

Control Number: 47012



Item Number: 31

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RECEIVED

APPLICATION OF MOUNTAIN CITY §
 OAKS WATER SYSTEM AND CITY OF §
 MOUNTAIN CITY FOR SALE, §
 TRANSFER, OR MERGER OF §
 FACILITIES AND CERTIFICATE §
 RIGHTS IN HAYS COUNTY §

PUBLIC UTILITY COMMISSION

 2016 JAN 29 PM 4:05
 PUBLIC UTILITY COMMISSION
 OF TEXAS
 CLERK

NOTICE OF APPROVAL

This Notice addresses the application by Mountain City Oaks Water System, Inc. (Mountain City Oaks Water) and the City of Mountain City (the City) for the sale transfer or merger of facilities and amendment of certificate rights in Hays County. Commission Staff recommends approval of the application. The application is approved.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Procedural History and Background

1. On March 31, 2017, Mountain City Oaks Water and the City filed an application with the Commission for approval of a sale, transfer, or merger of facilities and corresponding water certificate of convenience and necessity (CCN) No. 11427 in Hays County.
2. The City service area and facilities being sold includes approximately 211.4 acres and 237 current customers.
3. On May 1, 2017, Order No. 2 was issued finding the application administratively complete.
4. On June 2, 2017, Commission Staff filed its recommendation regarding sufficiency of notice and proposed procedural schedule. Commission Staff recommended the notice be found sufficient and recommended an additional proposed procedural schedule for the remainder of the proceeding.
5. On June 8, 2017, issued Order No. 4 was issued finding applicants' provision of notice sufficient and complete.
6. On July 12, 2017, Commission Staff recommended that the applicants demonstrated adequate financial, managerial, and technical capability to provide service to the area

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subject to this application, and that applicants be allowed to proceed with the proposed transaction.

7. On July 13, 2017, Order No. 6 was issued authorizing the proposed transaction to proceed.
8. On November 13, 2017, applicants filed documents indicating that Mountain City Oaks Water's assets had been transferred to the City and listing customer deposits which transferred from Mountain City Oaks Water to the City.
9. On December 12, 2017, Commission Staff recommended that the sale documents be found sufficient.
10. On December 14, 2017, Order No. 7 was issued finding the sale documents sufficient.
11. On January 18, 2018, applicants filed the signed consent forms to the proposed map and certificate for the City as prepared by Commission Staff.
12. The proposed map and certificate referenced in Finding of Fact No. 11 are attached to this notice.
13. On January 24, 2018, Commission Staff filed a joint request to admit evidence in this proceeding.

Notice

14. Notice of the application was published in the *Texas Register* on April 21, 2017.
15. On May 10, 2017, applicants filed an affidavit attesting to the provision of notice to all customers, neighboring utilities, and governmental entities completed on May 4, 2017.

The Transaction

16. The total area being acquired includes approximately 211.4 acres and 237 current customers.
17. The requested area is generally bounded on the north by Mariettas Way, on the east by Jack C. Hays Trail, on the south by Jack C. Hays High School, and on the west by a line approximately 600 feet west of Maple Drive.

18. As a result of the application, Mountain City Oaks Water will no longer provide service to the transferred area, and all rights and facilities under water CCN No. 11427 will be transferred to the City.

Informal Disposition

19. More than 15 days have passed since completion of the notice in this docket.
20. Mountain City Oaks Water, the City, and Commission Staff are the only parties to this proceeding.
21. No contested issues, protests, motions to intervene, or requests for hearing were filed in this docket.

II. Conclusions of Law

1. The Commission has jurisdiction over Mountain City Oaks Water and the City's application under Texas Water Code (TWC) §§ 13.041, 13.241, 13.251, 13.301 and 16 Texas Administrative Code (TAC) §§ 24.102 and 24.109.
2. Mountain City Oaks Water and the City are retail public utilities as defined by TWC § 13.002(19) and 16 TAC § 24.3(59).
3. Public notice of the application was provided as required by TWC § 13.301 and 16 TAC § 24.109.
4. The application was processed in accordance with the requirements of the Administrative Procedure Act,¹ the Texas Water Code, and Commission rules.
5. After considering the factors in TWC § 13.246(c), the City has demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area.
6. Applicants have demonstrated that the sale and transfer of facilities and amendment of the CCNs in this application will serve the public interest.
7. Under TWC § 13.257(r) and 16 TAC § 24.106(e), the City is required to record a certified copy of the approved certificates and map, along with a boundary description of the service

¹ Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-.902 (West 2016 & Supp. 2017).

