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APPLICATION OF PONDEROSA §
 AND WESTERN VILLAGE WATER §
 SUPPLY CORPORATION AND EL §
 PASO WATER UTILITIES PUBLIC §
 SERVICE BOARD FOR SALE, §
 TRANSFER, OR MERGER OF §
 FACILITIES AND CERTIFICATE §
 RIGHTS IN EL PASO COUNTY §

PUBLIC UTILITY COMMISSION
 PUBLIC UTILITY COMMISSION
 FILING CLERK
 OF TEXAS

COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS

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

I. BACKGROUND

On March 11, 2016, El Paso Water Utilities Public Service Board (El Paso) and Ponderosa & Western Village Water Supply Corporation (Ponderosa) (jointly, Applicants) filed an application for sale, transfer, or merger of facilities and certificate rights in El Paso County. Specifically, El Paso seeks approval to acquire all of the customers, facilities and service area of Ponderosa, and Ponderosa will dissolve. El Paso's water certificate of convenience and necessity (CCN) No. 10211 will be amended and Ponderosa's CCN No. 11017 will be cancelled.

Order No. 4, issued on July 12, 2016, approved the transaction and required proof that the transaction had been consummated. Order No. 4 also required Staff to file a recommendation regarding the sufficiency of the documents and propose a schedule for the continued processing of the docket within 30 days of the closing documents being submitted. Applicants filed an affidavit that the sale had been consummated on August 29, 2016 and an affidavit regarding the disposition of customer deposits on September 12, 2016. This pleading is therefore timely filed.

II. RECOMMENDATION

As supported in the memorandum (Attachment A) of Sean Scaff of the Water Utilities Division, Staff recommends that the closing documents be found sufficient. The additional documentation submitted on September 12, 2016 provided sufficient evidence of the disposition of customer deposits, and the closing documents demonstrate that the closing occurred within one year of the Commission's written approval of the sale.

III. PROCEDURAL SCHEDULE

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

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to Applicant for review and consent	October 11, 2016
Deadline for Applicant to file signed consent forms with the Commission	October 25, 2016
Deadline for parties to file joint proposed findings of fact and conclusions of law	November 1, 2016

IV. CONCLUSION

Staff respectfully requests that the ALJ issue an order reflecting the above request.

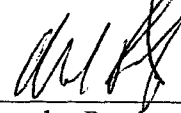
Dated: September 28, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

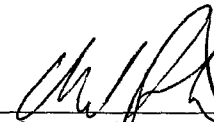


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DOCKET NO. 45719

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on September 28, 2016 in accordance with 16 TAC § 22.74.



Alexander Petak

Public Utility Commission of Texas
Memorandum

To: Alex Petak, Attorney
Legal Division

Thru: Tammy Benter, Director
Lisa Fuentes, Manager
Water Utilities Division

From: Sean Scaff, Engineering Specialist
Water Utilities Division

Date: September 26, 2016, 2015

Subject: **Docket No. 45719:** *Application of Ponderosa and Western Village Water Supply Corporation and El Paso Water Utilities Public Service Board for Sale, Transfer, or Merger of facilities and certificate right in El Paso County.*

On March 11, 2016, the El Paso Water Utilities Public Service Board (El Paso) and Ponderosa & Western Village Water Supply Corporation (WSC) filed an application for sale, transfer, or merger of facilities and certificate rights in El Paso County. Specifically, El Paso seeks approval to acquire all of the customers, facilities and service area of the WSC, and upon approval of the application the WSC will be dissolved. El Paso's water certificate of convenience and necessity (CCN) No. 10211 will be amended and the WSC's CCN No. 11017 will be cancelled.

Staff previously considered the El Paso's ability to provide continuous and adequate water and sewer service to the requested area and area already served by the them pursuant to the criteria outlined in 16 TAC § 24.102(d). Pursuant to 16 TAC § 24.109(f), Staff recommended that the transaction proceed as proposed and Order No. 4, issued July 12, 2016, requested that the applicants provide documentation, as evidence, that all assets were transferred to the acquiring entity, and that the disposition of any remaining deposits were addressed pursuant to 16 TAC § 24.109(f).

On August 29, 2016, El Paso filed affidavits attesting to the consummation of the sale. On September 12, 2016 El Paso filed further documentation supporting the transaction by stating that neither the WSC nor El Paso had collected customer deposits or had deposits related to the WSC's customer accounts. As such the WSC did not need to transfer deposits.

Staff has reviewed the closing documents and finds that they meet the requirements of 16 TAC § 24.112. Specifically, the closing documents demonstrate that closing occurred within one year of the Commission's written approval of the sale.