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DOCKET NO. 48565

**APPLICATION OF AQUA TEXAS
INC. AND TOWN OF BUFFALO GAP
FOR SALE, TRANSFER, OR MERGER
OF FACILITIES AND CERTIFICATE
RIGHTS IN TAYLOR COUNTY
(GAP WATER SYSTEM)**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF CLOSING
DOCUMENTS**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Recommendation on Sufficiency of Closing Documents. In support, Staff shows the following:

I. BACKGROUND

On August 2, 2018, Aqua Texas, Inc. (Aqua) and the Town of Buffalo Gap (Buffalo Gap) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Taylor County. Specifically, Aqua wishes to sell a portion of its water CCN No. 13201 and transfer its Gap Water System facilities to Buffalo Gap, which will obtain a new CCN. The requested area includes approximately 1,782 acres and 269 connections.

On November 28, 2018, the administrative law judge (ALJ) filed Order No. 4, approving the transaction to proceed and requiring the Applicants to submit documents evidencing that the transaction was consummated and that customer deposits were properly addressed. Order No. 4 also set a deadline of 15 days from the date the Applicants' filed proof of closing for Staff to file a recommendation regarding the sufficiency of the documents and to propose a procedural schedule. The Applicants filed closing documentation and customer deposit information on October 19 and 20, 2020. Therefore, Staff's filing is delayed. Staff apologizes for the delay to both the ALJ and the Applicants.

II. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents and customer deposit information filed by the Applicants on October 19 and 20, 2020. Based on its review, Staff has determined that the Applicants' filing meets the requirements of 16 Texas Administrative Code (TAC) § 24.239(a),

which requires the filing of an STM application and the provision of public notice at least 120 days before the effective date of a proposed transaction. Under 16 TAC § 24.239(i), the proposed transaction may be completed at the end of the 120-day period or at any time after the transferee receives notice that a hearing will not be required. The Applicants filed affidavits of closing from Robert L. Laughman, the President of Aqua, and David L. Perry, the Mayor of the Town of Buffalo Gap, attesting to the completion of the transaction on September 30, 2020 and a bill of sale dated September 30, 2020. This is more than 120 days after notice was completed on September 26, 2018, and therefore, after the earliest possible effective date.¹ Staff recommends a finding that the Applicants' closing documents are sufficient and satisfy 16 TAC § 24.239(a), (i), and (l).

As stated in the Applicants' affidavits of closing, and as supported by the Applicants' October 20, 2020 confidential filing containing a list of customer deposits, all customer deposits have been refunded by Aqua in connection with the closing utilizing credits to customers' final bills and through refunds of credit balances. Staff therefore recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (l).

III. PROCEDURAL SCHEDULE

In accordance with Staff's recommendation that the Applicants' closing documents be found sufficient, Staff proposes the following procedural schedule:

Events	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent	December 15, 2020
Deadline for applicant to file signed consent forms with the Commission	December 29, 2020
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	January 12, 2021

¹ Order No. 4 Approving Transactions to Proceed was filed on November 28, 2018.

IV. CONCLUSION

For the reasons detailed above, Staff respectfully requests that an order be issued finding the closing documents filed by the Applicants sufficient. Staff further requests that the proposed procedural schedule be adopted for continued processing of this docket.

Dated: November 10, 2020

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Eleanor D'Ambrosio
Managing Attorney

/s/ John Harrison
John Harrison
State Bar No. 24097806
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7277
(512) 936-7268 (facsimile)
John.Harrison@puc.texas.gov

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record on November 10, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ John Harrison
John Harrison