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.

8. The application does not constitute a major rate proceeding as defined by 16 TAC § 22.2(27).
9. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.


III. Ordering Paragraphs

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

1. The application is approved.
2. The service area and facilities in Hays County associated with water CCN No. 11427 are transferred from Mountain City Oaks Water to the City.
3. The City shall serve every customer and applicant for service within the area previously served by Mountain City Oaks Water under CCN No. 11427, and such service shall be continuous and adequate.
4. The City shall comply with the recording requirements of TWC § 13.257(r) for the area in Hays County affected by the application and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice.
5. All other motions and any other requests for general or specific relief, if not expressly granted, are denied.

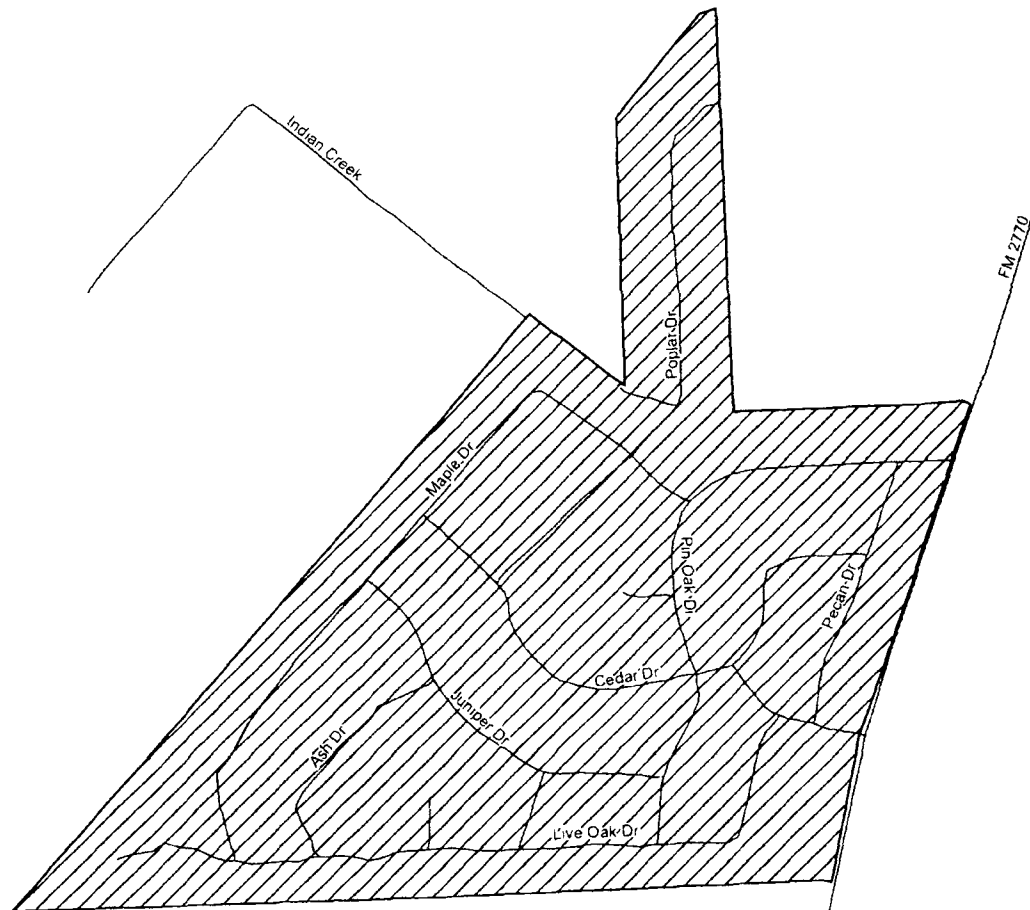
Signed at Austin, Texas the 29th day of January 2018.

PUBLIC UTILITY COMMISSION OF TEXAS



JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE

City of Mountain City
Water CCN No. 11427
PUC Docket No. 47012
Transferred all of Mountain City Oaks Water System, CCN No. 11427 in Hays County



Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Water CCN

 11427 - City of Mountain City

0 450 900
Feet



Map by Komal Patel
Date created December 27, 2017
Project Path n:\finalmapping\47012CityofMountainCity.mxd



Public Utility Commission of Texas

By These Presents Be It Known To All That City of Mountain City

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 Mountain City is entitled to this:

Certificate of Convenience and Necessity No. 11427

to provide continuous and adequate water utility service to that service area or those service areas in Hays County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 47012 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 Mountain City, 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, this 29th day of JANUARY 2018.