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RECEIVED

APPLICATION OF EL PINON WATER §
SUPPLY AND SIMPLY AQUATICS, §
INC. FOR SALE, TRANSFER OR §
MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS IN SAN §
AUGUSTINE COUNTY §

PUBLIC UTILITY COMMISSION
OF TEXAS

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PUBLIC UTILITY COMMISSION
OF TEXAS

COMMISSION STAFF'S FINAL RECOMMENDATION

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Final Recommendation. In support thereof, Staff shows the following:

I. Background

On July 14, 2016, El Pinon Water Supply (El Pinon) 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 El Pinon held under water certificate of convenience and necessity (CCN) No. 12206. If approved, Simply Aquatics will be issued a water CCN and CCN No. 12206 will be cancelled. The total area being requested includes approximately 69 acres and serves 76 current customers.

On June 6, 2017, Order No. 9 was entered permitting the transaction proposed in the application to proceed and instructed the parties to provide documentation that all assets were transferred, and that the disposition of any remaining deposits were addressed pursuant to 16 TAC § 24.109(f). On August 9, 2017, El Pinon filed a Bill of Sale and statement that all records and deposits had been turned over to Simply Aquatics. Order No. 10 deemed closing documents filed by the Applicants sufficient. The Applicants subsequently filed consent forms. Order No. 11 allowed Staff until November 10, 2017 to make a final recommendation.

II. Recommendation

As detailed in the attached memorandum Patricia Garcia in the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that the application be

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approved. Staff further recommends that the Applicants be directed to comply with the recording requirements of TWC § 13.257(r)-(s). The certificate, map, and tariff will be attached to the joint proposed notice of approval.

III. Conclusion

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

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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DOCKET NO. 46169

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on November 10, 2017, in accordance with 16 TAC § 22.74.



Douglas M. Brown

Public Utility Commission of Texas
Memorandum

To: Douglas Brown
Legal Division

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

From: Patricia Garcia, Engineering Specialist
Water Utilities Division

Date: November 2, 2017

Subject: **Docket 46169**, *Application of El Pinon Water Supply 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 El Pinon Water Supply (El Pinon or 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 facilities, customers and service area under El Pinon's Certificate of Convenience and Necessity (CCN) No. 12206. If approved, Simply Aquatics' CCN No. 13259 will be amended to include the area formerly covered by CCN No. 12206 and El Pinon's CCN No. 12206 will be cancelled.

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 El Pinon. Approving this application and transferring the requested service area, facilities and customers of El Pinon 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 attached map, certificate, and tariff on October 3, 2017 and filed the consent form with the PUC on October 17, 2017. The Seller consented to the attached map on October 6, 2017. The consent form signed by the Seller was filed with the PUC on November 2, 2017.

Based on the above information, Staff recommends the Commission do the following:

- Issue an order amending Simply Aquatics, Inc. CCN No. 13259 to include this service area;
- Issue an order canceling the CCN No. 12206 associated with El Pinon Water Supply; and

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).