



Control Number: 45026



Item Number: 27

Addendum StartPage: 0

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APPLICATION OF T. JOHNSON §
INDUSTRIES AND WATER §
NECESSITIES, INC. FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN HARDIN COUNTY §

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILED CLERK
OF TEXAS

NOTICE OF APPROVAL

This Notice addresses the application of T. Johnson Industries (Johnson) and Water Necessities, Inc. (Water Necessities) (collectively, applicants) for the sale, transfer, or merger of facilities and certificate rights in Hardin County. Through this application, Water Necessities seeks approval to transfer Johnson’s water certificate of convenience and necessity (CCN) No. 12647 and associated facilities to Water Necessities. Public Utility Commission of Texas (Commission) Staff recommended approval of the application. The application is approved.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Procedural History, Description, and Background

1. On August 6, 2015, the applicants filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Hardin County.
2. Johnson holds water CCN No. 12647 in Hardin County.
3. Approval of the application would transfer the service area and facilities of CCN No. 12647 held by Johnson to Water Necessities.
4. On August 11, 2015, Order No. 1 was issued, requiring Commission Staff to file a recommendation regarding the administrative completeness of the application.
5. On August 24, 2015, Water Necessities filed additional information, containing a revised page 7 of the application and a list of the CCNs and Public Water System numbers for Water Necessities.

6. On September 4, 2015, Commission Staff recommended that the application be found administratively complete.
7. On September 8, 2015, Order No. 2 was issued, finding the application administratively complete and establishing a procedural schedule.
8. On October 22, 2015, Water Necessities filed a Publisher's Affidavit and an Affidavit of Notice to Neighboring Utilities and Affected Parties.
9. On October 23, 2015, Commission Staff recommended the mailed notice be found sufficient, but that published notice was insufficient for failure to publish for two consecutive weeks.
10. On October 27, 2015, Order No. 3 was issued, finding mailed notice sufficient, but requiring the applicants to provide evidence that notice was published for two consecutive weeks.
11. On December 7, 2015, Water Necessities filed a Publisher's Affidavit.
12. On December 8, 2015, Commission Staff recommended that the Publisher's Affidavit filed on December 7, 2015 be found sufficient.
13. On December 10, 2015, Order No. 4 was issued, finding published notice sufficient and establishing a procedural schedule.
14. On February 19, 2016, Commission Staff filed a recommendation that the transaction be permitted to proceed.
15. On February 24, 2016, Order No. 5 was issued, authorizing the transaction to proceed, and establishing a deadline for the applicants to file closing documents and evidence of the disposition of any remaining customer deposits.
16. On March 18, 2016, Water Necessities filed closing documents and a letter indicating that all customer deposits were transferred from Johnson to Water Necessities.
17. On April 29, 2016, Commission Staff recommended the closing documents were sufficient for the purposes of further processing.
18. On May 3, 2016, Order No. 6 was issued, finding the closing documents sufficient and establishing a procedural schedule.

19. On May 26, 2016, Johnson and Water Necessities filed signed documents consenting to the certificate and map prepared by Commission Staff.
20. On June 13, 2016, Commission Staff recommended that the application be approved and included a proposed certificate and map for Water Necessities.
21. The certificate and map described in Findings of Fact Nos. 19 and 20 are attached to this Notice.
22. On June 30, 2016, Johnson, Water Necessities, and Commission Staff filed a request to admit evidence.
23. On July 13, 2016, Order No. 7 was issued, admitting evidence into the record of this proceeding.

Notice

24. On August 21, 2015, notice of the application was published in the *Texas Register*.
25. Notice of the application was mailed to neighboring utilities, cities, and affected parties on September 25, 2015.
26. On December 7, 2015, Water Necessities filed an affidavit regarding the publication of notice of the application.

Informal Disposition

27. More than 15 days have passed since completion of the notice provided in this docket.
28. No protests have been filed, no requests for hearing have been filed, and no issues of fact or law are disputed by any party.

II. Conclusions of Law

1. The Commission has jurisdiction over this matter pursuant to Tex. Water Code §§13.041, 13.241, and 13.254 (TWC).
2. Water Necessities and Johnson are retail public utilities as defined in TWC § 13.002(19) and 16 Tex. Admin. Code § 24.3(58) (TAC).
3. Public notice of the application was provided as required by TWC § 13.301(a)(2).

4. The application was processed in accordance with the requirements of the TWC §§ 13.301 and 16 TAC §§ 24.109, and 24.112.
5. Water Necessities and Johnson completed the sale within 365 days from the date of the Commission's approval of the sale, consistent with 16 TAC § 24.112(e).
6. After considering the factors in TWC § 13.246(c), Water Necessities has demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area.
7. Water Necessities and Johnson have demonstrated that the sale and transfer of service area and facilities for CCN No. 12647 requested in this application are necessary for the service, accommodation, convenience, or safety of the public.
8. Pursuant to TWC §13.257(r) and 16 TAC § 24.106(f), Water Necessities is required to record a certified copy of the approved CCN and map, along with a boundary description of the service area, in the real property records of each county in which the service area or a portion of the service area is located, and submit to the Commission evidence of the recording.
9. The application does not constitute a major rate proceeding as defined by 16 TAC § 22.2(27).
10. The requirements for informal disposition pursuant to 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

1. The application is approved.
2. The service area and facilities in Hardin County associated with CCN No. 12647 are transferred to Water Necessities.
3. Water Necessities' CCN No. 12243 is amended to reflect that Water Necessities will be providing water service to Johnson's formerly certificated area in Hardin County.
4. Water Necessities shall serve every customer and applicant for service within the area previously served by Johnson under water CCN No. 12647, and such service shall be continuous and adequate.
5. Water Necessities shall comply with the recording requirements of TWC § 13.257(r) for the area in Hardin County affected by the transfer and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice.
6. 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 herein, are hereby denied.

