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APPLICATION OF LAS PLAYA AND §
SIMPLY AQUATICS, INC. FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN SAN AUGUSTINE COUNTY §

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

COMMISSION STAFF'S RECOMMENDATION ON FINAL DISPOSITION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Response to Order No. 10 and Recommendation on Final Disposition. In support thereof, Staff shows the following:

I. Background

On July 14, 2016, Las Playa Subdivision Water System, which is a part of Sam Rayburn Water, Inc. (Las Playa), and Simply Aquatics, Inc. (Simply Aquatics) (collectively the Applicants) filed an application for the sale, transfer, or merger of facilities and certificate rights in San Augustine County. Specifically, Simply Aquatics seeks approval to acquire all of the water system assets of Las Playa held under water certificate of convenience and necessity (CCN) number 11707,¹ and the certificate itself. The total area being requested includes approximately 25 acres and serves 21 current customers.

On October 5, 2017, Order No. 10 was issued requiring Staff to file a final recommendation on October 20, 2017. Accordingly, this pleading is timely filed.

II. Recommendation

On October 17, 2017, the Applicants filed consents to the map, certificate and tariff that were provided by Staff. As supported by the attached memorandum of Patricia Garcia of the Water Utilities Division, Staff recommends that the consents are sufficient and that an order should be issued assigning CCN No. 13259 to Simply Aquatics, and that the requested portion of CCN No. 11707 associated with the Las Playa Subdivision be transferred to Simply Aquatics.

¹ The application and Order No. 1 incorrectly identify the CCN number as 11701; Las Playa's correct CCN number is 11707.

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III. Conclusion

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

Dated: October 19, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

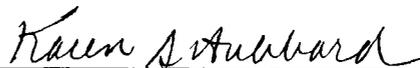


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 19, 2017, in accordance with 16 TAC § 22.74.



Karen S. Hubbard

Public Utility Commission of Texas
Memorandum

To: Karen Hubbard
Legal Division

Thru: Tammy Benter, Director
Heidi Graham, Manager
Water Utilities Division

From: Patricia Garcia, Engineering Specialist
Water Utilities Division

Date: October 17, 2017

Subject: **Docket 46168**, *Application of Las Playa Subdivision Water System and Simply Aquatics, Inc. for Sale, Transfer or Merger of Facilities and Certificate Rights in San Augustine County*

On July 14, 2016, Simply Aquatics, Inc., (Simply Aquatics or Purchaser) and Don Johnson (Seller), (collectively Applicants), filed an application for the sale, transfer, or merger of facilities and certificate rights in San Augustine County, Texas pursuant to Texas Water Code Ann. § 13.301 (TWC) and the 16 Tex. Admin. Code § 24.109 (TAC). Specifically, Simply Aquatics seeks approval to acquire the water system assets including the Las Playa Subdivision Public Water System (PWS) ID No. 2030015, customers and service area. The Las Playa Subdivision is a part of the Sam Rayburn Water, Inc., (Sam Rayburn Water) utility, which holds Certificate of Convenience and Necessity (CCN) No. 11707. If approved, Simply Aquatics will be issued a new water CCN to serve the Las Playa Subdivision and Sam Rayburn Water's CCN No. 11707 will be amended accordingly. The requested service area contains 93 acres and 21 current water customers.

On August 9, 2017, the Applicants filed with the Commission the sale documents to complete the sale transaction. There were no outstanding customer deposits held by the Sam Rayburn Water associated with the Las Playa Subdivision. Approving this application and transferring the requested service area, facilities and customers associated with the Las Playa Subdivision from the Las Playa Subdivision, which is a part of Sam Rayburn Water, to Simply Aquatics is necessary for the service, accommodation, convenience and safety of the public. Simply Aquatics is capable of providing continuous and adequate service. Staff recommends approval of the application.

The Purchaser consented to the map, certificate, and tariff attached to its consent form on October 3, 2017. The Seller consented to the map, certificate and tariff attached to its consent form on October 6, 2017. The Applicants filed the consents with the PUC on October 17, 2017.

Based on the above information, Staff recommends that:

- An order be issued assigning CCN No. 13259 to Simply Aquatics, Inc.;
- An order be issued transferring the requested portion of CCN No. 11707 associated with the Las Playa Subdivision from Sam Rayburn Water, Inc. to Simply Aquatics, Inc.; and
- The water tariffs, certificates and map be attached to the order.

Staff further recommends that the Applicants file certified copies of the CCN maps along with a written description of the CCN service area in the county clerk's office pursuant to TWC §§ 13.257 (r)-(s).