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APPLICATION OF AUS-TEX PARTS & SERVICES, LTD. AND RAILYARD UTILITY COMPANY, LLC FOR SALE, TRANSFER, MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN HAYS COUNTY §
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BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

RESPONSE TO ORDER NO. 2

COMES NOW, Aus-Tex Parts & Services, Ltd. and Railyard Utility Company, LLC (“Applicants”) and submits this Response to Order No. 2 and in support thereof, would respectfully show the following:

I. BACKGROUND

On September 17, 2021, Applicants filed their Application for Sale, Transfer, Merger of Facilities and Certificate Rights in Hays County (“STM”). On October 15 2021, Commission Staff filed its Recommendation of Administrative Completeness (“Recommendation”) alleging that the STM application was incomplete. On October 18, 2021, the Commission Administrative Law Judge (“ALJ”) issued Order No. 2 finding the application incomplete and establishing an opportunity for Applicants to cure by November 15, 2021. Therefore, Applicants filed this Response timely.

II. SUPPLEMENTAL INFORMATION

The October 15, 2021 memorandum attached to Commission’s Staff’s Recommendation requested a copy of the proposed new tariff for Railyard Utility Company, LLC (“Railyard”), if purchaser Railyard were requesting a new convenience and necessity (“CCN”) number. Following Commission Staff’s filing, the parties conferred via email, and Railyard confirmed that it was not seeking a new CCN number, but intended to transfer seller’s CCN No. 20875. Specifically, instead of checking the box in Part A, Section 2 of the STM form indicating that it intended to obtain a new CCN, Railyard should have checked the box indicating that it intended to transfer all the CCN and retain seller Aus-Tex Parts & Service, Ltd’s (“Aus-Tex”) CCN. Aus-Tex intends to transfer its CCN, facilities, and customers. These were inadvertent mistakes on the STM form that

Applicants have corrected in supplemental Part A, Section 2, page 3 of the STM Application, attached hereto as Attachment A.

Commission Staff also requested a copy of certain supporting documentation including a proposed purchase agreement. After discussing Commission Staff's memorandum, it became apparent that Commission Staff inadvertently overlooked the proposed purchase agreement, which Applicants filed on September 17, 2021 as confidential Bates pages 000001-000153 pursuant to 16 Tex. Admin. Code ("TAC") § 22.71(d). The purchase agreement confirms that Aus-Tex Parts & Services, Ltd. is the successor in interest to Aus-Tex Parts & Services, LLC, which is the entity listed on the original tariff. Seller converted from a limited liability company to a limited partnership approximately 10 years ago after the Commission issued the original tariff, and Aus-Tex Parts & Services, Ltd. is currently listed by the Commission in its database as the holder of CCN No. 20875. The filing of an additional copy of the proposed purchase agreement is unnecessary.

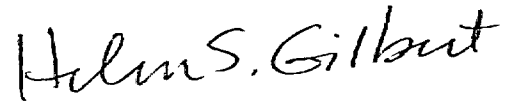
Finally, Applicants further explained that because of a glitch in the electronic STM form, it was impossible to answer only one section of Part H, Section 32 relating to whether the transferee would charge the same or higher rates. For some unknown reason, checking that Railyard intended to maintain the same rates as those authorized under seller's tariff also automatically checked the box indicating that all customers will be charged *higher* rates. Unfortunately, the form did not allow an override or provide room to explain the apparent conflicting answer. Applicants are submitting a new page 12 that clarifies Railyard will not charge higher rates to customers after the transaction. This change is reflected on Attachment B, attached hereto. The truth of the aforementioned supplemental application pages (Attachments A and B) has been affirmed by the Railyard General Manager in a supplemental STM oath, Attachment C, also attached hereto.

III. CONCLUSION

WHEREFORE, PREMISES CONSIDERED, Applicants respectfully pray that the Commission ALJ find the rate application administratively complete.

Respectfully submitted,

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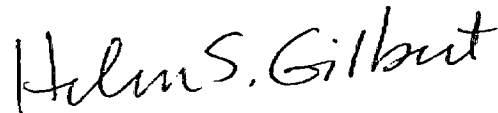


By: _____
Helen S. Gilbert

**ATTORNEYS FOR RAILYARD
UTILITY COMPANY, LLC**

CERTIFICATE OF SERVICE

I hereby certify that I have or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail, or Certified Mail Return Receipt Requested on all parties on the 10th of November 2021.



Helen S. Gilbert

ATTACHMENT A

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

Complete transfer of assets and service area for CCN 20875.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

For **Transferor** (Seller) CCN:

- | | |
|---|---|
| <input type="checkbox"/> Obtaining a NEW CCN for Purchaser | <input type="checkbox"/> Cancellation of Seller's CCN |
| <input type="checkbox"/> Transfer all CCN into Purchaser's CCN (Merger) | <input type="checkbox"/> Transfer of a Portion of Seller's CCN to Purchaser |
| <input type="checkbox"/> Transfer Portion of CCN into Purchaser's CCN | <input type="checkbox"/> Only Transfer of Facilities, No CCN or Customers |
| <input checked="" type="checkbox"/> Transfer all CCN to Purchaser and retain Seller CCN | <input type="checkbox"/> Only Transfer of Customers, No CCN or Facilities |
| <input type="checkbox"/> Uncertificated area added to Purchaser's CCN | <input type="checkbox"/> Only Transfer CCN Area, No Customers or Facilities |

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Aus-Tex Parts and Services LTD
(individual, corporation, or other legal entity)
 Individual Corporation WSC Other: _____
- B. Mailing Address: P.O. Box 17547 Austin TX 78760

Phone: (512) 385-9700 Email: tylercbuchanan@gmail.com
- C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.
Name: Tyler Buchanan Title: _____
Mailing Address: P.O. Box 17547 Austin TX 78760
Phone: (512) 385-9700 Email: tylercbuchanan@gmail.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

- A. Effective date for most recent rates: September 15, 2016
- B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?
 No Yes Application or Docket Number: 44932

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

ATTACHMENT B

Part H: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 205.90

Number of customer connections in the requested area: 354

Affected subdivision : Great Hills Subdivision

The closest city or town: City of Uhland

Approximate mileage to closest city or town center: 4

Direction to closest city or town: Southeast

The requested area is generally bounded on the North by: Lilac Way and Coronado Lane

on the East by: Coronado Lane and Lonie Lane

on the South by: Lonie Lane and High Road

on the West by: High Road and Lilac Way

31. A copy of the proposed map will be available at: 170 Grist Mill Rd., Uhland, Tx. 78640

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

- All of the customers will be charged the same rates they were charged before the transaction.
- All of the customers will be charged different rates than they were charged before the transaction.
- higher monthly bill lower monthly bill
- Some customers will be charged different rates than they were charged before
(i.e. inside city limit customers)
- higher monthly bill lower monthly bill

ATTACHMENT C

Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Bexar

I, Mia Natalino being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as General Manager (owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

Mia Natalino

AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 9 of November, 2021

SEAL



Rebecca Nollen
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Rebecca Nollen
PRINT OR TYPE NAME OF NOTARY

My commission expires: 6-3-24