



Control Number: 45627



Item Number: 29

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**P.U.C. DOCKET NO. 45627  
SOAH DOCKET NO. 473-17-1318.WS**

RECEIVED

**APPLICATION OF CHARLES  
BRANCH DBA DOUCETTE WATER  
SYSTEM AND LAKESIDE WATER  
SUPPLY AND THOMAS AND DANASA  
RAWLS FOR SALE, TRANSFER, OR  
MERGER OF FACILITIES AND  
CERTIFICATE RIGHTS IN TYLER  
COUNTY**

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**PUBLIC UTILITY  
COMMISSION OF TEXAS**  
DEC -8 PM 3:27  
PUBLIC UTILITY COMMISSION  
CLERK

**COMMISSION STAFF'S LIST OF ISSUES**

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files its List of Issues. In support of its List of Issues, Staff states the following:

**I. Background**

Charles Branch d/b/a Doucette Water System and Lakeside Water Supply (Doucette Water System) and Thomas and Danasa Rawls (the Rawls) request the approval of the sale and transfer of certain water assets and a corresponding water certificate of convenience and necessity (CCN No. 12001) for a certificated service area in Tyler County, Texas. Doucette Water System is the seller, and the Rawls are the purchasers.

On November 21, 2016, the Commission referred this proceeding to the State Office of Administrative Hearings.

**II. List of Issues**

Staff has identified the following issues in this proceeding:

1. Do the Rawls have "adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area and any areas currently certificated" to them?<sup>1</sup>

2. In the event that the Rawls cannot demonstrate adequate financial, managerial, and technical capability to provide continuous and adequate service in the service area certificated under water CCN No. 12001:

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<sup>1</sup> Tex. Water Code § 13.301(b). *See also* 16 Tex. Admin. Code § 24.109(b).

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a. Should the Commission require the Rawls to provide a bond or other form of financial assurance?<sup>2</sup>

b. If so, what is the form and amount of such bond or other form of financial assurance?<sup>3</sup>

2. Will approving the proposed transaction serve the public interest?<sup>4</sup>

3. Are the Rawls purchaser capable of rendering adequate and continuous service to every customer within the service area certificated under water CCN No. 12001?

a. Is service currently being provided to the service area certificated under water CCN No. 12001?<sup>5</sup>

b. Is additional service needed in the service area certificated under water CCN No. 12001? Have any landowners, prospective landowners, tenants, or residents requested service? If so, has the requested service been provided?<sup>6</sup>

c. What are the effects, if any, does approval of the proposed transaction between Doucette Water System and the Rawls have on landowners in the service area certificated under water CCN No. 12001 and on any retail public utility of the same kind already serving the proximate area?<sup>7</sup>

d. Taking into consideration the current and projected density and land use of service area certificated under water CCN No. 12001, do the Rawls have the ability to meet standards established by the Texas Commission on Environmental Quality?<sup>8</sup>

e. Is it feasible to obtain service from an adjacent retail public utility?<sup>9</sup>

f. Are the Rawls able to pay for maintenance and additional facilities necessary to provide continuous and adequate service to the service area certificated under water CCN No.

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<sup>2</sup> See Tex. Water Code § 13.301(c).

<sup>3</sup> See *id.*

<sup>4</sup> See *id.*

<sup>5</sup> See Tex. Water Code § 13.246(c)(1).

<sup>6</sup> See Tex. Water Code § 13.246(c)(2).

<sup>7</sup> See Tex. Water Code § 13.246(c)(3).

<sup>8</sup> See Tex. Water Code § 13.246(c)(4).

<sup>9</sup> See Tex. Water Code § 13.246(c)(5).

12001?<sup>10</sup>

g. What effect does approval of the proposed transaction have on environmental integrity?<sup>11</sup>

h. Is there a probable improvement of service or lowering of cost to consumers in the service area certificated under water CCN No. 12001 in the event that the proposed transaction is approved?<sup>12</sup>

i. What effect does approval of the proposed transaction have on the land in the service area certificated under water CCN No. 12001?<sup>13</sup>

j. Do the Rawls have a history of non-compliance with the requirements of the Commission, the Texas Commission on Environmental Quality, or the Texas Department of State Health Services? Do the Rawls have a history of mismanagement or misuse of revenues as a utility service provider?<sup>14</sup>

k. Was the water system partially or wholly constructed with customer contributions in aid of construction derived from specific surcharges?<sup>15</sup> If so, has a disclosure regarding such contributions been provided?<sup>16</sup>

4. Does Doucette Water System currently retain any customer deposits? If so, will such deposits be returned to customers or transferred to the Rawls?

### **III. Conclusion**

Staff requests that its list of issues be among the issues that will be considered by the Commission in this proceeding.

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<sup>10</sup> See Tex. Water Code §§ 13.246(c)(6); 13.301(e)(4).

<sup>11</sup> See Tex. Water Code § 13.246(c)(7).

<sup>12</sup> See Tex. Water Code § 13.246(c)(8).

<sup>13</sup> See Tex. Water Code § 13.246(c)(9).

<sup>14</sup> See Tex. Water Code § 13.301(e)(3).

<sup>15</sup> See Tex. Water Code § 13.301(j).

<sup>16</sup> See *id.*

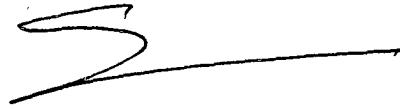
Date: December 8, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director  
Legal Division

Stephen Mack  
Managing Attorney  
Legal Division



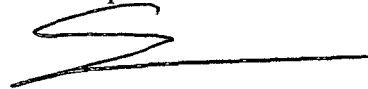
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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on December 8, 2016, in accordance with 16 TAC § 22.74.



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Sam Chang