



Control Number: 46107



Item Number: 34

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RECEIVED

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

2017 AUG 15 PM 2:33
 PUBLIC UTILITY COMMISSION
 FILING CLERK

NOTICE OF APPROVAL

The Notice addresses the application of Bethany Hearne Water Supply Corporation and the City of Hearne for the sale, transfer, or merger of the water system assets of Bethany Hearne in Robertson County. Commission Staff recommends approval of the application. The application is approved.

The Commission adopts the following findings of fact, conclusions of law, and ordering paragraphs.

I. Findings of Fact

Procedural History

1. On June 29, 2016, Bethany Hearne WSC and the City of Hearne filed an application with the Commission requesting (1) the sale, transfer, or merger of the entirety of Bethany Hearne WSC's retail water system and CCN to the City of Hearne and (2) the cancellation of Bethany Hearne WSC's CCN No. 10330 in accordance with the criteria in Texas Water Code §§ 13.241, 13.246, and 13.301 (TWC), and 16 Texas Administrative Code §§ 24.102, 24.104-107, 24.109, and 24.112 (TAC).
2. Bethany Hearne WSC holds water CCN No. 10330.
3. The City of Hearne holds water CCN No. 10344 and intends to incorporate the service area held by Bethany Hearne WSC into Hearne's CCN.
4. The application affects approximately 700 acres and 500 current customers.
5. On August 2, 2016, Order No. 2 was issued, finding that the application was sufficient and complete and establishing a procedural schedule.
6. On August 25, 2016, applicants filed affidavits attesting to mailed notice, including copies of individual notices.

7. On October 17, 2016, Commission Staff recommended that the transaction be permitted to proceed.
8. On October 18, 2016, Order No. 4 was issued, authorizing the transaction to proceed and instructing the applicants to provide monthly status reports and documents evidencing that the transaction has been consummated and customer deposits (if any) have been addressed.
9. On May 15, 2017, applicants' filed proof of consummation of the transaction in the form of a transfer agreement. This was supplemented with information regarding customer deposits on June 8, 2017.
10. On June 21, 2017, Order No. 6 was issued finding the closing documentation sufficient and complete and establishing a procedural schedule for the remainder of the proceeding.
11. On July 3, 2017, the applicants filed their consent forms reflecting their consent to the map and certificate transmitted to the applicants.
12. The certificate and map described in Finding of Fact No. 11 are attached to this Notice.
13. On August 4, 2017, Commission Staff provided clarifying information.

Notice

14. The Commission caused notice of this application to be published in the *Texas Register* on July 6, 2016.
15. Notice of the application was mailed to current customers and neighboring systems and cities on August 16, 2016.

Informal Disposition

16. More than 15 days have passed since completion of all notice required for this docket.
17. No person has requested a public hearing on the application.
18. Bethany Hearne WSC, the City of Hearne, and Commission Staff are the only parties to this proceeding.

Evidence

19. On August 15, 2017, Order No. 8 was issued, admitting evidence into the record of this proceeding.

II. Conclusions of Law

1. The Commission has jurisdiction over this proceeding under TWC §§ 13.241, 13.244, 13.246, and 13.301, and 16 TAC §§ 24.102, 24.104-107, and 24.109.
2. Bethany Hearne WSC and the City of Hearne are retail water utilities as defined by TWC § 13.002(19).
3. Notice of the application was provided as required by TWC §§ 13.301(a)(2) and 13.246.
4. Bethany Hearne WSC and the City of Hearne have completed the sale within one year from the date of the Commission's written approval of the transfer, consistent with 16 TAC § 24.112(e).¹
5. After consideration of the factors in TWC § 13.246(c), the City of Hearne has demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to every consumer within the proposed service area, as required by TWC § 13.301(b).
6. Bethany Hearne WSC and the City of Hearne have demonstrated that the sale and transfer of service area and facilities requested in this application are in the public interest, as required by TWC § 13.301(d).
7. Bethany Hearne WSC and the City of Hearne have demonstrated that the facilities transfer requested in this application is necessary for the service, accommodation, convenience, or safety of the public.
8. In accordance with TWC § 13.257(r) and 16 TAC § 24.106(e), the City of Hearne is required to record a certified copy of the approved CCN and map, along with a boundary description of the service area, in the real property records of each county in which the service area or a portion of the service area is located, and submit to the Commission evidence of the recording.
9. The requirements of informal disposition in 16 TAC § 22.35 have been met in this proceeding.

¹ 16 TAC § 24.112 was repealed effective December 21, 2016. Approval to proceed with this transaction was granted on October 18, 2016, prior to the repeal of 16 TAC § 24.112, thus applicants had one year to complete the transaction.


III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

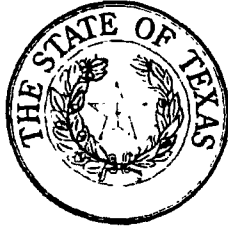
1. The application, as amended, is approved.
2. Bethany Hearne WSC's CCN No. 10330 is cancelled consistent with this Notice.
3. The service area and facilities in Robertson County associated with CCN No. 10330 are transferred from Bethany Hearne WSC to the City of Hearne.
4. The City of Hearne's CCN No. 10344 is amended to include the service area transferred from Bethany Hearne WSC.
5. The City of Hearne shall serve every customer and qualified service applicant within its service area and such service shall be continuous and adequate.
6. The City of Hearne shall comply with the recording requirements of TWC § 13.257(r) for the area in Robertson County affected by the transfer and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice.
7. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

Signed at Austin, Texas the 15th day of August 2017.

