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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 June 29, 2016, Bethany Hearne Water Supply Company (Bethany Hearne WSC) and the City of Hearne (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate of convenience and necessity rights in Robertson County. Specifically, the City of Hearne seeks approval to acquire a portion of the water system assets of Bethany Hearne WSC held under water Certificate of Convenience and Necessity (CCN) No. 10330.

Order No. 4, issued October 18, 2016, approved the sale/transfer to proceed with closing. Applicants filed closing documentation on May 15, 2017. Order No. 4 gave Staff a deadline of 15 days from the date of submission of closing documents to file a recommendation on the sufficiency of those documents. Fifteen (15) days following May 15, 2017 falls on May 30, 2017. This pleading is therefore timely filed.

II. RECOMMENDATION

Staff recommends that the closing documents be found insufficient in regards to customer deposits. Staff recommends, pursuant to 16 Tex. Admin. Code § 24.109(m), that Applicants be ordered to provide under oath a list of outstanding customer deposits showing:

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- (a) the names and addresses of all customers previously served by Bethany Hearne WSC who have a deposit to their credit,
- (b) the date such deposit was made,
- (c) the amount thereof, and
- (d) the unpaid interest thereon.

Alternatively, Applicants may affirm that there are no customer deposits remaining and should state which deposits were refunded. Confidential customer information should be filed under seal as prescribed in 16 Tex. Admin. Code § 22.71.

III. PROCEDURAL SCHEUDLE

Staff recommends the closing documents be found insufficient. Staff therefore proposes the following procedural schedule:

Event.	Date
Deadline for Applicants to provide customer deposit information (within 30 days of effective date of transaction)	June 8, 2017
Deadline for Staff to provide a supplemental recommendation on the sufficiency of closing documents	June 20, 2017

IV. CONCLUSION

Staff respectfully requests that the ALJ issue an order consistent with the above recommendation.

Dated: May 30, 2017

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. 46107 CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on May 30, 2017 in accordance with 16 TAC § 22.74.

Alexander Petak