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APPLICATION OF RANCHLAND PROPERTY OWNERS ASSOCIATION, INC. AND CITY OF KOUNTZE FOR SALE AND TRANSFER OF FACILITIES AND CERTIFICATE RIGHTS IN HARDIN COUNTY

2018 FEB 23 PM 1: 17 PUBLIC UTILITY COMMISSION

OF TEXAS

JOINT MOTION TO ADMIT EVIDENCE AND PROPOSED NOTICE OF APPROVAL

COMES NOW the Staff of the Public Utility Commission of Texas (Staff) representing the public interest, Ranchland Property Owners Association, Inc. ("Ranchland") and the City of Kountze ("Kountze") (collectively, "the Parties"), and file this Joint Motion to Admit Evidence and Proposed Notice of Approval. In support thereof, the Parties show the following:

I. BACKGROUND

On June 14, 2017, Ranchland and Kountze filed with the Commission an application for the sale, transfer, or merger of facilities and certificate rights in Hardin County. Specifically, Kountze seeks approval to acquire all of the water system assets and service area held by Ranchland under certificate of convenience and necessity (CCN) No. 12945. The requested area includes approximately 220 acres and 15 current customers.

On January 9, 2018, Order No. 5 was issued, requiring parties to file joint proposed findings of fact and conclusions of law by February 20, 2018. On February 20, 2018, the Parties filed a joint request for extension. Order No. 6, issued February 21, 2018, extended the deadline to file joint proposed findings of fact and conclusions of law to February 27, 2018. Therefore, this pleading is timely filed.

II. JOINT MOTION TO ADMIT EVIDENCE

The Parties move to admit the following evidence into the record of this proceeding:

- 1. Kountze and Ranchland's application and all attachments thereto, filed on June 14, 2017;
- 2. The affidavit and proof of notice, filed on July 24, 2017;
- 3. Commission Staff's Recommendation on Approval of Sale, filed on September 20, 2017;
- 4. The consent forms to the final map, filed by Kountze on February 1, 2018 and Ranchland on February 5, 2018; and

Attached final map.

III. JOINT PROPOSED NOTICE OF APPROVAL

Staff, Ranchland, and Kountze have agreed on the attached Joint Proposed Notice of Approval, which would grant Ranchland and Kountze's application for approval of the sale and transfer of all facilities and certificated water service area under water CCN No. 12945 to Kountze. Also attached is the final map that was included in Staff's final recommendation.

IV. CONCLUSION

Kountze and Ranchland have indicated to Staff that Staff is authorized to file this pleading on their behalf. Therefore, the Parties respectfully request that the Commission grant the Motion to Admit Evidence, and adopt the attached Joint Proposed Notice of Approval.

Dated: February 21, 2018

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton Division Director

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DOCKET NO. 47283 CERTIFICATE OF SERVICE

I hereby certify that on February 21, 2018, true and correct copy of the foregoing document has been served on all parties of record in accordance with 16 Tex. Admin. Code \S 22.74.

Garcia

DOCKET NO. 47283

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APPLICATION OF RANCHLAND PROPERTY OWNERS ASSOCIATION, INC. AND CITY OF KOUNTZE FOR SALE AND TRANSFER OF FACILITIES AND CERTIFICATE RIGHTS IN HARDIN COUNTY

PUBLIC UTILITY COMMISSION

OF TEXAS

JOINT PROPOSED NOTICE OF APPROVAL

This Notice addresses the application of Ranchland Property Owners Association, Inc. ("Ranchland") and the City of Kountze ("Kountze") (collectively, "Applicants") for the sale, transfer or merger of facilities and certificate rights in Hardin County, Texas. The Public Utility Commission ("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

1. On June 14, 2017, the Applicants filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Hardin County, Texas.

2. Ranchland holds certificate of convenience and necessity (CCN) No. 12945 and is a retail public utility in Hardin County.

3. Approval of the application would transfer the service area and facilities of CCN No. 12945 held by Ranchland to Kountze.

4. The total service area being requested includes approximately 220 acres and 15 customers.

5. On June 20, 2017, Order No. 1 was issued requiring Commission Staff to file comments on the administrative completeness of the application.

6. On June 20, 2017, Notice of Application for Sale, Transfer, or Merger was issued.

7. On July 14, 2017, Commission Staff filed comments on the administrative completeness of the application.

8. On July 18, 2017, Order No. 2 was issued finding the application administratively complete, ordering the Applicants to provide notice, and establishing a procedural schedule.

9. On July 24, 2017, Ranchland filed an affidavit of notice to neighboring utilities and affected parties attesting to mailed notice.

10. On August 23, 2017, Order No. 3 was issued deeming notice sufficient and complete, and adopting deadlines.

11. No protest letters were received by the Commission during the 120-day period.

12. On September 20, 2017, Commission Staff filed a recommendation that the proposed transaction be permitted to proceed.

13. On September 22, 2017, Order No. 4 was issued approving the sale/ transfer to proceed and be consummated.

14. On October 31, 2017, Ranchland and Kountze filed Status Report No. 1.

15. On November 30, 2017, Ranchland and Kountze filed Status Report No. 2.

16. On December 22, 2017, Ranchland and Kountze filed Status Report No. 3 and documents evidencing the closing of the transaction.

17. On January 8, 2018, Commission Staff filed a Recommendation on Proof of Sale.

18. On January 9, 2018, Order No. 5 was issued finding closing documents sufficient and establishing a procedural schedule.

19. On February 1, 2018, Kountze filed its consent form indicating its agreement with the map prepared by Commission Staff.

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20. On February 5, 2018, Ranchland filed its consent form indication its agreement with the map prepared by Commission Staff.

21. On February 20, 2018, Commission Staff, Ranchland and Kountze filed a Joint Request for Extension to file joint proposed findings of fact, conclusions of law, and ordering paragraphs.

