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DOCKET NO. 52759

APPLICATION OF IRON HILL WATER	§	PUBLIC UTILITY COMMISSION
SUPPLY CORPORATION AND RUSK	§	
RURAL WATER SUPPLY CORPORATION	§	OF TEXAS
FOR SALE, TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE RIGHTS	§	
IN CHEROKEE COUNTY	§	

**COMMISSION STAFF'S AMENDED RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND PROPOSED PROCEDURAL SCHEDULE**

On October 27, 2021, Iron Hill Water Supply Corporation (Iron Hill WSC) and Rusk Rural Water Supply Corporation (Rusk Rural WSC) (jointly, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and Certificate of Convenience and Necessity (CCN) rights in Cherokee County. Applicants seek approval to sell and transfer all of Iron Hill WSC's certificated area under CCN No. 10784 to Rusk Rural WSC. The application reflects a requested area of 2,080 acres and 155 customers. Applicants filed supplemental information on November 15, 2021.

On October 28, 2021, the administrative law judge filed Order No. 1, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the administrative completeness of the application and propose a procedural schedule by November 29, 2021. On November 29, 2021, Staff filed its recommendation and inadvertently mischaracterized the proposed transaction. That issue has been corrected in this pleading.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information and, as detailed in the attached memorandum by Fred Bednarski of the Rate Regulation Division, recommends that the application be found administratively incomplete at this time. Staff recommends that Applicants be ordered to cure the deficiencies identified in the attached memorandum by December 29, 2021, and that Staff be given a deadline of January 12, 2022, to file a supplemental recommendation on the administrative completeness of the application. Staff notes that Applicants should not issue notice until the application is found administratively complete.

II. PROCEDURAL SCHEDULE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of the docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation that the application be found administratively complete.

III. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively incomplete, that the Applicants be ordered to file supplemental information to cure the deficiencies in the application by December 29, 2021, and that Staff be given a deadline of January 12, 2022, to file a supplemental recommendation on the administrative completeness of the application. Staff respectfully requests an order consistent with these recommendations.

Dated: November 30, 2021

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

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/s/ Ian Groetsch
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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 November 30, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Ian Groetsch
Ian Groetsch

Public Utility Commission of Texas

Memorandum

TO: Ian Groetsch, Attorney
Legal Division

FROM: Kathryn Eiland, Financial Analyst
Fred Bednarski III, Financial Analyst
Rate Regulation Division

DATE: November 29, 2021

RE: Docket No. 52759 - *Application of Iron Hill Water Supply Corporation and Rusk Rural Water Supply Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Cherokee County*

On October 27, 2021, Iron Hill Water Supply Corporation (Iron Hill WSC) and Rusk Rural Water Supply Corporation filed an application for the sale and transfer of facilities and certificate rights in Cherokee County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

We reviewed the answers provided to questions 4, 10, 11, 12, and 14 of the application and recommend the application be deemed administratively incomplete, and that Iron Hill Water Supply Corporation be required to provide the following information to cure the deficiency:

1. A copy of Iron Hill WSC's current tariff in response to question 4, and
2. Iron Hill WSC's most recent year-end financial statements.