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DOCKET NO. 48455

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REQUEST OF SEGURO WATER  
COMPANY LLC, AND SAN PEDRO  
CANYON WATER RESOURCES TO  
PLACE BLE CEREUS, LLC UNDER  
TEMPORARY MANAGEMENT OR  
SUPERVISION AND FOR OTHER  
APPROPRIATE RELIEF

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PUBLIC UTILITY COMMISSION

OF TEXAS

PUBLIC UTILITY COMMISSION  
FILING CLERK

**ORDER NO. 1  
REQUIRING COMMISSION STAFF COMMENTS AND RECOMMENDATION**

On June 11, 2018, Seguro Water Company, LLC (Seguro) and San Pedro Canyon Water Resources (San Pedro) filed a request to place Blue Cereus, LLC (Blue Cereus) under temporary management or supervision for its alleged payment delinquency of the wholesale water services provided by Seguro and San Pedro. On June 1, 2018, Seguro and San Pedro gave Blue Cereus notice of default and termination due to the payment delinquency and advised Blue Cereus to make arrangements for an alternative water supply or cure the defaults prior to the August 1, 2018, termination date. A copy of the agreements referenced by Seguro and San Pedro were not included with this request.

On June 20, 2018, Blue Cereus filed a motion to dismiss the request, arguing that the 2009 water agreements with Seguro and San Pedro are classic private contractual disputes over which the Commission should be cautious to assert jurisdiction. Blue Cereus contends that Texas Water Code §§ 13.412 and 13.4132,<sup>1</sup> do not apply here because no grounds exist for authorization of temporary management or supervision.

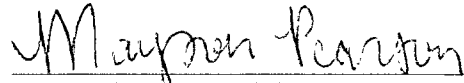
Not later than July 20, 2018, Commission Staff shall file comments and recommend an appropriate method for processing this request.

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<sup>1</sup> Tex. Water Code Ann. §§ 13.412 and 13.4132 (West 2008 & Supp. 2017) (TWC).

Signed at Austin, Texas the 20<sup>th</sup> day of June 2018.

**PUBLIC UTILITY COMMISSION OF TEXAS**

A handwritten signature in cursive script, reading "Mayson Pearson", written over a horizontal line.

**MAYSON PEARSON**

**ADMINISTRATIVE LAW JUDGE**

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