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**APPLICATION OF WATERS OF VISTA §
RANCH WATER SUPPLY §
CORPORATION AND AQUA WATER §
SUPPLY CORPORATION FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN FAYETTE COUNTY §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

COMMISSION STAFF'S RECOMMENDATION ON SEVERANCE

On December 21, 2020, Waters of Vista Ranch Water Supply Corporation (Vista Ranch WSC) and Aqua Water Supply Corporation (Aqua WSC) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger (STM) of facilities and certificate rights in Fayette County. Aqua WSC seeks approval to acquire all facilities of and to transfer service area under Vista Ranch WSC's water certificate of convenience and necessity (CCN) number 12927, cancel Vista Ranch WSC's CCN number 12927, and to amend Aqua WSC's CCN number 10294 to include the service area previously included in Vista Ranch WSC's CCN number 12972, as well as to add additional uncertificated area. The requested area consists of approximately 5,496 acres and 35 current customers. Applicants filed supplemental information on March 10, 2021, May 28, 2021, and June 7, 2021.

On June 29, 2021, the administrative law judge (ALJ) filed Order No. 10, establishing a deadline of July 12, 2021 for the Staff of the Public Utility Commission of Texas (Staff) to file comments regarding the ALJ's proposed severance of this proceeding. Therefore, this pleading is timely filed.

I. RECOMMENDATION ON SEVERANCE

Severance may be ordered if the presiding officer finds: (1) that it would serve the interest of efficiency or prevent unwarranted expense and delay; and (2) the applicant's ability to present its case and other parties' ability to respond to the applicant's case would not be unduly prejudiced.¹

The ALJ has expressed a preference to sever the Applicants' application for the STM of facilities and certificate rights in Fayette County and the requested addition of uncertificated area to Aqua WSC's CCN number 10294. The ALJ stated that the reason for this proposed severance

¹ 16 Texas Administrative Code § 22.34(b).

is the large difference between the acreage proposed to be transferred and the uncertificated acreage proposed to be added, as well as the scope and nature of the accompanying analysis that each transaction would require.

Staff has conferred with counsel for Aqua WSC, and Aqua WSC has satisfactorily resolved Staff's concerns relating to the acreage at issue in this proceeding. As such, Staff does not believe severance of this proceeding is necessary and therefore recommends that this docket not be severed.

However, if the ALJ believes that severance is warranted and it would not unduly prejudice any parties' ability to respond to or present its case or cause unnecessary delay or unwarranted expense, Staff is unopposed to severance of this proceeding.

II. CONCLUSION

For the reasons detailed above, Staff believes severance is unnecessary but is unopposed if the ALJ believes severance is warranted.

Dated: July 12, 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 12, 2021 in accordance with the Order Suspending Rules filed in Project No. 50664.

/s/ Justin C. Adkins
Justin C. Adkins