



Control Number: 48060



Item Number: 20

Addendum StartPage: 0

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APPLICATION OF DJL VENTURES, §
INC. DBA KAP WATER SUPPLY AND §
SWWC UTILITIES, INC. DBA WATER §
SERVICES, INC. FOR THE §
TRANSFER OF SERVICE AREA §
RIGHTS IN COMAL COUNTY §

PUBLIC UTILITY COMMISSION
OF TEXAS
PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENT

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

I. BACKGROUND

On February 13, 2018, DJL Ventures, Inc. d/b/a KAP Water Supply (KAP) and SWWC Utilities, Inc. d/b/a Water Services, Inc. (Water Services) (collectively, Applicants) filed an application for the transfer of service area rights in Comal County. Specifically, Water Services seeks approval to transfer all of KAP's water service area rights under Exempt Registration No. N0064 to Water Services' Certificate of Convenience and Necessity No. 11106. The total area being requested includes approximately 14 acres with zero current customers.

Order No. 5, issued August 13, 2018, approved the transaction to proceed and directed the Applicants to file proof that the transaction had been consummated within 30 days of the effective date of the transaction. The Order also directed Staff to file a recommendation regarding the sufficiency of the closing documents, and to propose a procedural schedule, within 15 days of the Applicants filing proof of closing. Water Services filed a Bill of Sale and Assignment (Bill of Sale) on November 14, 2018. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON CLOSING DOCUMENTS

Staff has reviewed the Bill of Sale filed by Water Services and recommends that it be found to meet the requirements of 16 Texas Administrative Code (TAC) § 24.109(n) (renumbered to § 24.239(n) in Project No. 48526, effective October 17, 2018). The document is signed by KAP and Water Services and was filed on November 14, 2018, which is less than 30 days from the effective

date of November 9, 2018. The Bill of Sale was accompanied by a letter stating that there are no current customer deposits to be returned. Thus, Staff further recommends a finding that all customer deposits have been properly addressed in accordance with 16 TAC § 24.109(m) and (n) (now, § 24.239(m) and (n)).

III. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule:

Event	Date
Deadline for Staff to submit final map, certificate, and tariff (if applicable) to Water Services for review and consent.	December 17, 2018
Deadline for Water Services to file a signed consent form with the Commission.	January 3, 2018
Deadline for the parties to file a joint proposed notice of approval with findings of fact, conclusions of law, and ordering paragraphs.	January 10, 2018

IV. CONCLUSION

Staff respectfully requests the entry of an Order finding that the closing document is sufficient and that customer deposits have been properly addressed and adopting the procedural schedule proposed above.


Dated: November 15, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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**DOCKET NO. 48060
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on November 15, 2018, in accordance with 16 TAC § 22.74.


Eleanor D'Ambrosio