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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 2016 JUL 14 PM 1: 11 PUBEIS NTHLITY COMMISSION FILING CLERK 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 is sufficient. Staff recommends that the application and notice are sufficient for the purposes of further review.

III. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the below procedural schedule.

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Event	Date
Notice completed	June 30, 2016
Deadline for intervention, deadline for Intervenors to file comments or request a hearing	August 1, 2016 ¹
Deadline for Staff to request a hearing or file a recommendation on the approval of the sale and on the CCN amendment	August 31, 2016
Deadline for parties to file a response to Staff's recommendation	September 14, 2016
120 day deadline for the Commission to approve the sale or require a hearing	October 28, 2016

IV. CONCLUSION

Staff respectfully requests the entry of an order consistent with the above discussion.

¹ 16 Tex. Admin. Code § 24.109(a) (requiring a comment period of 30 days following the completion of notice). Staff notes that the 30^{th} day following the completion of notice is July 30, 2016, which is a Saturday. Consistent with 16 Tex. Admin. Code § 22.4, the 30-day period will conclude on the next day on which the Commission is open for business.

Date: July 14, 2016

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton Division Director

Stephen Mack Managing Attørney

A. J. Smullen

State Bar No. 24083881 (512) 936-7289 1701 N. Congress Avenue P.O. Box 13326 Austin, Texas 78711-3326 (512) 936-7268 (facsimile)

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

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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 Selection (WSC) and
	HDU Services, LLC for Sale, Transfer, and Merger of Facilities and Certificate Rights in Burleson Count
	Rights in Burloom Council, Frankfer, 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

TB/LF/DRT