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Filing Date - 2024-07-10 09:54:27 AM

Control Number - 54429

Item Number - 48

DOCKET NO. 54429

APPLICATION OF PALO DURO	§	PUBLIC UTILITY COMMISSION
SERVICE COMPANY, INC. AND THE	§	
CITY OF HUDSON OAKS FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN PARKER COUNTY	§	

COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS AND PROPOSED PROCEDURAL SCHEDULE

I. INTRODUCTION

On December 6, 2022, Palo Duro Service Company, Inc. (Palo Duro) and the City of Hudson Oaks (Hudson) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Parker County.

On February 13, 2024, the administrative law judge (ALJ) filed Order No. 16, approving the sale and transfer to proceed and requiring the Applicants to file proof that the transaction had been consummated and to address customer deposits, if any, no later than 30 days after the effective date of the transaction. Order No. 16 also 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 schedule for continued processing of this docket within 15 days of the filing of the closing documents. On June 27, 2024, the Applicants filed notice of the completed transaction and evidence of closing. Fifteen days from June 27, 2024, is July 11, 2024. Therefore, this pleading is timely filed.

II. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by Applicants on June 27, 2024, and recommends that they are sufficient and meet the requirements of 16 TAC § 24.239(a), (i), and (k)-(m). Specifically, 16 TAC § 24.239(a) 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. Additionally, 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. Further, under 16 TAC § 24.239(m), the proposed transaction must be completed within

180 days following the date of the Commission order allowing the transaction to proceed. Lastly, under 16 TAC § 24.239(1), the closing documents for the transaction must include a signed contract, bill of sale, or other appropriate documents as evidence that the transaction has closed as proposed, be signed by both the transferor and transferee, and be filed within 30 days after the actual effective date of the transaction. Based on Staff's review of the closing documents, Staff recommends that the Applicants properly and timely filed notice of the completed transaction, which included a bill of sale signed by both the transferor and the transferee.

With regard to customer deposits, the original application states that there were 29 customers with deposits held by the transferee in the transferred service area. In the Applicants' closing documentation, namely the Closing Agreement between Palo Duro and Hudson Oaks, all customer deposits were refunded, including interest accrued to the benefit of those customers if applicable. Therefore, Staff recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (l).

For these reasons, Staff recommends that the Applicants have complied with the applicable closing requirements of 16 TAC § 24.239. Staff therefore recommends that the closing documents and customer deposit information be found sufficient.

III. PROPOSED PROCEDURAL SCHEDULE

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

Event	Date
Deadline for Commission Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent	August 13, 2024
Deadline for applicants to file signed consent forms with the Commission	August 20, 2024
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	September 3, 2024

IV. CONCLUSION

For the reasons discussed above, Staff respectfully requests that an order be issued finding Applicants' closing documents sufficient and adopting the proposed procedural schedule.

Dated: July 10, 2024

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 will be provided to all parties of record via electronic mail on July 10, 2024 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Kevin Pierce
Kevin Pierce