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APPLICATION OF PENDLETON	§	PUBLIC UTILITY COMMISSION
HARBOR WATER SUPPLY	§	OF TEXAS
CORPORATION AND G-M WATER	§	
SUPPLY CORPORATION FOR SALE,	§	
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN SABINE COUNTY	§	

**COMMISSION STAFF'S FINAL RECOMMENDATION**

**COMES NOW** the Commission Staff of the Public Utility Commission of Texas (Commission), representing the public interest, and in response to Order No. 7, files this Final Recommendation. Staff recommends that the transaction be allowed to proceed. In support thereof, Staff shows the following:

**I. BACKGROUND**

On October 17, 2018, G-M Water Supply Corporation (G-M or Purchaser) and the Pendleton Harbor Water Supply Corporation (Pendleton or Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Sabine County, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. Specifically, G-M seeks approval to acquire facilities and certificate rights, cancel Pendleton's water Certificate of Convenience and Necessity (CCN) No. 10737 and amend G-M's water CCN No. 11393. The requested area includes approximately 1,024 acres and 234 connections.

On July 1, 2019, Order No. 7 was issued, establishing a deadline of August 9, 2019, for Staff to request a hearing or file a recommendation on approval of the sale and on the CCN amendment. Therefore, this pleading is timely filed.

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## **II. RECOMMENDATION**

As detailed in the attached memorandum from Kathryn Eiland in the Commission's Water Utility Regulation Division, Staff recommends approval of the proposed transaction. Staff's review concludes that the application satisfies Texas Water Code (TWC) §§ 13.246 and 13.301 and 16 Texas Administrative Code (TAC) §§ 24.11 and 24.239.

If the proposed transaction is permitted to proceed, Staff further recommends that the applicants be required to file evidence that the sale has been completed. Pursuant to 16 TAC § 24.239(o), approval of the sale expires 180 days from the date of the Commission's written approval allowing the sale to proceed. If the sale is not consummated within that period, the approval is void and the applicants must re-apply for approval of the sale unless the applicants request and receive an extension from the Commission. Staff further recommends that a public hearing is not necessary.

## **III. CONCLUSION**

Staff respectfully recommends the entry of an order permitting the proposed transaction to proceed.

Dated: August 9, 2019

Respectfully submitted,

### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

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Division Director

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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on August 9, 2019, in accordance with 16 TAC § 22.74.

  
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Steven M. Gonzalez