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SOAH DOCKET NO. 473-19-6298.WS
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BEFORE THE STATE OFFICE

PUBLIC UTILITY COMMISSION
FILING CLERK

APPLICATION OF BLUEBONNET §
HILLS WATER SUPPLY §
CORPORATION AND THE CITY OF §
CRESSON FOR SALE, TRANSFER, OR §
MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS IN PARKER §
COUNTY §

OF

ADMINISTRATIVE HEARINGS

SOAH ORDER NO. 1
DESCRIPTION OF CASE AND PROCEDURAL BACKGROUND AND
NOTICE OF PREHEARING CONFERENCE

On September 12, 2018, Bluebonnet Hills Water Supply Corporation (Bluebonnet) and the City of Cresson (Cresson) (collectively, Applicants) submitted an application to the Public Utility Commission of Texas (Commission) for a sale, transfer, or merger of facilities and certificate rights in Parker and Johnson Counties, Texas. Cresson seeks approval to acquire facilities and to transfer water service area from Bluebonnet under water Certificate of Convenience and Necessity (CCN) No. 12290. The requested area includes approximately 436 acres and 164 connections.

The controlling law relating to the application is found in Texas Water Code §13.301 and 16 Texas Administrative Code § 24.239. Section 24.239 requires the Commission to either approve the application administratively or require a public hearing within 120 days from the last notice of the application.

The Commission found the application to be administratively complete on February 14, 2019. The Commission adopted a procedural schedule which provided: a deadline of March 18, 2019 for Applicants to file signed affidavits that notice of the application was provided, along with a copy of the notice sent to the affected parties; for Commission Staff (Staff) to submit a recommendation on the notice within 10 days of Applicants submitting proof of notice; and a deadline to intervene in the case 30 days after notice was issued.

Applicants submitted the required affidavit of notice to the Commission on May 21, 2019. The affidavit stated that notice was mailed on March 5, 2019, however, the Commission found the affidavit of notice to be insufficient on June 13, 2019. On June 27, 2019, prior to the 120-day deadline from the date of notice (July 3, 2019), Staff requested a referral of the matter for a hearing because the notice insufficiency was still unresolved. The matter was referred by the Commission on July 22, 2019.

The Commission's order referring this case to the State Office of Administrative Hearings (SOAH) states that the Commission will consider and possibly adopt a preliminary order at an open meeting currently scheduled for August 29, 2019. The preliminary order will include a list of issues and any necessary statement of Commission policy, precedent, or position on threshold issues relevant to this proceeding.

Applicants filed a supplemental affidavit of notice on July 10, 2019. Staff filed a Recommendation on Notice on July 22, 2019, which recommended finding the notice sufficient and proposed a procedural schedule with the following proposed dates:

- March 5, 2019 - Notice completed
- April 4, 2019 - Deadline for intervention

Staff's proposed procedural schedule also included a deadline for Staff to file a recommendation on the approval of the sale and on the CCN amendment and a deadline for parties to file a response to Staff's recommendation.

The undersigned Administrative Law Judge (ALJ) will convene the prehearing conference at 10:00 a.m. on September 5, 2019, at SOAH's facilities in the William P. Clements Building, 300 West 15th Street, 4th Floor, Austin, Texas. At the prehearing conference, the parties should be prepared to discuss the Commission's preliminary order, if any; the sufficiency of the notice and the procedural deadlines including deadline for intervention; the applicable statutes and rules; Staff's recommendation, if any, on the approval of the Application;

settlement of the case or clarification and simplification of the issues; potential stipulations; any procedural matter, including any pending motions such as motions to intervene; any jurisdictional deadlines; a procedural schedule including hearing dates; and any other relevant matter.

SIGNED August 5, 2019.

A handwritten signature in black ink, appearing to read "Ross Henderson", written over a horizontal line.

**ROSS HENDERSON
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS**