

Control Number: 43117



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DOCKET NO. 43117

APPLICATION OF BRAZOS VALLEY
SEPTIC & WATER, INC. AND NERRO
SUPPLY, LLC FOR SALE, TRANSFER,
OR MERGER OF FACILITIES AND
TO AMEND A CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
BRAZOS, BURLESON, AND
ROBERTSON COUNTIES

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PUBLIC UTILITY COMMISSION
OF
TEXAS

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**STAFF'S RESPONSE TO ORDER NO. 2, STATUS UPDATE, AND PROPOSED
PROCEDURAL SCHEDULE**

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files this Staff's Response to Order No. 2, Status Update, and Proposed Procedural Schedule. In support of its Request, Staff states the following:

I. BACKGROUND AND STATUS UPDATE

On June 12, 2014, Nerro Supply, LLC (Nerro) filed a sale, transfer, merger (STM) application with the Texas Commission on Environmental Quality (TCEQ) pursuant to TEX. WATER CODE ANN. § 13.301 and Title 16, TEX. ADMIN. CODE (16 TAC) §§ 24.109 and 24.112. The application addresses the proposed sale of water assets owned by Brazos Valley Septic & Water, Inc. (Brazos Valley) in Hood, Johnson, and Tarrant Counties, Texas from Brazos Valley to Nerro. The application also addresses the sale and transfer of a portion of CCN No. 13094 currently owned by Brazos Valley in Hood, Johnson, and Tarrant Counties, Texas from Brazos Valley to Nerro and to amend Nerro's current water certificated service area to reflect these service areas. Nerro sent notice of the application to its customers on August 1, 2014, triggering the 120-day deadline for STMs required by 16 TAC § 24.109(e). The 120-day deadline for Commission action on the application is November 29, 2014.

The comment period ended on August 31, 2014. Staff has reviewed the application in light of the criteria in 16 TAC § 24.109(e) and has determined that a public hearing on the application is not required.

Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities and this case formerly pending at the TCEQ was transferred to the

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Commission. On September 24, 2014, Order No. 2 Requiring Comments on Status was issued requiring Staff to file an update on the status of the proceeding, to file a recommendation on the need for a hearing or on final disposition of the application, or to propose a procedural schedule by October 8, 2014.

II. PROPOSED PROCEDURAL SCHEDULE

Staff recommends the following procedural schedule:

Date application was filed with TCEQ.	June 12, 2014
Intervenor deadline for Comments or Requests for Hearing.	August 31, 2014
Deadline for Staff to file a recommendation on final disposition of the application.	November 7, 2014
Deadline for parties to file a draft order, including findings of fact, conclusions of law, and ordering paragraphs.	November 12, 2014
Expiration of 120-day deadline for Commission action pursuant to 16 TAC § 24.109(e).	November 29, 2014

III. CONCLUSION

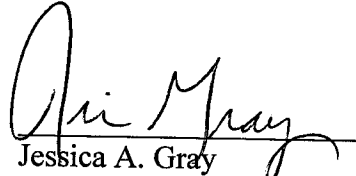
Staff respectfully requests that the Administrative Law Judge issue an order reflecting this Response.

Date: October 8, 2014

Respectfully Submitted,

Joseph P. Younger
Division Director
Legal Division

Shelah J. Cisneros
Managing Attorney
Legal Division



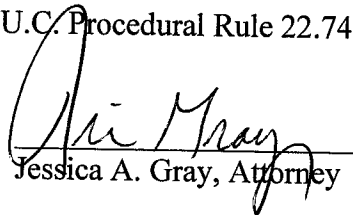
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State Bar No. 24079236
Attorney, Legal Division

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CERTIFICATE OF SERVICE

I certify that a copy of this document was served his document was served on all parties of record on October 8, 2014 in accordance with P.U.C. Procedural Rule 22.74.



Jessica A. Gray, Attorney

ATTACHMENT A

PUC Interoffice Memorandum

To: Jessica Gray, Attorney
Legal Division

Thru: Tammy Benter, Director
Water Utilities Division

From: George Gogonas, Utility Rates Analyst/Auditor
Water Utilities Division

Date: 10/2/14

Subject: Executive Summary and Staff Recommendation for Commission Approval
of PUC Docket No. 43117

Nerro Supply, LLC, Certificate of Convenience and Necessity (CCN) No. 12252, has filed an application to obtain a portion of Certificate of Convenience (CCN) No. 13094 held by Brazos Valley Septic & Water, Inc. in Brazos, Burleson and Robertson Counties. The application was filed pursuant to the criteria in Texas Water Code, Section §13.301, and Title 16, Texas Administrative Code, Sections, §24.109 and §24.112. Based on my review of the information in the application and the applicable laws and rules, I have determined that the purchaser has the capability of providing continuous and adequate service to the proposed area and any existing area already served by Nerro Supply, LLC. Furthermore, I believe the transaction will serve the public interest. Therefore, I recommend that the applicant be allowed to proceed with the proposed transaction and also note that a public hearing is not necessary.

I further recommend that the proposed transaction be completed and the applicant send documentation as evidence that all assets have been transferred to the acquiring entity and that the disposition of any remaining deposits has been addressed. Pursuant to title 16, Texas Administrative Code, Section §24.112(e), the approval of the sale expires one year from the date of the Commission's written approval of the sale. If the sale has not consummated within that period and unless the applicant has requested and received an extension from the Commission, the approval is void and the applicant must reapply for the approval of the sale. In addition, I recommend the applicant be informed that the CCN will remain in the name of Brazos Valley Septic & Water Inc., under CCN No. 13094, until the transfer is complete in accordance with the PUC's rules and regulations.