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APPLICATION OF POST OAK HILL WATER SUPPLY CORPORATION AND HDU SERVICES, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN BURLESON COUNTY

PUBLIC UTILITY COMMISSION PUBLIC UTILITY COMMISSION

OF TEXAS

COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF NOTICE

COMES NOW the Staff ("Staff") of the Public Utility Commission of Texas ("Commission"), representing the public interest, and files this Recommendation.

I. BACKGROUND

On March 2, 2016, Post Oak Hill Water Supply Corporation ("Post Oak") and HDU Services, LLC ("HDU Services") (collectively, "Applicants") filed an application for sale, transfer, or merger of facilities and certificate of convenience and necessity ("CCN") rights in Burleson County. Specifically, HDU Services seeks approval to acquire all of the water system assets of Post Oak held under CCN No. 12686.

On June 6, 2016, Order No. 3 was entered, deeming the application to be sufficient, setting a deadline for Applicants to file a proof of notice, and requiring Staff to file a recommendation on sufficiency of notice within 10 days of the filing of a proof of notice. On July 8, 2016, Applicants provided a proof of notice which indicates that notice was completed on June 30, 2016. This pleading is timely filed.

II. RECOMMENDATION ON NOTICE

As indicated in the attached recommendation of Debbie Reyes Tamayo, Gary Horton, and Mary Lupo, Water Utilities Division, Staff recommends that the notice provided by the Applicants Date: July 14, 2016

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS **LEGAL DIVISION**

Margaret Uhlig Pemberton Division Director

Stephen Mack Managing Attorney

A. J. Smullen

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DOCKET NO. 45684 CERTIFICATE OF SERVICE

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

A. J. Smullen

| To: | AJ Smullen |
|----------|---|
| | Legal Division |
| Thru: | Tammy Benter, Director |
| | Lisa Fuentes, Work Leader |
| | Water Utilities Division |
| From: | Debbie Reyes Tamayo, Program Specialist |
| | Gary Horton, GIS Specialist |
| | Water Utilities Division |
| Date: | July 11, 2016 |
| Subject: | Docket 45684 , Application of Post Oak Hill Water Supply Corporation (WSC) and |
| | HDU Services, LLC for Sale, Transfer, and Merger of Facilities and Certificate |
| | Rights in Burleson County |

On March 2, 2016, Post Oak Hill Water Supply Corporation (Seller) and HDU Services, LLC (Buyer) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger (STM) of facilities and certificate rights in Burleson County, Texas, pursuant to Texas Water Code (TWC) §§ 13.241, 13.246, 13.301 and 16 Tex. Admin. Code §§ 24.102, 24.109 and 24.112 (TAC). Specifically, the Buyer seeks approval to acquire all of the water system assets of the Seller and cancel Certificate of Convenience and Necessity (CCN) No. 12686.

Staff reviewed the notice documents provided by the Applicants submitted on July 8, 2016, in response to Order No. 3. The notice to current customers, neighboring systems and cities is sufficient, therefore staff recommends the Commission to move forward with a procedural schedule.

TB/LF/DRT