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DOCKET NO. 51454

APPLICATION OF AQUA UTILITIES,	§	PUBLIC UTILITY COMMISSION
INC. AND AQUA TEXAS, INC. FOR	§	
SALE, TRANSFER, OR MERGER OF	§	OF TEXAS
FACILITIES AND CERTIFICATE	§	
RIGHTS IN VICTORIA COUNTY	§	

**COMMISSION STAFF’S RECOMMENDATION
ON SUFFICIENCY OF CLOSING DOCUMENTS**

On October 22, 2020, Aqua Texas, Inc. (Aqua Texas) and Aqua Utilities, Inc. (Aqua Utilities) (collectively, Applicants) filed an application for approval of the sale and transfer of certificate of convenience and necessity (CCN) rights in Victoria County. Aqua Texas seeks approval to acquire facilities and to transfer a portion of Aqua Utilities’ service area under water CCN No. 11157 and all of Aqua Utilities’ service area under sewer CCN No. 20453. The requested area includes approximately 174 acres and 75 connections.

On April 28, 2021, the administrative law judge (ALJ) filed Order No. 6, which required the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of Applicants’ closing documents and to propose a procedural schedule within 15 days following the filing of Applicants’ proof that the transaction has been consummated and that customers deposits, if any, have been addressed. On June 29, 2021, Aqua Texas filed notice that the transaction had been consummated. Fifteen days from June 29, 2021 is July 14, 2021. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents and customer deposit information filed by Applicants on June 29, 2021. Based on its review, Staff has determined that Applicants’ filing meets the requirements of 16 Texas Administrative Code (TAC) § 24.239(a), which requires the filing of an STM application and the provision of public notice at least 120 days before the effective date of a proposed transaction. Under 16 TAC § 24.239(i), the proposed transaction may be completed at the end of the 120-day period or at any time after the transferee receives notice that a hearing will not be required.

Applicants filed both a Seller’s Affidavit of Closing and a Buyer’s Affidavit of Closing, dated June 16, 2021, along with executed bills of sale, dated May 31, 2021, for the water and

wastewater systems, and a special warranty deed, dated May 31, 2021, transferring the property and facilities from Aqua Utilities to Aqua Texas. Notice was completed on January 29, 2021, which is more than 120 days before May 31, 2021. Staff recommends a finding that Applicants' closing documents are sufficient and satisfy 16 TAC § 24.239(a), (i), and (l).

The information required by 16 TAC § 24.239(k) was provided in the application, and the notarized affidavits of closing state that customer deposits were transferred from Aqua Utilities to Aqua Texas in connection with the sale, to be held by Aqua Texas for fiduciary management and refund in due course of business. Aqua Texas also filed a list including the necessary customer deposit information on July 1, 2021. Staff therefore recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (l).

II. PROCEDURAL SCHEDULE

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

Events	Date
Deadline for Commission Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent	August 13, 2021
Deadline for applicants to file signed consent forms with the Commission	August 27, 2021
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	September 3, 2021

III. CONCLUSION

For the reasons detailed above, Staff respectfully requests that an order be issued finding the closing documents filed by Applicants sufficient. Staff further requests that the proposed procedural schedule be adopted for continued processing of this docket.

Dated: July 13, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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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 on July 13, 2021 in accordance with the Order Suspending Rules filed in Project No. 50664.

/s/ Merritt Lander
Merritt Lander