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APPLICATION OF HILL COUNTRY UTILITIES, LLC FOR APPROVAL OF CHANGE IN OWNERSHIP UNDER TWC § 13.302 § § § §

PUBLIC UTILITY COMMISSION

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COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation on Administrative Completeness in response to Order No. 1 and would show the following:

I. BACKGROUND

On October 21, 2019, Hill Country Utilities, LLC (Hill Country) filed an application for approval of the transfer of membership interest under Texas Water Code (TWC) § 13.302 and 16 Texas Administrative Code (TAC) § 24.243. Specifically, Hill Country seeks to transfer 100% of the membership interest to CRD 2017 Trust.

On October 23, 2019, Order No. 1 was issued, establishing a deadline of November 21, 2019 for Staff to file a recommendation regarding the administrative completeness of the application, the need for additional notice, and an appropriate procedural schedule for further processing.

On November 21, 2019, Staff filed a Request for Extension in order to review additional materials provided by Hill Country. The request was granted on the same date and established a new deadline of December 4, 2019, for Staff's recommendation. This pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS AND NOTICE

As detailed in the attached memorandum by Leila Guerrero of the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that it be found administratively complete.

Hill Country has not provided notice in connection with this filing, but, as TWC § 13.302 does not require notice, Staff recommends that the ALJ not require Hill Country to issue notice in connection with this filing.

III. PROCEDURAL SCHEDULE

Texas Water Code § 13.302 and 16 TAC § 24.243 state that, unless the commission holds a public hearing, the purchase or acquisition may be completed as proposed at the end of the 60-day period.

As such, Staff proposes the following procedural schedule:

Event	Date
Staff files final recommendation or requests a hearing	December 10, 2019
60-day deadline for approval of transaction or referral for a hearing	December 20, 2019

IV. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively complete. Staff further recommends that the procedural schedule proposed above be adopted for continued processing of this matter.

PUC Interoffice Memorandum

To: Merritt Lander, Attorney
Legal Division

From: Leila Guerrero, Regulatory Accountant/Auditor
Rate Regulation Division

Date: December 3, 2019

Subject: **Docket No. 50117:** *Application of Hill Country Utilities, LLC for Approval of Change in Ownership Under TWC § 13.302*

On October 21, 2019, Hill Country Utilities, LLC (Hill Country), filed an application with the Public Utility Commission of Texas (Commission) for approval of the transfer of membership interest under Texas Water Code (TWC) § 13.302 and 16 Texas Administrative Code (TAC) § 24.243. Lantana Land Company LLC (Seller) currently owns 100% of the membership interests in Hill Country, which provides water service to customers in Bandera County through the Cielo Rio water system under certificate of convenience and necessity (CCN) number 13112. Hill Country also holds sewer CCN number 21002.

The Seller has entered into a Membership Interest Purchase Agreement (Agreement) to transfer 100% of the membership interest in Hill Country to Dean Davenport, who subsequently assigned all rights under the Agreement to CRD 2017 Trust (CRD). The Parties have attached the Agreement to the application, along with the assignment of rights under the Agreement to CRD. The member interests will be transferred upon Commission approval.

Based on a review of the information in the application, Staff recommends that the application be deemed administratively complete.

Date: December 4, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Rachelle Nicolette Robles
Managing Attorney

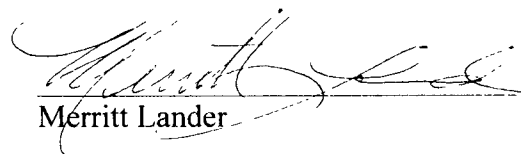


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 4, 2019, in accordance with 16 TAC § 22.74.



Merritt Lander