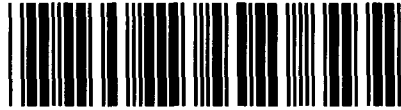




Control Number: 45656



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**DOCKET NO. 45656**

**APPLICATION OF AQUA TEXAS, INC. §  
AND MONTGOMERY COUNTY §  
MUNICIPAL UTILITY DISTRICT NO. 126 §  
FOR APPROVAL OF A SERVICE §  
AGREEMENT DESIGNATING SERVICE §  
AREA AND CERTIFICATE RIGHTS, AND §  
TO DECERTIFY CERTAIN AREAS IN §  
MONTGOMERY COUNTY §**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**COMMISSION STAFF'S RECOMMENDATION ON CLOSING DOCUMENTS**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Recommendation on Closing Documents. In Support thereof, Staff shows the following:

**I. BACKGROUND**

On February 24, 2016, Aqua Texas, Inc. d/b/a Aqua Texas (Aqua) and Montgomery County Municipal District No. 126 (MCMD 126) (collectively, Applicants) 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 and necessity (CCN) No. 13203 and sewer CCN No. 21065 service areas to MSMD 126, and to decertify a portion of Aqua's water CCN No. 13203 and sewer CCN. No. 21065 in Montgomery County, Texas.

Staff and the Applicants reached an agreement to convert the application to a Sale, Transfer, or Merger (STM) application. On June 29, 2016, the Applicants filed supplemental information including an application for a STM of facilities and certificate rights. The purpose of the application is to decertify and transfer portions of Aqua Texas' water and sewer CCN areas to Montgomery County MUD 126. If approved, Aqua Texas' water CCN No. 13203 and sewer CCN No. 21065 will be amended by reducing its service area and Montgomery County MUD 126 will be issued water and sewer CCNs. The application is being reviewed pursuant to the criteria in the TWC §§ 13.241, 13.246, and 13.301 and 16 Tex. Admin. Code §§ 24.102, 24.109 (TAC).

On October 19, 2016, the Administrative Law Judge (ALJ) issued Order No. 8, approving the transaction to proceed and requiring Staff to file a recommendation regarding the

sufficiency of the documents and propose a procedural schedule for the continued processing of this docket within 15 days of the Applicant's filing such documents. Applicants filed closing documents on July 20, 2017. This pleading is therefore timely filed.

## **II. RECOMMENDATION ON CLOSING DOCUMENTS**

Staff has reviewed the closing documents and recommends that Applicants have provided sufficient proof that the sale has been consummated for the purposes of further review. Staff also recommends that customer deposits have been properly and sufficiently addressed. On July 20, 2017, Aqua Texas filed a transfer bill of sale. The transfer bill of sale demonstrates that all assets were transferred to the acquiring entity. The proposed area to be transferred has zero customers and Applicants previously stated there were no customer deposits for the area.

## **III. PROPOSED PROCEDURAL SCHEDULE**

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

<b>Event</b>	<b>Date</b>
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to Applicant for review and consent	August 14, 2017
Deadline for Applicant to file signed consent forms with the Commission	August 21, 2017
Deadline for parties to file joint proposed findings of fact and conclusions of law	August 28, 2017

## **IV. CONCLUSION**

Staff respectfully requests the issuance of an order consistent with the above recommendation.

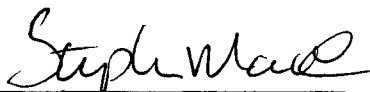
Dated: August 4, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Stephen Mack  
Managing Attorney

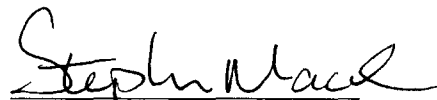


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**DOCKET NO. 45656**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on August 4, 2017 in accordance with 16 TAC § 22.74.

  
Stephen Mack