



Control Number: 48111



Item Number: 22

Addendum StartPage: 0

APPLICATION OF H2O SYSTEMS  
PLUS/COLETO WATER SYSTEM  
AND JRM WATER, LLC DBA JRM  
TO TRANSFER FACILITIES AND  
CERTIFICATE RIGHTS IN  
VICTORIA COUNTY

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PUBLIC UTILITY COMMISSION NO. 26

PUBLIC UTILITY COMMISSION  
OF TEXAS FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION ON PROOF OF SALE  
DOCUMENTATION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation on Proof of Sale Documentation in response to Order No. 6. In support thereof, Staff shows the following:

**I. BACKGROUND**

On February 27, 2018, H2O Systems Plus/Coletto Water System (H2O) and JRM Water, LLC dba JRM (JRM) (collectively, Applicants) filed an application for sale, transfer, or merger of facilities and certificate rights in Victoria County, Texas. Specifically, JRM seeks approval to acquire facilities and to transfer all water service area from H2O under water Certificate of Convenience and Necessity (CCN) No. 11548. The requested area includes approximately 437 acres and 211 connections.

On July 2, 2018, Order No. 6 was issued, authorizing the Applicants to proceed with the transaction and establishing a deadline of 15 days from the filing of proof of sale documentation for Staff to file a recommendation on the sufficiency of the documentation and propose a procedural schedule for further processing. Applicants filed proof of sale documentation on January 14, 2019. Fifteen days from January 14 is January 29, 2019. This pleading is therefore timely filed.

**II. RECOMMENDATION**

Staff has reviewed the proof of sale documentation and recommends that the documentation be found sufficient. Under 16 Texas Administrative Code (TAC) § 24.239(o) (formerly 16 TAC § 24.109), the Commission's approval of a sale, transfer, or merger transaction expires 180 days from the date of the Commission order allowing the transaction to proceed. Order

No. 6, which approved the transaction to proceed, was issued on July 2, 2018. December 29, 2018, is 180 days from July 2. Applicants provided an executed bill of sale dated December 16, 2018. The Applicants therefore closed the transaction before the expiration of the Commission's approval for the transaction to proceed. Applicants also provided an affidavit certifying that all customer deposits held by H2O have been transferred to JRM. Staff therefore recommends that the proof of sale documentation be found sufficient.

### **III. PROCEDURAL SCHEDULE**

Staff recommends the sale documents be found sufficient. Staff therefore proposes the following procedural schedule:

<b>Event</b>	<b>Date</b>
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to Applicants for review and consent	February 15, 2019
Deadline for Applicants to file signed consent forms with the Commission	March 1, 2019
Deadline for parties to file joint proposed findings of fact and conclusions of law	March 8, 2019

### **IV. CONCLUSION**

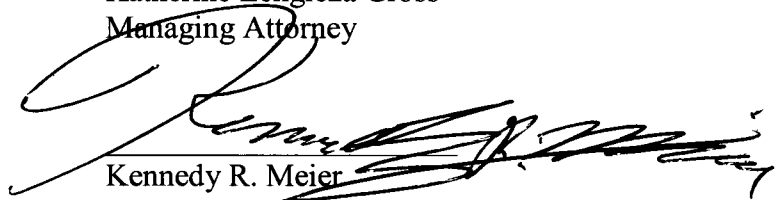
For the reasons detailed above, Staff recommends that the proof of sale documentation be found sufficient and that the procedural schedule proposed above be adopted for continued processing of this docket.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney

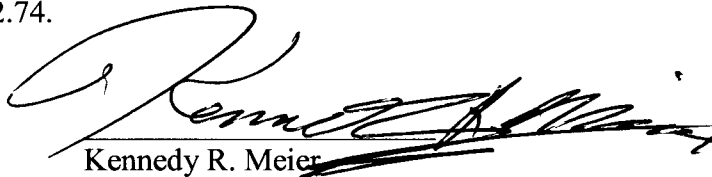


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**DOCKET NO. 48111**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on January 17, 2019, in accordance with 16 TAC § 22.74.



Kennedy R. Meier