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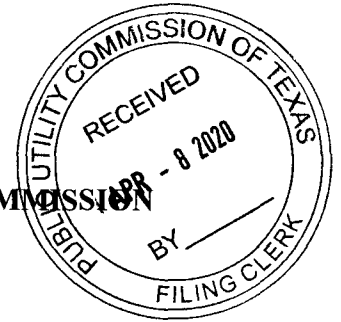
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DOCKET NO. 48680

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

PUBLIC UTILITY COMMISSION
OF TEXAS



**COMMISSION STAFF’S CLOSING DOCUMENTS SUFFICIENCY
RECOMMENDATION**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and in response to Order No. 9, files this Closing Documents Sufficiency Recommendation. In support thereof, Staff shows the following:

I. BACKGROUND

On September 12, 2018, Bluebonnet Hills Water Supply Corporation (Bluebonnet) and the City of Cresson (the City), (collectively, the Applicants) filed an application for sale, transfer, or merger of facilities and certificate rights in Parker and Johnson Counties, Texas. Specifically, the City 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 Applicants filed supplemental information on September 27, 2018 and December 7, 2018.

On July 22, 2019, the instant docket was referred to the State Office of Administrative Hearings (SOAH). On September 5, 2019, the SOAH administrative law judge (ALJ) issued SOAH Order No. 2, finding the Applicants’ notice sufficient, cancelling the previously scheduled prehearing conference, and ordering Staff to file a status report by October 4, 2019.

On October 4, 2019, Staff filed a status report requesting an additional 30 days to complete its review of the application. On October 7, 2019, the SOAH ALJ issued Order No. 3, requiring Staff to file a status report by November 4, 2019. On November 1, 2019, Staff filed a Motion to Remand to allow for continued processing of the Applicants’ application. On November 5, 2019, the SOAH ALJ issued Order No. 4, dismissing the docket from SOAH and remanding it to the Commission.

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On February 12, 2020, the Commission ALJ issued Order No. 9, authorizing the Applicants to proceed with the proposed transaction. The order required the Applicants to submit documents evidencing that the transaction was consummated and demonstrating that customer deposits were properly addressed. The Applicants filed closing documents on March 24, 2020 and supplemented those closing documents on March 25, 2020. The order also required Staff to file a recommendation on the sufficiency of the Applicants' closing documents and propose a procedural schedule for continued processing of the application within 15 days following the filing of the Applicants' proof of closing.¹ Therefore, this pleading is timely filed.

II. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by the Applicants on March 24, 2020 and March 25, 2020. Based on its review, Staff has determined that the Applicants' filings meet the requirements of 16 Texas Administrative Code (TAC) §§ 24.239(a) and (k)-(n). Specifically, the sale and transfer was completed following the issuance of Order No. 9, wherein the transferee received notice from the Commission that a hearing would not be requested.² Further, the closing documents were filed within 30 days after the effective date of the transaction.³ The closing documents were also signed by both the transferor and the transferee.⁴

The Transfer Agreement filed on March 25, 2020 lists all assets to be transferred as part of the transaction, and does not include customer deposits; therefore, customer deposits are not being transferred as required by 16 TAC §§ 24.239(m).

Accordingly, based upon Applicants' substantial completion of the requirements, as stated in the Commission rules, Staff recommends a finding that the closing documents be found sufficient. Staff also recommends that there are no customer deposits to address as a result of the transaction.

¹ Fifteen days after March 25, 2020 is Thursday, April 9, 2020.

² 16 TAC § 24.239(k)(2).

³ 16 TAC § 24.239(n).

⁴ *Id.*

III. PROPOSED PROCEDURAL SCHEDULE

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

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable) to Applicants for review and consent.	May 14, 2020
Deadline for Applicants to file signed consent forms with the Commission.	May 28, 2020
Deadline for parties to jointly file a proposed notice of Approval, including proposed findings of fact, conclusions of law, and ordering paragraphs.	June 11, 2020

IV. CONCLUSION

For the reasons detailed above, Staff respectfully requests that an order be issued finding that the closing documents filed by Applicants are sufficient and that there are no customer deposits to address as a result of the transaction. Staff further requests that the procedural schedule proposed above be adopted for continued processing of this docket.

Dated: April 9, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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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 via electronic mail on April 9, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

s/ Kourtnee Jinks
Kourtnee Jinks