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APPLICATION OF J&S WATER §  
COMPANY, LLC AND UTILITIES §  
INVESTMENT COMPANY, INC. FOR §  
SALE, TRANSFER, OR MERGER OF §  
FACILITIES AND CERTIFICATE §  
RIGHTS IN HARRIS COUNTY §

PUBLIC UTILITY COMMISSION  
OF TEXAS  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S REVISED PROPOSED NOTICE OF APPROVAL**

Commission Staff of the Public Utility Commission of Texas files this Revised Proposed Notice of Approval. Commission Staff has conferred with the applicants, and the applicants concur with the Revised Proposed Notice of Approval.

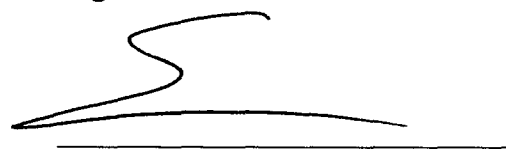
Date: October 28, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director  
Legal Division

Stephen Mack  
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**DOCKET NO. 43074**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document was served on all parties of record on October 28, 2016, in accordance with 16 TAC § 22.74.

A handwritten signature in black ink, consisting of a stylized, jagged 'S' shape followed by a horizontal line.

Sam Chang

**DOCKET NO. 43074**

<b>APPLICATION OF J&amp;S WATER</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>COMPANY, LLC AND UTILITIES</b>	<b>§</b>	
<b>INVESTMENT COMPANY, INC. FOR</b>	<b>§</b>	<b>OF TEXAS</b>
<b>SALE, TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN HARRIS COUNTY</b>	<b>§</b>	

**REVISED PROPOSED NOTICE OF APPROVAL**

This Notice of Approval addresses the application filed by J&S Water Company, LLC (J&S Water) and Utilities Investment Company, Inc. (Utilities Investment) regarding the sale and transfer of a water system, sewer system, and corresponding certificates of convenience and necessity (CCN Nos. 12085 and 20658) for certificated service areas in Harris County, Texas. J&S Water is the seller, and Utilities Investment is the purchaser.

On August 22, 2016, Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) recommended that the Commission approve J&S Water and Utilities Investment's application and sale and transfer transaction. The Commission approves J&S Water and Utilities Investment's application and the sale and transfer of J&S Water's water system, sewer system, and corresponding CCN Nos. 12085 and 20658. Additionally, water CCN No. 13242 and sewer CCN No. 21091 are created for and issued to Utilities Investment.

Consistent with this approval, the Commission makes the following findings of fact and conclusions of law:

**I. Findings of Fact**

1. J&S Water, the seller/transferor, owns certain water and sewer facilities and corresponding water CCN No. 12085 and sewer CCN No. 20658 for certain certificated service areas in Harris County, Texas.
2. Utilities Investment is the purchaser/transferee.
3. On September 9, 2014, J&S Water and Utilities Investment filed their application requesting Commission approval of the sale and transfer of J&S Water's water and sewer facilities and corresponding water CCN No. 12085 and sewer CCN No. 20658 for certain certificated service areas in Harris County, Texas.
4. On July 2, 2015, the Administrative Law Judge entered Order No. 5, which deemed the

application to be administratively complete.

5. On July 28, 2015, Utilities Investment filed an affidavit regarding the provision of notice of J&S Water and Utilities Investment's application to the parties entitled to receive notice. Notice of J&S Water and Utilities Investment's application was sent on July 10 and 20, 2015.
6. On October 19, 2015, Staff filed its Recommendation on Final Disposition. Staff recommended that the Commission approve the application and the sale and transfer transaction between J&S Water and Utilities Investment.
7. On November 3, 2015, the Administrative Law Judge issued Order No. 12, which approved the application and the sale and transfer transaction between J&S Water and Utilities Investment. Order No. 12 also required J&S Water and Utilities Investment to submit closing documents regarding their sale and transfer transaction within one (1) year of the November 3, 2015 approval date.
8. On November 3, 2015 and June 29, 2016, Utilities Investment filed closing documents regarding the consummation of the sale and transfer transaction with J&S Water.
9. On July 12, 2016, Staff filed its Recommendation on Closing Documents. Staff recommended that J&S Water and Utilities Investment consummated their sale and transfer transaction.
10. On July 15, 2016, the Administrative Law Judge entered Order No. 13, which deemed the closing documents filed by Utilities Investment sufficient and established a procedural schedule.
11. On August 22, 2016, Staff filed its Recommendation on Final Disposition. Staff recommended that the Commission approve the application and the sale and transfer of J&S Water's water and sewer facilities and corresponding water CCN No. 12085 and sewer CCN No. 20658 for certain certificated service areas in Harris County, Texas.
12. On September 1, 2016, the Administrative Law Judge issued Order No. 15, which requested clarification on whether additional CCNs, water CCN No. 13242 and sewer CCN No. 21091, needed to be created for and issued to Utilities Investment.
13. On September 2, 2016, J&S Water and Utilities Investment filed their respective Consent Forms with the Commission.
14. On September 15, 2016, the Administrative Law Judge issued Order No. 16, which

established a procedural schedule for Staff to create and issue water CCN No. 13242 and sewer CCN No. 21091 to Utilities Investment and for Utilities Investment and J&S Water to consent to such certificates.

