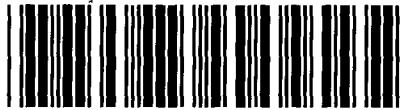


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DOCKET NO. 46300

**APPLICATION OF DAL-HIGH
WATER SUPPLY AND L&T WATER
WORKS FOR SALE, TRANSFER, OR
MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN
HENDERSON COUNTY**

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PUBLIC UTILITY COMMISSION

OF TEXAS

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COMMISSION STAFF'S RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation, and would show the following:

I. BACKGROUND

On August 22, 2016, Dal-High Water Supply (Dal-High) and L&T Water Works (L&T) filed an application for sale, transfer, or merger of facilities and certificate of convenience and necessity rights in Henderson County. Specifically, L&T seeks approval to acquire all of the water system assets of Dal-High held under water Certificate of Convenience and Necessity (CCN) No. 12830. On January 23, 2017, Order No. 8 was issued, granting Staff's request for an extension and setting January 24, 2017 as the deadline for Staff to request a hearing or file a recommendation on the approval for the sale and CCN amendment.

II. RECOMMENDATION

Staff recommends that the application be dismissed, based on the attached memorandum from Ricky Herrera, Staff Engineer, and Gary Horton, Jr., GIS Specialist, of the Water Utilities Division. Staff has requested supplemental financial information from L&T that is needed to fully evaluate the application; however, the information has not been provided and Staff cannot make a recommendation on the proposed transaction. Staff recommends that the application be dismissed, without prejudice, so that L&T may refile the application, with the appropriate information for a proper analysis, in the future.

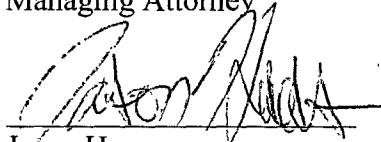
Dated: January 24, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

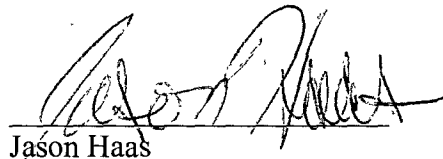
Karen S. Hubbard
Managing Attorney



Jason Haas
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on January 24, 2017 in accordance with 16 Tex. Admin. Code § 22.74.



Jason Haas

PUC Interoffice Memorandum

To: Jason Haas
Legal Division

Thru: Tammy Benter, Director
Lisa Fuentes, Work Lead
Water Utilities Division

From: Ricky Herrera, Staff Engineer
Gary Horton, Jr., GIS Specialist
Water Utilities Division

Date: January 23, 2017

Subject: **Docket 46300**, *Application of Dal-High Water Supply Company and L&T Water Works for Sale, Transfer, or Merger of Facilities and Certificate Rights in Henderson County*

On August 22, 2016, L&T Water Works, LLC (L&T) and Dal-High Water Supply Company (Dal-High) (Collectively, Applicants) filed an application with the Public Utility Commission of Texas (Commission) for sale, transfer, or merger of facilities and certificate rights in Henderson County, Texas. Specifically, L&T seeks approval to acquire all of the water assets and service area of Dal-High and to cancel Dal-High's water Certificate of Convenience and Necessity (CCN) No. 12830. The application is being reviewed for administrative completeness pursuant to Texas Water Code Ann. (TWC), §§ 13.242 to 13.250 and the 16 Tex. Admin Code (TAC) §§ 24.101 to 24.107

On January 19, 2017, Commission Staff requested a third extension to give the L&T additional time to file supplemental financial information that is needed to fully evaluate the sale, transfer or merger application. To date, L&T has not filed the supplemental financial information requested by Commission Staff in their Second Request for Information filed on November 2, 2016. The deadline for Staff to request a hearing or file a recommendation on the sale approval is set for January 24, 2017. Without the supplemental financial information, Staff cannot make a recommendation on the sale of Dal-High Water Supply Company to L&T Water Works, LLC.