



Control Number: 49442



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DOCKET NO. 49442

**APPLICATION OF LEGEND BANK,
INC. DBA OREAL, INC. AND RAY
HARLOW FOR SALE, TRANSFER,
OR MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN
ANGELINA COUNTY**

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PUBLIC UTILITY COMMISSION

OF TEXAS

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**COMMISSION STAFF'S SUPPLEMENTAL 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. 7, files this Supplemental Closing Documents Sufficiency Recommendation. In support thereof, Staff shows the following:

I. BACKGROUND

On April 12, 2019, Ray Harlow (Harlow) and the Legend Bank, Inc. d/b/a Oreal, Inc., (Legend) (collectively, Applicants) filed an application for Sale, Transfer, or Merger of facilities and certificate rights in Angelina County. Specifically, Harlow seeks approval to acquire facilities and to transfer and retain sewer Certificate of Convenience and Necessity (CCN) No. 20568. The requested area subject to the transaction includes approximately 45 acres and 87 connections.

On October 9, 2019, Legend filed closing documents on the sale. On November 12, 2019, the Commission administrative law judge (ALJ) issued Order No. 6, authorizing the Applicants to proceed with the proposed transaction. The order required the Applicants to submit documents evidencing the transaction was consummated and demonstrate that customer deposits were properly addressed. 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. The Applicants filed closing documents before Order No. 6 was issued. Therefore, Staff filed its recommendation within 15 days following the filing of Order No. 6.¹

On November 26, 2019, the ALJ issued Order No. 7, finding the closing documents insufficient and ordering the Applicants to supplement the closing documents by January 6, 2020

¹ Fifteen (15) days following the issuance of Order No. 6 was Wednesday, November 27, 2019.

in accordance with staff's recommendation. The Applicants filed a supplement to the closing documents on January 8, 2020. Order No. 7 also required Staff to file a supplemental recommendation on the closing documents and to propose a procedural schedule for continued processing of the application before January 24, 2020. Therefore, this pleading is timely filed.

II. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by the Applicants on January 8, 2020. Based on its review, Staff has determined that the Applicants' filing substantially meets the requirements of 16 Tex. Admin. Code (TAC) §§ 24.239(a), (k)-(n). Specifically, the sale and transfer was completed following the issuance of Order No. 6, 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 application asserts that there are no customer deposits, therefore customer deposits are not being transferred as required by 16 TAC §§ 24.239(m).⁵

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, despite the Applicants' failure to address customer deposits in the closing documents as recommended in Staff's previous recommendation on sufficiency of the closing documents. Staff also recommends that there are no customer deposits to address as a result of the transaction.

III. COMMENTS ON 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:

² 16 TAC § 24.239(k)(2)

³ 16 TAC § 24.239(n)

⁴ *Id.*

⁵ Application at 4 (April 12, 2019).

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable) to Applicants for review and consent.	February 12, 2020
Deadline for Applicants to file signed consent forms with the Commission.	February 26, 2020
Deadline for parties to jointly file a proposed notice of Approval, including proposed findings of fact, conclusions of law, and ordering paragraphs.	March 18, 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.

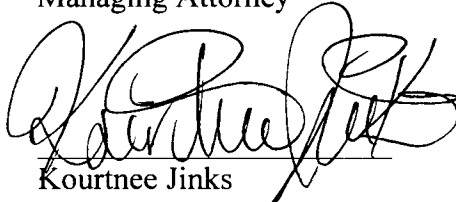
Dated: January 24, 2020

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Thomas S. Hunter
Division Director

Rachelle Nicolette Robles
Managing Attorney

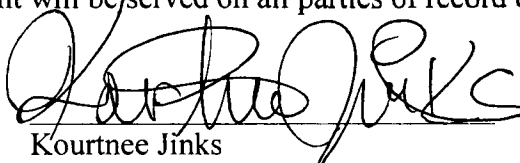


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on January 24, 2020, in accordance with 16 TAC § 22.74.


Kourtnee Jinks