TAC § 24.112(d), (e), and Order No. 8, Aqua will file proof within the next month that the approved transfer was consummated and confirm no need to transfer customer deposits as part of the approved transaction existed.

Respectfully submitted,

y:__

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ATTORNEYS FOR AQUA TEXAS, INC.

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 20, 2017 in accordance with P.U.C. Procedural Rule 22.74.

Geoffrey P. Kirshbaum