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DOCKET NO. 48897

APPLICATION OF KERRVILLE	§	PUBLIC UTILITY COMMISSION
SOUTH WATER COMPANY, INC.	§	
AND AQUA TEXAS, INC. FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN KERR COUNTY	§	

**COMMISSION STAFF'S RECOMMENDATION ON
SUFFICIENCY OF CLOSING DOCUMENTS AND PROPOSED PROCEDURAL
SCHEDULE**

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

I. BACKGROUND

On November 20, 2018, Kerrville South Water Company, Inc. (Kerrville) and Aqua Texas, Inc. (Aqua) (collectively, Applicants), filed an application for sale, transfer, or merger of facilities and certificate rights in Kerr County with the Public Utility Commission of Texas (Commission). Aqua stated in its application that it is seeking to acquire facilities and certificate rights from Kerrville pursuant to § 13.301 of the Texas Water Code and 16 Texas Administrative Code (TAC) § 24.239.

On March 22, 2019, the Administrative Law Judge (ALJ) issued Order No. 4, approving the sale to proceed and requiring Applicants to submit documents evidencing the transaction was consummated and that customer deposits were properly addressed. Order No. 4 also required Staff to file a recommendation regarding the sufficiency of the documents and proposing a procedural schedule within 15 days following the filing of the Applicant's proof that the sale had been consummated and customer deposits had been addressed.

On August 22, 2019, Aqua filed proof that the sale had been consummated and a motion for a good cause waiver regarding the filing of customer deposits. On August 26, 2019, the ALJ issued Order No. 6 denying Aqua's motion for a good cause waiver. On September 12, 2019, Aqua filed a request for extension of time to file customer deposit lists. On September 13, 2019, the ALJ granted Aqua's request for extension. On September 20, 2019, Aqua confidentially filed a list of

customer deposits. 15 days after September 20, 2019 is October 5, 2019. Therefore, this pleading is timely filed.

II. SUFFICIENCY OF TRANSACATION DOCUMENTS

Staff has reviewed the closing documents filed by Applicants on August 22, 2019 and September 20, 2019. Based on its review, Staff has determined that, cumulatively, Applicants' filings meet the requirements of 16 Tex. Admin. Code (TAC) §§ 24.239(k)-(n). Specifically, the sale and transfer was completed following the issuance of Order No. 4, wherein the transferee received notice from the Commission that a hearing would not be requested. Staff recommends that Applicants' closing documentation filings, cumulatively, demonstrate substantial fulfillment of the requirements as stated in the Commission rules. Therefore, Staff further recommends a finding that the customer deposits have been appropriately addressed and that the closing documents be found sufficient.

III. PROCEDURAL SCHEDULE

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

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable) to Applicants for review and consent	October 15, 2019
Deadline for Applicants to file signed consent forms with the Commission	October 29, 2019
Deadline for parties to jointly file a proposed Notice of Approval, including proposed findings of fact, conclusions of law and ordering paragraphs	November 12, 2019

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 customer deposits have been

properly addressed. Staff further requests that the procedural schedule proposed above be adopted for continued processing of this docket.

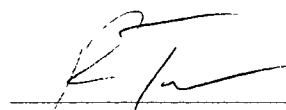
Dated: September 30, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on September 30, 2019, in accordance with 16 TAC § 22.74.



Rustin Tawater