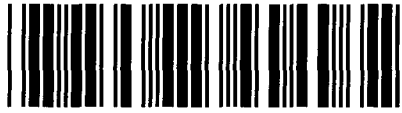




Control Number 46198



Item Number 6

Addendum StartPage 0

RECEIVED

APPLICATION OF SWWC UTILITIES, §
INC. DBA DIAMOND WATER COMPANY §
AND SWWC UTILITIES, INC. DBA §
WATER SERVICES, INC. FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN BANDERA, COMAL, AND §
GILLESPIE COUNTIES §

PUBLIC UTILITY COMMISSION
OF TEXAS
AUG 19 PM 2:10
PUBLIC UTILITY COMMISSION
OF TEXAS
FILING CLERK

**COMMISSION STAFF’S RECOMMENDATION THAT
APPLICATION BE FOUND ADMINISTRATIVELY COMPLETE**

Comes now the staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this response to Order No. 1. In support thereof, Staff would show the following:

I. Background

On On July 21, 2016, SWWC Utilities, Inc. d/b/a Diamond Water Company (Diamond Water) and SWWC Utilities, Inc. d/b/a Water Services, Inc. (Water Services) filed an application for sale, transfer, or merger of facilities and certificate of convenience and necessity rights in Bandera, Comal, and Gillespie Counties. Specifically, Water Services seeks approval to acquire all of the water system assets of Diamond Water held under water Certificate of Convenience and Necessity (CCN) No. 12865.

On July 25, 2016, the Administrative Law Judge issued Order No. 1, requiring Staff to file on or before August 22, 2016 comments/recommendation regarding administrative completeness of the application, whether additional notice may be required, and propose a schedule for processing. Therefore, this pleading is timely filed.

II. Administrative Completeness

Staff has reviewed the application and, as supported by the attached memorandum from Emily Sears and Kristy Nguyen in the Commission’s Water Utility Regulation Division, recommends that the application be found administratively complete and accepted for filing pursuant to 16 Tex. Admin. Code § 24.8 (TAC).

III. Notice

Staff has reviewed the proposed notice in the application and recommends that, consistent with the attached memorandum, the Applicants be directed to provide notice to the following:

- a) any districts, utilities, and cities within two (2) miles of the proposed area;
- b) the county judge of each county and each groundwater conservation district that is wholly or partly included in the proposed area to be certified;
- c) each city with an extraterritorial jurisdiction (ETJ) that is wholly or partly included in the proposed area to be certified; and
- d) any customers transferred, or other affected parties in the requested area.

In addition, Staff recommends that Applicants be directed to provide notice to the following entities:

- a. Kap Water Supply
- b. Lange Ranch Subdivision UNIT 2 LOT 1
- c. City of Bandera
- d. Bandera East Utility LP
- e. Guadalupe Blanco River Authority
- f. Elm Ridge Water Company Inc.
- g. Dillon Water Resources LP
- h. Bandera River Ranch WSC
- i. Aqua Texas Inc.
- j. Canyon Lake Water Service Company Inc.
- k. San Antonio Water System
- l. Lower Colorado River Authority
- m. Johnson Ranch MUD
- n. Gillespie County WCID 1
- o. Flying L PUD
- p. Comal County WCID 6
- q. San Antonio River Authority
- r. Bandera County River Authority and Groundwater District
- s. Hill Country Underground Water Conservation District
- t. City of Bulverde
- u. Comal County
- v. Gillespie County
- w. Bandera County

IV Proposed Procedural Schedule

Staff proposes the following procedural schedule for continued processing of this docket:

Event	Deadline
Applicants file with the Commission signed affidavits that notice was provided, along with attached copies of the actual notices provided.	30 days from the date of the order directing the Applicants to provide notice.
Staff files comments on proof of notice.	14 days after the deadline for the Applicants to file proof of notice.
Intervention deadline.	30 days after mailing of notice.

