



Control Number: 46107



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APPLICATION OF BETHANY  
HEARNE WATER SUPPLY  
CORPORATION AND CITY OF  
HEARNE FOR SALE, TRANSFER,  
OR MERGER OF FACILITIES AND  
CERTIFICATE RIGHTS IN  
ROBERTSON COUNTY

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PUBLIC UTILITY COMMISSION

OF TEXAS

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### COMMISSION STAFF'S CLAIRIFICATION

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Clarification and Response to Order No. 7. In support thereof, Staff shows the following:

#### I. CLARIFICATION ON TYPE OF TRANSFER

This Application seeks to finalize the transfer of the entirety of the Bethany Hearne Water Supply Corporation (Bethany Hearne WSC) assets, customers and service area to the City of Hearne. While the initial Application designated that a portion of the Bethany Hearne Water CCN 10330 was to be acquired by the City of Hearne,<sup>1</sup> the notice sent out to customers, neighboring systems and cities states that the application was to sell facilities and transfer them to the City of Hearne, and cancel the water certificate of convenience and necessity in Robertson County."<sup>2</sup> This same description of the transaction is also found in the memorandum attached to Staff's Recommendation on Notice and Procedural Schedule, filed on October 17, 2016, and Staff's Final Recommendation, filed on July 17, 2017. The actual transfer agreement, filed May 15, 2017, states that the City of Hearne is acquiring and taking over the operation of Bethany Hearne Water Supply and that "in consideration of the City of Hearne operating the water system, the Bethany Hearne Water Supply is going to convey 100% of the system's revenue, including customer deposits, and all of its assets including all easements and real property to the City of Hearne."<sup>3</sup>

<sup>1</sup> Application at 2.

<sup>2</sup> Documents Pertaining to Transfer of Water Utility Services at 6, AIS #7 (Aug. 25, 2017).

<sup>3</sup> Transfer Agreement, AIS #22, May 15, 2017.

## **II. CLARIFICATION ON ACREAGE**

While the Application did list in sample notices an acreage of 640<sup>4</sup>, the actual notice issued listed the acreage at 700.<sup>5</sup> This same description of the acreage is also found in the memorandum attached to Staff's Recommendation on Notice and Procedural Schedule, filed on October 17, 2016.

## **III. AMENDMENTS TO THE PROPOSED NOTICE OF APPROVAL**

The Applicants have agreed that these clarifications are correct. Therefore, pursuant to these clarifications, Staff proposes the following changes to the Proposed Notice of Approval:

### **Findings of Fact:**

1. On June 29, 2016, Bethany Hearne WSC and the City of Hearne filed an application (Application) with the Commission requesting (1) the sale, transfer, or merger of the entirety of Bethany Hearne WSC's retail water system to the City of Hearne and (2) the cancellation of Bethany Hearne WSC's Certificate of Convenience and Necessity (CCN) No. 10330 pursuant to the criteria in Tex. Water Code §§ 13.241, 13.246, and 13.301 (TWC), and 16 Tex. Admin. Code §§ 24.102, 24.104-107, 24.109, and 24.112 (TAC).
3. The Applicants request approval for the City of Hearne to acquire the entirety of the facilities and customers from Bethany Hearne WSC and to cancel Bethany Hearne WSC's CCN No. 10330.
4. The application affects approximately 700 acres and 500 current customers.

### **Ordering Paragraphs:**

2. Bethany Hearne WSC's CCN No. 10330 is canceled consistent with this Notice.

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<sup>4</sup> Application at 20.

<sup>5</sup> Documents Pertaining to Transfer of Water Utility Services at 6.

#### **IV. Conclusion**

Staff recommends that the Proposed Notice of Approval be amended consistent with this clarification.

Dated: August 4, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

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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 August 4, 2017 in accordance with 16 TAC § 22.74.



Alexander Petak