22. On February 21, 2018, Order No. 6 was issued granting the extension.

23. On February 27, 2018, Ranchland, Kountze, and Commission Staff filed a proposed notice of approval and motion to admit evidence.

24. The map described in Finding of Fact Nos. 19 and 20 is attached to this Notice.

25. On _____, 2018, Order No. 7 was issued, admitting evidence into the record of this proceeding.

<u>Notice</u>

26. Notice of the application was published in the *Texas Register* on June 20, 2017.

27. Mailed notice was provided to neighboring systems, landowners, and affected parties on July 20, 2017.

Informal Disposition

28. More than 15 days have passed since completion of the notice provided in this docket.

29. Commission Staff, Ranchland and Kountze are the only parties to this proceeding.

30. No protests, motion to intervene, or requests for hearing were filed in this docket.

II. Conclusions of Law

1. The Commission has jurisdiction over these matters under Texas Water Code §§ 13.246,

13.254, 13.301 ("TWC") and 16 Texas Administrative Code §§ 24.109 and 24.113 ("TAC").

2. Ranchland and Kountze are retail public utilities as defined in TWC § 13.002(19) and 16 TAC § 24.3(59).

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3. Public notice of the application was provided as required by TWC 13.301(a)(2).

4. The application was processed in accordance with the requirements of TWC § 13.301 and 16 TAC §§ 24.109 and 24.113.

5. Applicants completed the sale within 180 days from the date of Commissioner's approval of the sale, consistent with 16 TAC § 24. 109(0).

6. After considering the factors in TWC § 13.246(c), Kountze has demonstrated adequate financial, managerial and technical capability for providing continuous and adequate service to then requested area.

7. Ranchland and Kountze have demonstrated that the sale and transfer of service area and facilities for CCN No. 12945 requested in this application are necessary for the service, accommodation, convenience, or safety of the public.

8. The Commission's Order satisfies the requirements of Tex. Gov't Code Ann. §§ 2001.051 and 201.056 without the necessity of a decision on contested case issues resulting from a hearing on the merits.

9. As required by TWC § 13.257(r) and 16 TAC 24.106(e), Kountze is required to record a certified copy of the approved map, along with a boundary description of the service area, in the real property records of Hardin County in which the service area is located, and submit to the Commission evidence of the recording.

10. The requirements for informal disposition under 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 for sale, transfer, or merger is approved.

2. The service area and facilities in Hardin County associated with CCN No. 12945 are transferred from Ranchland to Kountze.

3. Kountze shall serve every customer and applicant for service within the area transferred, and such service shall be continuous and adequate.

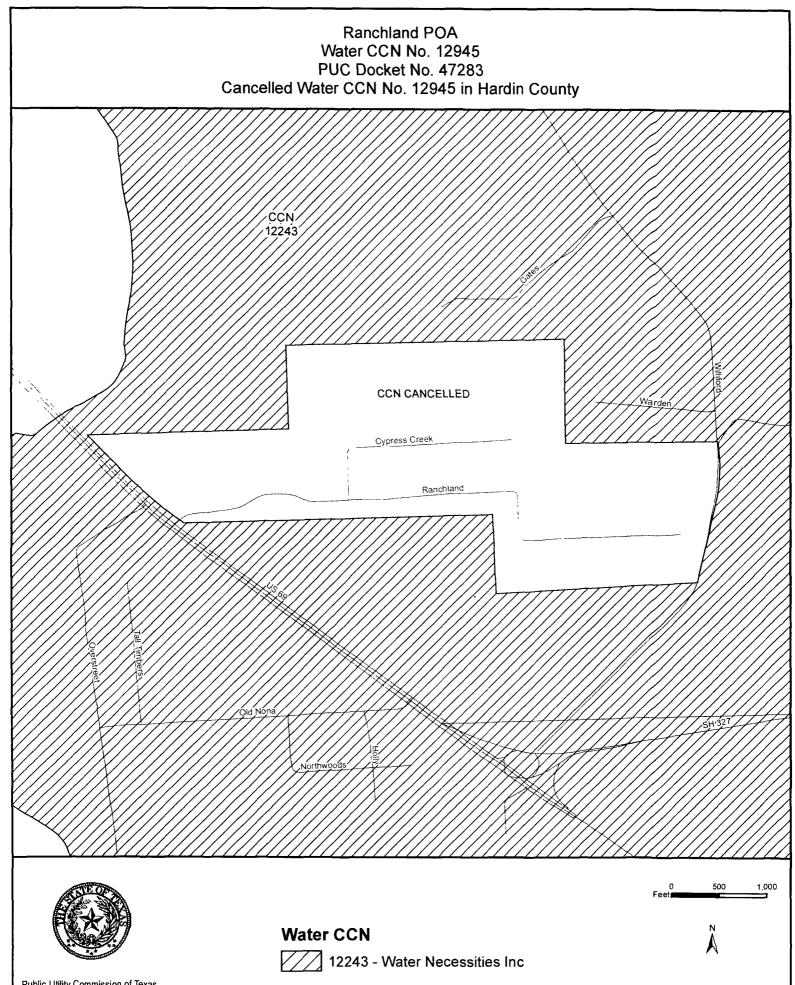
4. Kountze shall comply with the recording requirements of TWC § 13.257(r) for the area in Hardin County affected by the application and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice.

5. All other motions, requests for entry of specific findings of fact or conclusion or law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

Signed at Austin, Texas the _____ day of February 2018.

PUBLIC UTILITY COMMISSION OF TEXAS

ADMINISTRATIVE LAW JUDGE



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

Map by Komal Patel Date created[.] January 12, 2018 Project Path n \finalmapping\47283RanchlandPOA.mxd