



Control Number: 45942



Item Number: 25

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APPLICATION OF SWEA GARDENS §
ESTATE UTILITY, INC. AND §
MUNICIPAL OPERATIONS, LLC FOR §
SALE, TRANSFER OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN HARRIS COUNTY §

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**COMMISSION STAFF'S SUFFICIENCY OF SALE DOCUMENTS
RECOMMENDATION**

COMES NOW the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this response to Order No. 8, Staff's Sufficiency of Sale Documents Recommendation. Staff recommends that the Applicants' closing documents be found sufficient. In support thereof, Staff shows the following:

I. BACKGROUND

On May 9, 2016, Swea Gardens Estate Utility, Inc. (Swea Gardens) and Municipal Operations, LLC (Municipal Operations) (collectively, Applicants) filed an application with the Public Utility Commission of Texas (Commission) for sale, transfer, or merger (STM) of facilities and certificate rights in Harris County. Municipal Operations seeks to purchase facilities and transfer water Certificate of Convenience and Necessity (CCN) No. 11872 from Swea Gardens.

On February 14, 2017, the Commission administrative law judge (ALJ) issued Order No. 8: Approving Sale and Transfer Transaction to Proceed. On March 16, 2017, the Applicants filed final sale documents and a list of customer deposits which have been transferred. Order No. 8 required Staff to file a recommendation regarding the sufficiency of the documents and to propose a further procedural schedule within 15 days of the Applicants' filing proof that the transaction has been consummated. Therefore, this pleading is timely filed.

II. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the sale documents filed by the Applicants on March 16, 2017 and recommends that these sale documents be found sufficient. Staff also reviewed the documents that the Applicants filed evidencing the disposition of customer deposits and recommends a finding that customer deposits have been properly addressed.

III. PROPOSED FURTHER PROCEDURAL SCHEDULE

Staff recommends that the sale documents be found sufficient. In accordance with that recommendation, Staff proposes the following procedural schedule:

| Event | Date |
|---|----------------|
| Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to the Applicants for review and consent | April 17, 2017 |
| Deadline for Applicants to file signed consent forms with the Commission | May 1, 2017 |
| Deadline for parties to jointly file a proposed order, including proposed findings of fact, conclusions of law, and ordering paragraphs | May 16, 2017 |

IV. CONCLUSION

For the reasons stated above, Staff respectfully requests that an order be issued finding that the sale documents filed by the Applicants are sufficient and that customer deposits have been properly addressed. Staff further requests that the additional procedural schedule proposed above be adopted for continued processing of this docket.

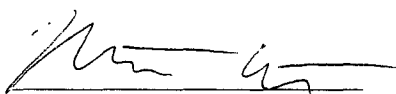
Dated: March 28, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

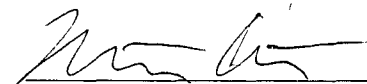
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**P.U.C. DOCKET NO. 45942
CERTIFICATE OF SERVICE**

I, Matthew Arth, staff attorney for the Public Utility Commission of Texas, certify that a copy of this document was served on all parties of record on March 28, 2017, in accordance with the requirements of 16 Tex. Admin. Code § 22.74.


Matthew A. Arth