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APPLICATION OF PK-RE § BEFORE THE STATE OFFICE
DEVELOPMENT COMPANY, INC. dba § PUBLIC UTILITY COMMISSION
OAK SHORES WATER SYSTEM AND § FILING CLERK
UNDINE DEVELOPMENT, LLC FOR § OF
SALE, TRANSFER OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN TRAVIS COUNTY § ADMINISTRATIVE HEARINGS

GREENSHORES ON LAKE AUSTIN PROPERTY
OWNERS' ASSOCIATION, INC.'S
LIST OF ISSUES

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

Greenshores on Lake Austin Property Owners' Association, Inc. ("Greenshores") files this List of Issues. This list is not exhaustive, and Greenshores reserves the right to address additional issues raised by other parties not set forth below.

I.
BACKGROUND

On July 11, 2016, PK-RE Development Company, Inc. d/b/a Oak Shores Water System and Undine Development, LLC filed an application for the sale, transfer, or merger of facilities and certificate rights in Travis County ("Application"). The Application was referred to the State Office of Administrative Hearings on October 13, 2016, which required any interested party to file this List of Issues by October 24, 2016. This List of Issues is timely filed.

II.
LIST OF ISSUES

Greenshores proposes the following list of issues in this docket if a hearing on the merits is necessary.

1. What is the effective date of the proposed sale?
2. Has the purchaser demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area and any, areas currently certificated to the person? TWC § 13.301(b); 16 TAC § 24.112(b).

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- a. If the purchaser has not demonstrated adequate financial capability, should the Commission require that it provide financial assurance to ensure continuous and adequate utility service is provided, consistent with TWC § 13.301(c) and 16 TAC § 24.109(b)?
 - b. If the Commission requires the purchaser to provide financial assurance, what form and amount of financial assurance should the Commission should require?
3. Will approving the proposed sale serve the public interest? TWC § 13.301(d), (g); 16 TAC § 24.112(c)(5).
- a. Is the purchaser capable of rendering adequate and continuous service to every consumer within the certificated area, taking into account the factors under the TWC § 13.251; 16 TAC § 24.112(c)(5)(B)?
 - i. Is the service currently provided in the area adequate? TWC § 13.246(c)(1).
 - ii. Is additional service needed in the requested area? Have any landowners, prospective landowners, tenants, or residents requested service? TWC § 13.246(c)(2).
 - iii. What is the effect of approving the proposed sale on the purchaser, on the landowners in the area, and on any retail public utility of the same kind already serving the proximate area? TWC § 13.246(c)(3).
 - iv. Taking into consideration the current and projected density and land use of the area, does the purchaser have the ability to provide adequate service and meet the standards of the TCEQ? TWC § 13.246(c)(4).
 - v. Is it feasible to obtain service from an adjacent retail public utility? TWC § 13.246(c)(5).
 - vi. Is the purchaser financially stable considering, if applicable, the adequacy of the debt-equity ratio of the purchaser if the proposed sale is approved? TWC § 13.246(c)(6).
 - vii. What is the effect of approving the sale on environmental integrity? TWC § 13.246(c)(7).
 - viii. What is the probable improvement of service or lowering of cost to consumers in that area resulting from approving the proposed sale? TWC § 13.246(c)(8).

- ix. What is the effect on the land included in the certificated area? TWC § 13.246(c)(9).
- b. Have the conditions of any, judicial decree, compliance agreement, or other enforcement order not been substantially met? 16 TAC § 24.112(c)(5)(B).
- c. What is the experience of the purchaser as a utility service provider? 16 TAC § 24.112(c)(5)(C).
- d. Does the purchaser have a history of noncompliance with the requirements of the TCEQ, the Commission, or the Texas Department of State Health Services or continuing mismanagement or misuse of revenues as a utility service provider? TWC § 13.301(e)(3); 16 TAC § 24.112(c)(5)(D).
- e. Does the purchaser have the financial ability to provide the necessary capital investment to ensure the provision of continuous and adequate service to the customers of the water system? TWC § 13.301(e)(4); 16 TAC § 24.112(c)(5)(E).
- f. Has the purchaser failed to comply with any orders of the TCEQ or the Commission? 16 TAC § 24.109(e)(5)(A).
- g. Was the water system partially or wholly constructed with customer contributions in aid of construction derived from specific surcharges as provided by TWC § 13.301(j)? If so, has the notice required by TWC § 13.301 (j) been provided?
- h. Was the notice required by TWC § 13.301(k) provided?
- 4. Does the seller currently retain any customer deposits? If so,
 - a. what is the total amount of customer deposits retained;
 - b. does the seller have proper records of to allow deposits and any unpaid interest to be returned; and
 - c. will customer deposits be returned to customers or transferred to the purchaser?
- 5. Does the water system being purchased have any deficiencies or problems that need correction to be in compliance with the rules of the Commission and the TCEQ? If so,
 - a. what are those deficiencies or problems;
 - b. how and when will those deficiencies or problems be corrected; and
 - c. does the purchaser have access to adequate financial resources to timely correct those deficiencies and problems?

6. What are the precise boundaries of the service areas that are the subject of the purchaser's application?

**III.
LIST OF ISSUES THAT SHOULD NOT BE ADDRESSED**

Greenshores serves the right to submit additional issues that should not be addressed at a later time.

**IV
THRESHOLD LEGAL/POLICY ISSUES THAT SHOULD BE BRIEFED FOR
PRELIMINARY ORDER**

There are no threshold legal/policy issues that should be briefed for the Preliminary Order.

**V.
CONCLUSION**

Greenshores requests that an Order be issued consistent with the issues set forth above.

Respectfully submitted,

By: 
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ATTORNEY FOR GREENSHORES ON LAKE
AUSTIN PROPERTY OWNERS'
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CERTIFICATE OF SERVICE

I hereby certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested to all parties on this the 24th day of October, 2016.

A handwritten signature in black ink, appearing to read 'J. Carlton', is written over a horizontal line.

John Carlton