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DOCKET NO. 50059



APPLICATION OF DOUBLE DIAMOND §
UTILITIES COMPANY, INC., DOUBLE §
DIAMOND PROPERTIES §
CONSTRUCTION COMPANY, AND §
MIDWAY WATER UTILITIES, INC. §
FOR SALE, TRANSFER, OR MERGER §
OF FACILITIES AND CERTIFICATE §
RIGHTS IN HILL, PALO PINTO, §
JOHNSON, AND GRAYSON COUNTIES §

PUBLIC UTILITY COMMISSION

OF TEXAS

**MIDWAY WATER UTILITIES, INC.'S RESPONSE TO
COMMISSION STAFF'S FINAL RECOMMENDATION &
REPLY TO WHITE BLUFF RATEPAYERS GROUP'S
RESPONSE TO COMMISSION STAFF'S
RECOMMENDATION**

TO THE HONORABLE COMMISSION ALJ:

COMES NOW Midway Water Utilities, Inc. (Midway) and files this Response to Public Utility Commission (Commission) Staff's Final Recommendation on Approval of the Sale and Reply to White Bluff Ratepayers Group's Response to Commission Staff's Recommendation. Order No. 6 in this proceeding established a deadline of March 24, 2020, for parties to file a response to Commission Staff's recommendation on the approval of the sale. Therefore, this response is timely filed.

I. INTRODUCTION

On September 27, 2019, Double Diamond Utilities Company, Inc. (Double Diamond) and Midway (collectively, Applicants) filed an application seeking the Commission's approval of the sale of certain facilities and certificate rights from Double Diamond to Midway. The proposed transaction includes the water and sewer systems located at the White Bluff development serving the members of White Bluff Ratepayers Group (WBRG). On March 5, 2020, Commission Staff filed its Final Recommendation on Approval of the Sale, in which Commission Staff "recommends that the sale be approved to proceed."¹ On March 11, 2020, WBRG filed a Response to Commission Staff's Recommendation, in which WBRG requests "that the Commission order, as part of its authorization for the sale to proceed, that Midway

¹ Commission Staff's Final Recommendation on Approval of the Sale at 1 (Mar. 5, 2020).

become responsible for all refunds ordered in Docket Nos. 46245 and 48916 on and after the closing of the sale from Double Diamond to Midway.”²

II. RESPONSE

Midway has no objections to Staff’s Final Recommendation on Approval of the Sale or to WBRG’s Response to Commission Staff’s Recommendation. As the acquiring entity, Midway will be bound by all Commission decisions issued prior to, and subsequent to, the closing of the transaction, including those relating to rates in Docket No. 46245 and refunds and surcharges in Docket No. 48916. Midway notes that Docket No. 46245 contemplates not only refunds for customers of the White Bluff system, but also surcharges for customers of the The Cliffs system. The Commission should note that the treatment of refunds and surcharges in Docket No. 48916 is addressed in Section 3.2—“Prorations of the Asset Purchase Agreement between Double Diamond and Midway” —included as Confidential Attachment 1 of the Application.

III. PRAYER

WHEREFORE, PREMISES CONSIDERED, Midway respectfully requests that the Commission’s Order, as part of its authorization for the sale to proceed, include language specifying that, immediately following the close of the transaction, and consistent with the Asset Purchase Agreement between Midway and Double Diamond, Midway, as the successor to Double Diamond, will abide by the Commission’s decisions in Docket Nos. 46245 and 48916 as they relate to Double Diamond’s obligation to charge approved rates and appropriate refunds and surcharges to customers of White Bluff and The Cliffs, respectively.

Respectfully submitted,

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/s/ William A. Faulk, III

LAMBETH TOWNSEND

² White Bluff Ratepayers Group’s Response to Commission Staff’s Final Recommendation at 2 (Mar. 11, 2020).

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**ATTORNEYS FOR MIDWAY WATER
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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 March 24, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ William A. Faulk, III

WILLIAM A. FAULK, III