



Control Number: 47289



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RECEIVED

APPLICATION OF
HUBERT-WATSON SUBDIVISION
WATER SUPPLY, INC. FOR
APPROVAL OF A CHANGE IN
OWNERSHIP

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PUBLIC UTILITY COMMISSION

OF TEXAS
PUBLIC UTILITY COMMISSION
FILING CLERK

2017 OCT 9 AM 9:01

COMMISSION STAFF'S RECOMMENDATION ON FINAL DISPOSITION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation on Final Disposition in response to Order No. 3 and would show the following:

I. BACKGROUND

On June 15, 2017, Hubert-Watson Subdivision Water Supply, Inc. (Hubert-Watson) filed an application for approval of a change in ownership. Specifically, Hubert-Watson seeks approval to acquire all shares held by the Betty Hubert Wise Trust and allow Randal Boenigk to invest in an ownership interest of Hubert-Watson.

On September 8, 2017, Order No. 3 was issued, finding the application administratively complete and establishing a deadline of October 9, 2017 for Staff to request a hearing or file a recommendation on final disposition of the application. This pleading is therefore timely filed.

II. RECOMMENDATION

As detailed in the attached memorandum from Emily Sears in the Commission's Water Utility Regulation Division, Staff recommends that the application be approved. Specifically, Staff has reviewed the application and the supplemental material that has been provided, and recommends that Hubert-Watson and Randal Boenigk possess the necessary financial, managerial, and technical capability to provide continuous and adequate service.

Staff also requests that Hubert-Watson or Randal Boenigk be directed to notify the Commission within 30 days after the date the proposed transaction is completed, consistent with the requirements of 16 Texas Administrative Code § 24.111(g).

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III. CONCLUSION

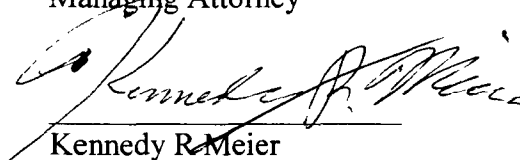
For the reasons detailed above, Staff recommends that the application be approved. A joint proposed notice of approval will be filed in accordance with the procedural schedule established in Order No. 3.

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

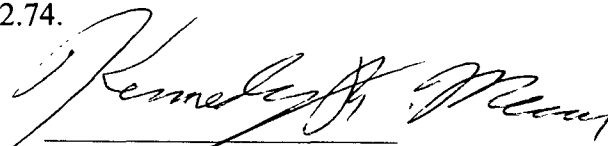


Kennedy R. Meier
State Bar No. 24092819
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7265
(512) 936-7268 (facsimile)
kennedy.meier@puc.texas.gov

DOCKET NO. 47289

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 9th of October, 2017 in accordance with 16 TAC § 22.74.


Kennedy R. Meier

Public Utility Commission of Texas

Memorandum

To: Kennedy Meier, Attorney
Legal Division

Thru: Tammy Benter, Director
Water Utility Regulation

From: Emily Sears, Financial Analyst
Water Utility Regulation

Date: October 9, 2017

Subject: **Docket No. 47289;** *Application of Hubert-Watson Subdivision Water Supply, Inc. for Approval of a Change in Ownership*

On June 15, 2017, Hubert-Watson Subdivision Water Supply, Inc. (HW or Applicant) filed an application for approval to acquire all HW shares from the Betty Hubert Wise Trust, and allow Randal Boenigk to invest in an ownership interest of HW pursuant to Tex. Water Code § 13.302 (TWC) and 16 Tex. Admin. Code § 24.111 (TAC). The Applicant provides retail water service to customers in Matagorda County under Certificate of Convenience and Necessity (CCN) No. 12123. Upon approval of the transaction, HW intends to conduct utility business operations as they have in the past, with no changes to the name of the utility, and no change in the chosen operating company to run the system. The Betty Hubert Wise Trust currently owns the controlling interests in HW as defined in § 24.111(TAC).

Based on my review of the application, including the supplemental filings, I have determined that Randal Boenigk and HW possess adequate financial, managerial, and technical capability for providing continuous and adequate service in the area; therefore, additional financial assurance is not necessary. Moreover, a public hearing is not necessary on this transaction because a criterion prescribed by 16 TAC § 24.110 relating to Foreclosures and Bankruptcies does not apply.

Based on my review, I recommend the proposed transaction be completed. Further, I recommend that the Applicant be required to file copies of the closing documents evidencing the completed transaction within 30 days after completion to the Public Utility Commission (Commission) per the Commission's filing procedures. I additionally recommend the Applicant be informed that the CCN will remain in the name of HW.