PUBLIC UTILITY COMMISSION OF TEXAS



JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE



Public Utility Commission of Texas

By These Presents Be It Known To All That

City of Hearne

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, City of Hearne is entitled to this

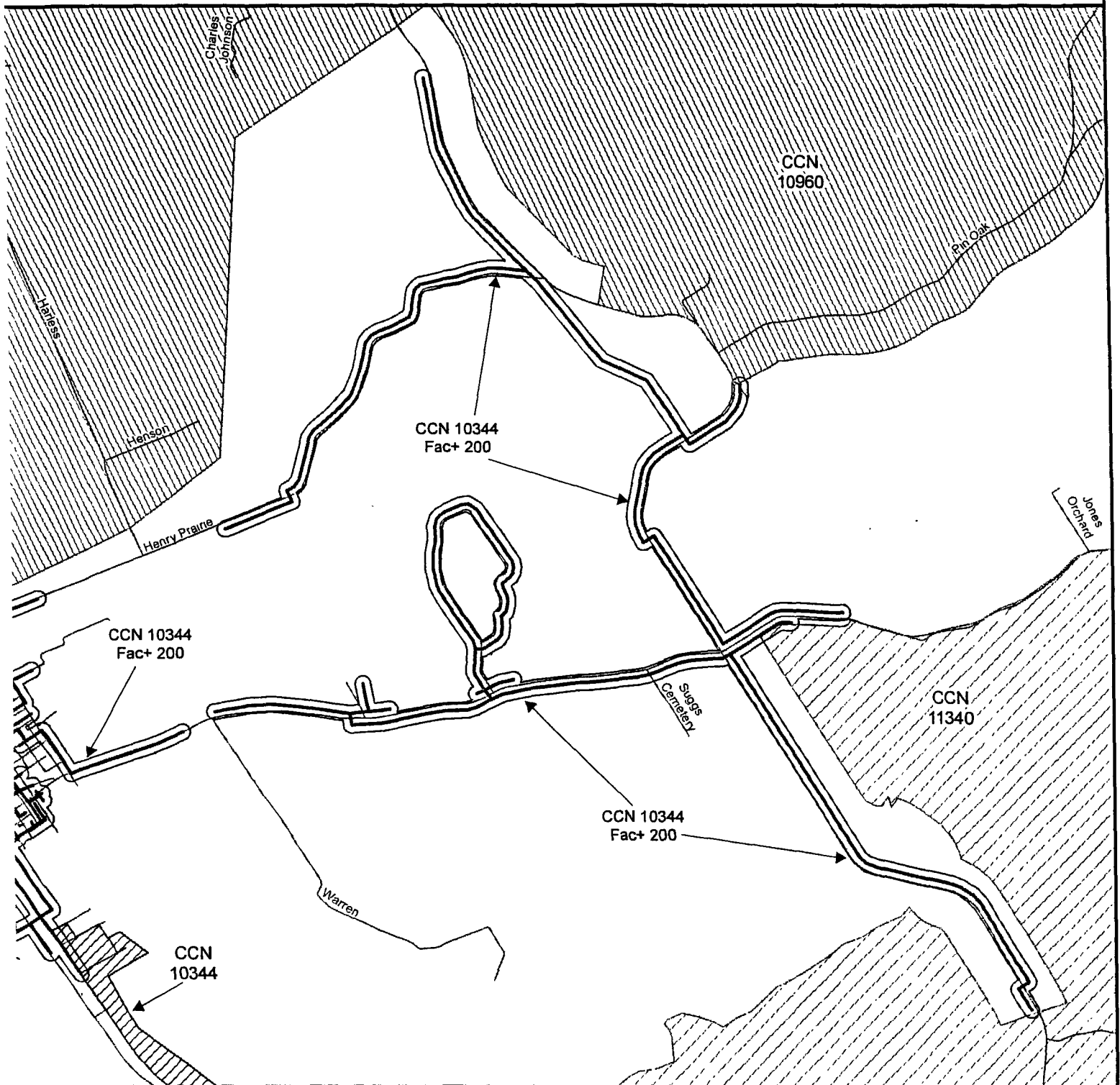
Certificate of Convenience and Necessity No. 10344

to provide continuous and adequate water utility service to that service area or those service areas in Robertson County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 46107 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the City of Hearne to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, the 15th day of AUGUST 2017.

City of Hearne
Portion of CCN No. 10344
PUC Docket No. 46107

Transferred all of Bethany Hearne Water Supply Company, CCN No. 10330 in Robertson County



Water Facility CCN

10344 - City of Hearne

Water CCN

10344 - City of Hearne

10960 - Robertson County WSC

11340 - Wellborn SUD

0 1,750 3,500
Feet