15. On October 17, 2016, J&S Water and Utilities Investment filed their respective Consent Forms with the Commission regarding the newly-created water CCN No. 13242 and sewer CCN No. 21091.
16. On October 28, 2017, Staff filed its Revised Proposed Notice of Approval.
17. On October 28, 2016, Staff filed its Motion to Admit Evidence. Staff requested that certain evidence be admitted into the record in support of its Revised Proposed Notice of Approval.
18. On \_\_\_\_\_, the Commission granted Staff's Motion to Admit Evidence. The following evidence was admitted into the record:
  - a. Exhibit 1: J&S Water and Utilities Investment's Application for Sale, Transfer, or Merger of a Retail Public Utility and accompanying attachments;
  - b. Exhibit 2: Affidavit regarding the provision of notice to customers, neighboring utilities and other affected parties (filed on July 28, 2015);
  - c. Exhibit 3: Closing documents (filed on November 3, 2015 and June 29, 2016);
  - d. Exhibit 4: Staff's Recommendation on Final Disposition and accompanying attachments (filed on August 22, 2016);
  - e. Exhibit 5: J&S Water's Consent Form (filed on September 2, 2016);
  - f. Exhibit 6: Utilities Investments' Consent Form (filed on September 2, 2016);
  - g. Exhibit 7: Staff's proposed tariff for water service for the Aldine Village, Azalea Village, Cottonwood Park, and Cypress Hill subdivisions (attached to the Motion to Admit Evidence, filed on October 28, 2016);
  - h. Exhibit 8: Staff's proposed tariff for sewer service for the Aldine Village subdivision (attached to the Motion to Admit Evidence, filed on October 28, 2016);
  - i. Exhibit 9: Staff's proposed water CCN No. 13242 (attached to the Motion to Admit Evidence, filed on October 28, 2016);
  - j. Exhibit 10: Staff's proposed sewer CCN No. 21091 (attached to the Motion to Admit Evidence, filed on October 28, 2016);
  - k. Exhibit 11: J&S Water's Consent Form (filed on October 17, 2016); and
  - l. Exhibit 12: Utilities Investment's Consent Form (filed on October 17, 2016).

## **II. Conclusions of Law**

1. The Commission has jurisdiction over J&S Water and Utilities Investment's application under Tex. Water Code §§ 13.251 and 13.301.
2. J&S Water and Utilities Investment are retail public utilities as defined by Tex. Water Code § 13.002(19) and 16 Tex. Admin. Code § 24.3(58).
3. Notice of the application was provided to affected parties, as required by Tex. Water Code § 13.301(a)(2) and 16 Tex. Admin. Code §§ 24.109(a) and 24.112(c).
4. The application was processed in accordance with the requirements of the Texas Administrative Procedures Act, Tex. Gov't Code §§ 2001.001-2001.902; Tex. Water Code §§ 13.251 and 13.301; and 16 Tex. Admin. Code §§ 24.102, 24.109, and 24.112.
5. J&S Water and Utilities Investment consummated the sale and transfer of J&S Water's water and sewer facilities and corresponding water CCN No. 12085 and sewer CCN No. 20658 for certain certificated service areas in Harris County, Texas within one (1) year from the date of the Commission's approval of the sale and transfer transaction, as required by 16 Tex. Admin. Code § 24.112(e).
6. The requirements for informal disposition under 16 Tex. Admin. Code § 22.35 have been met in this proceeding. At least fifteen (15) days have passed since the completion of notice requirements, and it is not necessary to hold a hearing on the merits regarding the application.
7. Utilities Investment has demonstrated that it has adequate financial, managerial, and technical capability to provide continuous and adequate service to customers in the service areas that are being transferred from J&S Water to Utilities Investment.

## **III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following ordering paragraphs:

1. J&S Water and Utilities Investments' application is approved.
2. The sale and transfer of J&S Water's water and sewer facilities and corresponding water CCN No. 12085 and sewer CCN No. 20658 for certain certificated service areas in Harris County, Texas is approved.
3. Utilities Investment's water CCN No. 12761 and sewer CCN No. 20765 are amended to

reflect that it will be providing water service and sewer service to the service areas in Harris County, Texas formerly certificated under J&S Water's water CCN No. 12085 and sewer CCN No. 20658. J&S Water's water CCN No. 12085 and sewer CCN No. 20658 are amended to reflect that it will no longer be providing water service and sewer service to these formerly certificated service areas. Additionally, water CCN No. 13242 and sewer CCN No. 21091 are created for and issued to Utilities Investment. The amendments to Utilities Investment's water CCN No. 12761 and sewer CCN No. 20765, the amendments to J&S Water's water CCN No. 12085 and sewer CCN No. 20658, the newly created water CCN No. 13242 and sewer CCN No. 21091, the revised maps of Utilities Investments' acquired service areas, and amended tariffs for Utilities Investments and J&S Water are attached to this Notice of Approval.

4. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted in this Notice of Approval, are denied.

**SIGNED IN AUSTIN, TEXAS, this \_\_\_\_\_ day of \_\_\_\_\_, 2016**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**IRENE MONTELONGO  
DIRECTOR, DOCKET MANAGEMENT**