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DOCKET NO. 46198

APPLICATION OF SWWC UTILITIES, §
INC. DBA DIAMOND WATER COMPANY §
AND SWWC UTILITIES, INC. DBA §
WATER SERVICES, INC. FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN BANDERA, COMAL, AND §
GILLESPIE COUNTIES §

PUBLIC UTILITY COMMISSION
OF TEXAS

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COMMISSION STAFF'S RECOMMENDATION ON TRANSACTION DOCUMENTS

Comes now the staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this response to Order No. 4. In support thereof, Staff would show the following:

I. Background

On July 21, 2016, SWWC Utilities, Inc. d/b/a Diamond Water Company (Diamond Water) and SWWC Utilities, Inc. d/b/a Water Services, Inc. (Water Services) filed an application for sale, transfer, or merger of facilities and certificate of convenience and necessity rights in Bandera, Comal, and Gillespie Counties.

On October 2, 2016, the Administrative Law Judge issued Order No. 4, requiring Staff to file a recommendation regarding the sufficiency of the transaction documents and propose a procedural schedule.¹

II. Recommendation that Transaction Documents be Found Sufficient

On December 2, 2016, the Applicants filed an affidavit stating that the assets of the Seller have been transferred to the Purchaser on the books and records of SWWC Utilities, Inc. Staff has reviewed the transaction documents and, as detailed in the attached memorandum of Emily Sears and Jolie Mathis in the Commission's Water Utilities Division, recommends that the transaction documents are sufficient and meet the requirements in 16 TAC § 24.109(g). Staff also recommends that customer deposits have been properly and sufficiently addressed.

¹ Order No. 4 requires that, within 15 days following the filing of applicants' proof that the transaction has been consummated and customer deposits (if any) have been addressed, Staff shall file a recommendation regarding the sufficiency of the documents and propose a schedule for the continued processing of this docket. Because the applicant filed transaction documents on December 2, 2016, Staff's recommendation is due by December 17, 2016. Therefore, this pleading is timely filed.

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III. Proposed Procedural Schedule

Staff proposes the following procedural schedule for continued processing of this docket:

| Event | Date |
|--|-------------------|
| Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to Applicant for review and consent | January 20, 2017 |
| Deadline for Applicant to file signed consent forms with the Commission | February 3, 2017 |
| Deadline for parties to file joint proposed findings of fact and conclusions of law | February 17, 2017 |

IV. Conclusion

Staff respectfully requests that the Commission issue an order finding that the transaction documents are sufficient and that customer deposits have been properly addressed. Staff also requests that the Commission adopt the procedural schedule proposed above.

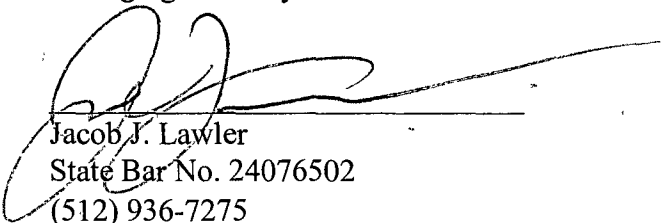
Date: December 13, 2016

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

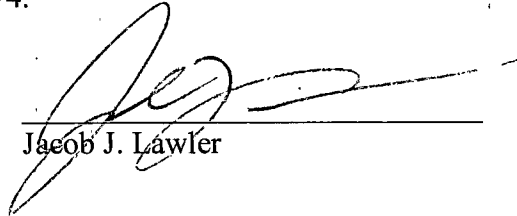


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DOCKET NO. 46198
CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 13, 2016 in accordance with 16 TAC § 22.74.



Jacob J. Lawler

Public Utility Commission of Texas

Memorandum

To: Jacob Lawler, Attorney
Legal Division

Thru: Tammy Benter, Director
Water Utilities Division

From: Emily Sears, Financial Analyst
Jolie Mathis, Engineering Specialist
Water Utilities Division

Date: December 9, 2016

Subject: **Docket No. 46198;** *Application of SWWC Utilities, Inc. dba Diamond Water Company and SWWC Utilities, Inc. dba Water Services, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Bandera, Comal, and Gillespie Counties*

On July 21, 2016 SWWC Utilities, Inc. dba Water Services, Inc. (Purchaser) filed an application to purchase facilities and transfer and cancel all of Certificate of Convenience and Necessity (CCN) No. 12865 of SWWC Utilities, Inc. dba Diamond Water Company (Seller) (collectively, Applicants), in Bandera, Comal, and Gillespie Counties, Texas. The application was filed pursuant to 16 Texas Administrative Code §§ 24.109 and 24.112 (16 TAC) and Texas Water Code § 13.301 (TWC). Specifically SWWC Utilities, Inc., the parent company of both parties, would like to combine the CCN's to reduce the number of future filings required.

On December 2, 2016, the Applicants filed an affidavit stating that the assets of the Seller have been transferred to the Purchaser on the books and records of SWWC Utilities, Inc. The affidavit also states that the deposits are still held by SWWC Utilities, Inc.

After a review of these documents by Staff, it was determined that they are sufficient to meet the requirements in 16 TAC 24.109(g).