

Control Number: 46205



Item Number: 27

Addendum StartPage: 0

APPLICATION OF JOHN FRIAS  
WASTE WATER UTILITY AND  
OLMITO WATER SUPPLY  
CORPORATION FOR SALE,  
TRANSFER, OR MERGER OF  
FACILITIES AND CERTIFICATE  
RIGHTS IN CAMERON COUNTY

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PUBLIC UTILITY COMMISSION

OF TEXAS AUG -3 PM 2:06

**JOINT PROPOSED NOTICE OF APPROVAL AND REQUEST TO ADMIT EVIDENCE**

COMES NOW Staff (Staff) of the Public Utility Commission (Commission) files this Joint Proposed Notice of Approval and Request to Admit Evidence

**I. Background**

On July 22, 2016, the John Frias Waste Water Utility (hereinafter referred as the "Utility") and the Olmito Water Supply Corporation (hereinafter referred as "Olmito") (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of certificate rights in Cameron County. The Applicants seek approval of a sale, transfer or merger in which Olmito will acquire all of the Utility's certificated service area under sewer Certificate of Convenience and Necessity (CCN) No. 20714 in Cameron County, and associated facilities. Olmito's CCN would be amended. There are 79 customers.

On November 12, 2016, the Administrative Law Judge (ALJ) issued Order No. 4 approving the sale. Order No. 4 also required the applicant to submit closing documents and Staff to file a recommendation regarding the sufficiency of the closing documents within thirty days of their submission. The Applicants filed the closing documents May 11, 2017 and Staff's recommendations were timely filed. This Proposed Notice of Approval and Request to Admit Evidence includes findings of fact, conclusions of law, and ordering paragraphs. The Applicants have reviewed and agree to the Proposed Notice of Approval attached hereto. The Proposed Notice of Approval is timely filed on or before August 7, 2017.

**I. Request to Admit Evidence**

The Applicants and Staff request to admit the following evidence into the record of this proceeding:

- a) Application of the Utility and Olmito Water Supply Corporation (Olmito) and all

attachments, filed July 22, 2016;

- b) Affidavit regarding notice to customers, neighboring utilities, and other affected parties, filed on September 30, 2016;
- c) Staff's Final Recommendation and all attachments, filed on November 9, 2016;
- d) Affidavit of Closing filed on May 11, 2017;
- e) Staff's Recommendation Regarding Sufficiency of Closing Documents and Proposed Procedural Schedule, filed on June 2, 2017;
- f) Staff's Final Recommendation and all attachments, filed on July 6, 2017.

## **II. Proposed Notice of Approval**

The Proposed Notice of Approval (Attachment A) would approve the application for the transfer of the sewer system and certificate rights in Cameroun County, Texas currently held under John Frias Waste Water Utility's sewer certificate of convenience and necessity (CCN) No.20714 to the Olmito Water Supply Corporation.

## **III. Conclusion**

Staff has reviewed the application and recommends its approval. Staff respectfully requests that the Commission adopt the attached findings of fact and conclusions of law as well as granting the admittance of the specified pieces of evidence.

**DATED: August 8, 2017**

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney



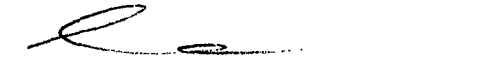
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(512) 936-7229  
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**DOCKET NO. 46205**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record  
on August 8<sup>th</sup>, in accordance with 16 TAC § 22.74.



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Landon J. Lill

**DOCKET NO. 46205**

<b>APPLICATION OF JOHN FRIAS</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WASTE WATER UTILITY AND</b>	<b>§</b>	
<b>OLMITO WATER SUPPLY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>CORPORATION FOR SALE,</b>	<b>§</b>	
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN CAMERON COUNTY</b>	<b>§</b>	

**PROPOSED NOTICE OF APPROVAL**

This Proposed Notice of Approval addresses the application for the sale, transfer, or merger of facilities and certificate rights in Cameron County, Texas currently held by the John Frias Waste Water Utility (hereinafter called the “Utility”) to the Olmito Water Supply Corporation (hereinafter called the “Olmito”) (collectively, Applicants). The Utility, Olmito and Staff (Staff) of the Public Utility Commission of Texas (Commission) are the only parties to this proceeding. Applicants seek approval to transfer the Utility’s water Certificate of Convenience (CCN) No. 20714 and associated facilities to Olmito. On June 2, 2017, Staff recommended approval of the application. The application is approved.