SIGNED AT AUSTIN, TEXAS the 22nd day of July 2016.

PUBLIC UTILITY COMMISSION OF TEXAS



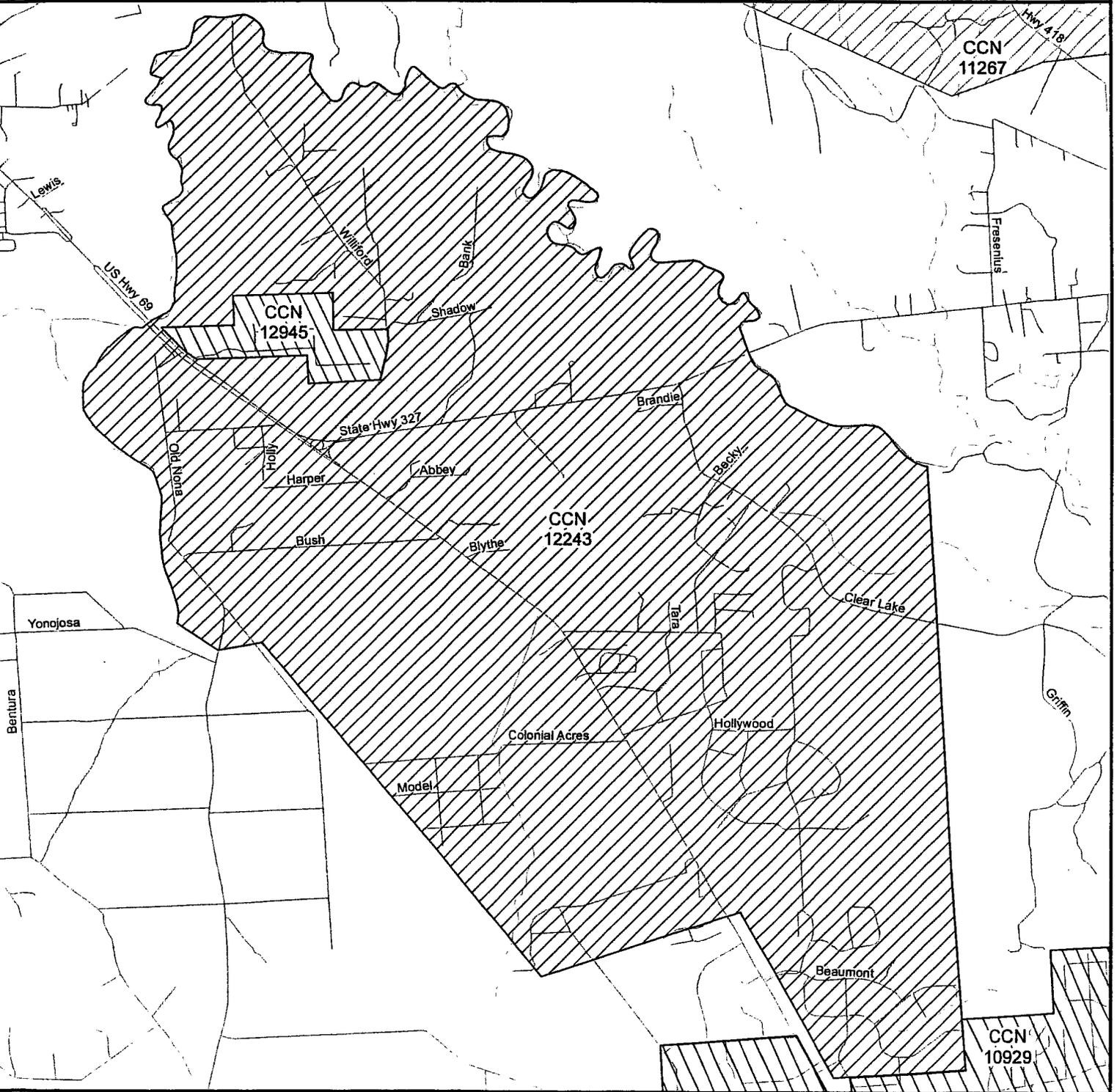
JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE

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Water Necessities, Inc.
 Water Service Area
 CCN No. 12243
 PUC Docket No. 45026

Transferred all of Johnson Water Service, CCN No. 12647 in Hardin County



Water CCN Service Areas

-  12243 - Water Necessities Inc
-  12945 - Ranchland POA Inc
-  10929 - Lumberton MUD
-  11267 - North Hardin WSC

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Public Utility Commission of Texas

**By These Presents Be It Known To All That
Water Necessities, Inc.**

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Water Necessities, Inc., is entitled to this

Certificate of Convenience and Necessity No. 12243

to provide continuous and adequate water utility service to that service area or those service areas in Hardin County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 45026 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Water Necessities, Inc. to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or obtain this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 22nd day of July 2016