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PUC DOCKET NO. 49178

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APPLICATION OF VINEYARD RIDGE, §  
LLC AND VINEYARD RIDGE WATER §  
SUPPLY, LLC FOR SALE, TRANSFER, §  
OR MERGER OF FACILITIES AND §  
CERTIFICATE RIGHTS IN GILLESPIE §  
COUNTY §

PUBLIC UTILITY COMMISSION  
OF TEXAS

**ORDER NO. 6  
APPROVING SALE/TRANSFER TO PROCEED**

This Order addresses the February 6, 2019, application of Vineyard Ridge, LLC and Vineyard Ridge Water Supply, LLC (collectively, applicants) for approval of a sale, transfer, or merger of facilities and certificate rights in Gillespie County. The applicants seek to transfer all of Vineyard Ridge’s facilities and service area under water certificate of convenience and necessity (CCN) number 13265 to Vineyard Ridge Water Supply. On May 13, 2019, Commission Staff recommended that the transaction proceed in this docket. The administrative law judge grants that the transaction proposed in this application may proceed and be consummated.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicants**

1. Vineyard Ridge, LLC (Seller) is a Delaware limited liability company registered with the Texas secretary of state under file number 802519222.
2. Seller is an investor owned water utility that provides water service in Texas under CCN No. 13265 in Gillespie County.
3. Vineyard Ridge Water Supply, LLC (Purchaser) is a domestic limited liability company registered with the Texas secretary of state under file number 802658376.
4. Purchaser owns a public water system (PWS) in Gillespie County registered with the Texas Commission on Environmental Quality (TCEQ) under PWS identification number 0860144.

22. The Purchaser has demonstrated the financial capability and stability to provide continuous and adequate water service.

**Financial Assurance—TWC §§ 13.246(d), 13.301(c); 16 TAC §§, 24.227(e), 24.239(h)**

23. The Purchaser's projected operating revenues are sufficient to cover the projected operations and maintenance expense for the first five years after the completion of the proposed sale and transfer.
24. There is no need to require Purchaser to provide a bond or other financial assurance to ensure continuous and adequate service.

**Environmental Integrity—TWC § 13.246(c)(7); 16 TAC §§ 24.227(d)(7), 24.239(j)(5)(H); and Effect on the Land—TWC § 13.246(c)(9); 16 TAC § 24.227(d)(9)**

25. This transaction eliminates the need for land owners to use individual wells. This may protect the environment in the area from potential sources of contamination and encourage regionalization of water service.

**Improvement of Service or Lowering Cost to Consumers—TWC § 13.246(c)(8); 16 TAC §§ 24.227(d)(8), 24.239(j)(5)(I)**

26. The water system will be operated through an operating agreement, after the sale is completed, hereby maintaining the same quality of service.
27. All customers will be charged the same rates they were charged before the transaction.

## II. Conclusions of Law

The Commission makes the following conclusions of law.

1. Notice of the application was provided in compliance with TWC § 13.246 and 16 TAC § 24.239.
2. After consideration of the factors in TWC § 13.246(c), Purchaser has demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area. TWC § 13.301(b).
3. Seller and Purchaser have demonstrated that transferring the water service area held under CCN number 13265 from Seller to Purchaser will serve the public interest and are necessary for the service, accommodation, convenience, and safety of the public. TWC § 13.301(d), (e).

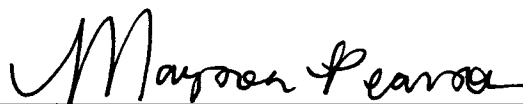
### III. Ordering Paragraphs

In accordance with the preceding findings of fact and conclusions of law, the Commission issues the following orders.

1. The sale is approved and the transaction between applicants may proceed and be consummated.
2. As soon as possible after the effective date of the transaction, but not later than 30 days after the effective date, the applicants shall file proof that the transaction has been consummated and customer deposits have been addressed.
3. The applicants have 180 days to complete the transaction.
4. Under 16 Texas Administrative Code § 24.109(o), if the transaction is not consummated within this period, or an extension is not granted, this approval is void and the applicants will have to reapply for approval.
5. The applicants are advised that certificate of convenience and necessity number 13265 will be held by Seller until the sale and transfer transaction is complete in accordance with the Commission's rules.
6. In an effort to finalize this case as soon as possible, the applicants shall continue to file monthly updates regarding the status of the closing and submit documents evidencing that the transaction was consummated.
7. Within 15 days following the filing of the applicants' proof that the transaction has been consummated and customer deposits, if any, have been addressed, Commission Staff shall file a recommendation regarding the sufficiency of the documents and propose a schedule for continued processing of this docket.

Signed at Austin, Texas the 20th day of August 2019.

PUBLIC UTILITY COMMISSION OF TEXAS



MAYSON PEARSON  
ADMINISTRATIVE LAW JUDGE