Consistent with the above discussion, the Administrative Law Judge (ALJ) makes the following findings of fact and conclusions of law:

**I. Findings of Fact**

**Procedural History, Description, and Background**

1. On July 22, 2016, the Applicants filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Cameron County, Texas.
2. The Utility holds CCN No.20714 in Cameron County, Texas.
3. Approval of the application would transfer the service area and facilities from CCN No.20714 held by the Utility to Olmito. CCN No.20714 will be cancelled.
4. On July 26, 2016, the Administrative Law Judge (ALJ) issued Order No. 1 requiring Staff to file comments/recommendation regarding administrative completeness of the application.
5. On August 22, 2016, Staff filed its Response to Order No. 1 recommending that the application be found administratively complete pursuant to Tex. Water Code Ann. §13.246

and 16 Tex. Admin. Code § 24.106, and stated that in addition, 16 TAC 24.105 provides the Commission's requirements for CCN application and 16 TAC §24.106 provides the Commission's notice requirements for CCN applications.

6. On August 24, 2016, the ALJ issued Order No. 2 finding the application complete.
7. On September 22, 2016, the Applicants filed an affidavit stating that the requisite notice had been provided to the nearby utilities and the Utility's customers.
8. On October 3, 2016, Staff filed a proposed procedural schedule.
9. On October 5, 2016, the ALJ issued Order No. 3 establishing a procedural schedule.
10. On November 9, 2016, Staff filed its Final Recommendation on the sale recommending the sale proceed.
11. On November 11, 2016, the ALJ issued Order No. 4 approving the sale to proceed.
12. On May 11, 2017 Olmito and the Utility filed closing documents.
13. On June 2, 2017, Staff filed its Recommendation Regarding Sufficiency of Closing Documents and Proposed Procedural Schedule recommending the closing documents were sufficient to demonstrate that Olmito and the Utility had consummated the sale.
14. On June 6, 2017, the ALJ issued Order No. 6 finding the closing documents sufficient and establishing a procedural schedule.
15. On June 19, 2017, Olmito and the Utility filed consent forms agreeing to the final map and tariff, as prepared by Staff.
16. On \_\_\_\_\_, Olmito, the Utility, and Staff filed a Proposed Notice of Approval.

#### **Notice**

17. On \_\_\_\_\_, notice of the application was published in the *Texas Register*.
18. Notice of the application was mailed to current customers, neighboring systems, landowners, cities and affected parties on September 9, 2016 and September 12, 2016.

#### **Evidentiary Record**

19. On August 8, 2017, Olmito, the Utility, and Staff filed a request to admit evidence.
20. On \_\_\_\_\_, the ALJ issued Order No. \_\_ admitting evidence into the record.

#### **Informal Disposition**

21. More than 15 days have passed since completion of the notice provided in this docket.
22. No request for hearing was submitted.

## **II. Conclusions of Law**

1. The Commission has jurisdiction over these matters pursuant to Tex. Water Code Ann. §§ 13.242, 13.246, 13.254 and 13.301 (TWC) and 16 Tex. Admin. Code §§ 24.103(d), 24.109 and 24.112 (TAC).
2. The Utility and Olmito are retail public utilities as defined in TWC § 13.002(19) and 16 TAC § 24.3(59).
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 Tex. Administrative Procedures Act, TWC §§ 13.242, 13.246, 13.254 and 13.301 and 16 TAC §§ 24.103, 24.109 and 24.112.
5. The Utility and Olmito completed the sale within one year from the date of the Commission's approval of the sale, consistent with 16 TAC § 24.112(e).
6. The Utility and Olmito have demonstrated that the sale or lease and transfer of service area and the cancellation of CCN No. 20714 requested in this application are necessary for the service, accommodation, convenience, and safety of the public.
7. 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 Order:

1. The application is approved and the proposed service area and facilities in Cameron County are transferred to Olmito.
2. The Utility's water CCN No. 20714 is cancelled.
4. Olmito, as a retail public utility, is required to collect and remit the Regulatory Assessment Fee to the Commission annually.
5. 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 \_\_\_\_\_ day of \_\_\_\_\_, 2017.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**SUSAN E. GOODSON  
ADMINISTRATIVE LAW JUDGE**





Olmito Water Supply Company  
Portion of Sewer CCN No. 20784  
PUC Docket No. 46205

Transferred all of John Frias Waste Water Utility, CCN No. 20714 in Cameron County



Public Utility Commission of Texas  
1701 N. Congress Ave  
Austin, TX 78701

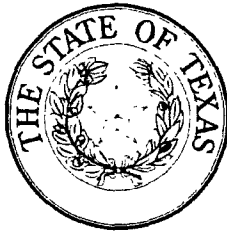
**Sewer CCN**

-  20784 - Olmito Water Supply Company
-  20861 - East Rio Hondo WSC

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Map by: Komal Patel  
Date created: June 12, 2017  
Project Path: n:\finalmapping\46205OlmitoWSC.mxd



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

## **Olmito Water Supply Corporation**

having obtained certification to provide sewer 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, Olmito Water Supply Corporation is entitled to this

### **Certificate of Convenience and Necessity No. 20784**

to provide continuous and adequate sewer utility service to that service area or those service areas in Cameron County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 46205 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Olmito Water Supply Corporation 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 amend 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, the \_\_\_\_\_ day of \_\_\_\_\_ 2017.