V Conclusion

For the reasons detailed above, Staff respectfully recommends that the application be deemed administratively complete. In addition, Staff recommends that the Applicants be directed to provide notice as described above and in the attached memorandum. Staff also recommends that the procedural schedule proposed above be adopted.

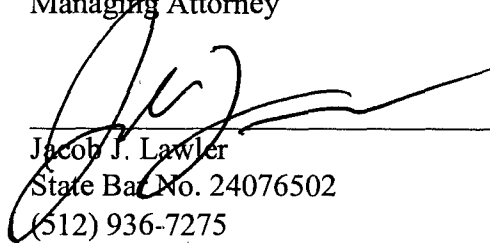
Date: August 19, 2016

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director

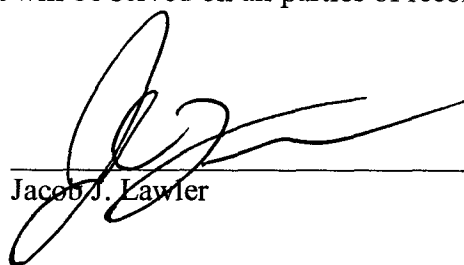
Stephen Mack
Managing Attorney



Jacob J. Lawler
State Bar No. 24076502
(512) 936-7275
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

DOCKET NO. 46198
CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on August 19, 2016 in accordance with 16 TAC § 22.74.



Jacob J. Lawler

PUC Interoffice Memorandum

To: Jacob Lawler
Legal Division

Thru: Tammy Benter, Director
Lisa Fuentes, Manager
Water Utilities Division

From: Emily Sears, Financial Analyst
Kristy Nguyen, GIS Specialist
Water Utilities Division

Date: August 16, 2016

Subject: **Docket 46198**, *Application of SWWC Utilities, Inc. dba Diamond Water Company and SWWC Utilities, Inc. dba Water Services, Inc. for Sale, Transfer. or Merger of Facilities and Certificate Rights in Bandera, Comal, and Gillespie Counties*

On July 21, 2016, SWWC Utilities, Inc. dba Water Services, Inc. (Purchaser) filed with the Public Utility Commission of Texas (Commission) an application to purchase facilities and transfer and cancel all of water Certificate of Convenience and Necessity (CCN) No. 12865 of SWWC Utilities, Inc. dba Diamond Water Company (Seller) (collectively, Applicants), in Bandera, Comal, and Gillespie Counties, Texas pursuant to Texas Water Code Ann. (TWC), §§ 13.301 and the 16 Tex. Admin Code (TAC) §§ 24.109 and 24.112.

Staff has reviewed the required application and mapping information and recommends that the application be deemed administratively complete and sufficient for filing. Staff further recommends the Applicant be ordered to do the following:

- 1) Provide notice to the following:
 - a) any districts, utilities, and cities within two (2) miles of the proposed area;
 - b) the county judge of each county and each groundwater conservation district that is wholly or partly included in the proposed area to be certified;
 - c) each city with an extraterritorial jurisdiction (ETJ) that is wholly or partly included in the proposed area to be certified; and
 - d) any customers transferred, or other affected parties in the requested area.

- 2) Provide notice to the following entities:
 - Kap Water Supply
 - Lange Ranch Subdivision UNIT 2 LOT 1
 - City of Bandera
 - Bandera East Utility LP
 - Guadalupe Blanco River Authority
 - Elm Ridge Water Company Inc.
 - Dillon Water Resources LP
 - Bandera River Ranch WSC
 - Aqua Texas Inc.
 - Canyon Lake Water Service Company Inc.

San Antonio Water System
Lower Colorado River Authority
Johnson Ranch MUD
Gillespie County WCID 1
Flying L PUD
Comal County WCID 6
San Antonio River Authority
Bandera County River Authority and Groundwater District
Hill Country Underground Water Conservation District
City of Bulverde
Comal County
Gillespie County
Bandera County

Within 30 days of the Commission order, Staff recommends that the Applicants be required to file a copy of the actual individual notice sent with attached signed and notarized affidavit that the notice was given.