



Control Number: 44387



Item Number: 12

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APPLICATION OF NORTHWEST  
WATER SYSTEMS, INC. AND NERRO  
SUPPLY INVESTORS, LLC FOR SALE,  
TRANSFER, OR MERGER OF  
FACILITIES AND CERTIFICATE  
RIGHTS IN HARRIS AND  
MONTGOMERY COUNTIES

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PUBLIC UTILITY COMMISSION

2015 JUL 15 AM 10:58  
OF TEXAS

**COMMISSION STAFF'S RESPONSE TO ORDER NO. 3**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Order No. 3 and would show the following:

**I. BACKGROUND**

On January 29, 2015, Northwest Water Systems, Inc. (Northwest) and Nerro Supply Investors, LLC (Nerro) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger (STM) of facilities and certificate rights in Harris and Montgomery Counties, Texas. Nerro seeks approval to purchase the water assets currently held by Northwest under certificate of convenience and necessity (CCN) number 10336 and retain Northwests' CCN. The Applicants state that the rates will not change for the affected customers.<sup>1</sup>

On May 12, 2015, the Administrative Law Judge issued Order No. 3 finding the application sufficient and establishing deadlines. Specifically, Order No. 3 directed the Applicants to file affidavits of notice by June 10, 2015 and Staff to file a supplemental procedural schedule by July 15, 2015. Accordingly, this pleading is timely filed.

**II. PROPOSED SUPPLEMENTAL PROCEDURAL SCHEDULE**

On May 27, 2015, Nerro filed affidavits of notice indicating that notice of the application was mailed to affected parties on May 18, 2015 and to current customers on May 15, 2015. Pursuant to 16 TAC § 24.109(e), the 120-day deadline to approve the sale administratively or require a public hearing to determine if the transaction will serve the public interest ends on

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<sup>1</sup> Application at 7 (Jan. 29, 2015).

September 15, 2015.<sup>2</sup> Staff proposes the following supplemental procedural schedule for the processing of this application:

Last date of notice provided to current customers and affected parties.	May 18, 2015
Intervenor deadline for comments or requests for hearing.	June 17, 2015 <sup>3</sup>
Deadline for Staff to file a recommendation on the application or request a hearing.	July 29, 2015
Deadline for Applicants to respond to Staff's recommendation on final disposition or, if no issues, deadline for parties to file a joint proposed notice of approval.	August 19, 2015
Expiration of 120-day deadline for Commission action pursuant to 16 TAC § 24.109(e).	September 15, 2015

### III. CONCLUSION

Staff respectfully requests that an order be issued consistent with this Response.

**DATED: July 15, 2015**

Respectfully Submitted,

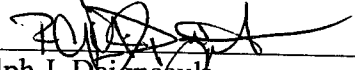
Margaret Uhlig Pemberton  
Division Director - Legal Division

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<sup>2</sup> The 120-deadline begins on the *later* of: "(1) the date the applicant files an application under this section; (2) if mailed notice is required, the last date the applicant mailed the required notice as stated in the applicant's affidavit of notice; or (3) if newspaper notice is required, the last date of the publication of the notice in the newspaper as stated in the affidavit of publication." 16 TAC § 24.109(a) (emphasis added).

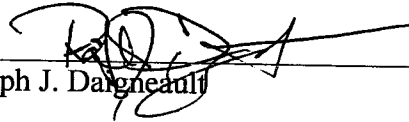
<sup>3</sup> Thirty days from May 18, 2015 is June 17, 2015.

Karen S. Hubbard  
Managing Attorney - Legal Division

  
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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on July 15, 2015, in accordance with 16 TAC § 22.74.

  
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Ralph J. Daigneault