

Control Number: 46996



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APPLICATION OF CHUCK BELL DBA CHUCK BELL WATER SYSTEM, LLC AND UNDINE TEXAS, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN JOHNSON AND TARRANT COUNTIES	§ § § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS PUBLIC UTILITY COMMISSION FILING CLERK JUN 23 AM 10:18
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**COMMISSION STAFF'S SECOND ADMINISTRATIVE COMPLETENESS  
RECOMMENDATION**

COMES NOW the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files this response to Order No. 3, Staff's Second Administrative Completeness Recommendation. Staff recommends that the application continue to be found deficient at this time. In support thereof, Staff shows the following:

**I. BACKGROUND**

On March 27, 2017, Chuck Bell d/b/a Chuck Bell Water System, LLC (Chuck Bell) and Undine Texas, LLC (Undine) (collectively, Applicants) filed an application (the Application) with the Commission for sale, transfer, or merger (STM) of facilities and certificate rights in Johnson and Tarrant Counties, Texas. Undine seeks approval to acquire all of the water assets and certificate rights of Chuck Bell held under water Certificate of Convenience and Necessity (CCN) No. 12190.

On May 1, 2017, the Commission administrative law judge (ALJ) issued Order No. 2, finding the Application deficient, requiring the Applicants to file a supplement, and establishing a deadline for Staff to file a supplemental recommendation regarding the administrative completeness of the Application. On May 18, 2017, the Applicants filed supplemental documentation. On May 22, 2017, the ALJ issued Order No. 3, extending Staff's deadline to file a supplemental administrative completeness recommendation until June 23, 2017. Therefore, this pleading is timely filed.

**II. DEFICIENCY RECOMMENDATION**

As indicated in the attached memorandum of Sean Scaff of the Water Utilities Division; Staff reviewed the supplemental materials submitted by the Applicants and determined that the

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Application remains deficient. First, the revised maps submitted still do not comply with Commission requirements. Second, the revised mapping documentation shows overlaps with portions of the certificated service areas of the City of Cleburne (CCN No. 10917), Johnson County SUD (CCN No. 10081), and Monarch Utilities I LP (CCN No. 12983). If it is the Applicants' intent to seek that these areas be included in the STM, then Applicants must file signed agreements from those entities which indicate that they agree to the decertification of a portion of their respective service areas. Along with such signed agreements, the Applicant must also clarify whether any existing customers would be changing water service providers in the areas being decertified from the existing certificate holders. Finally, Staff continues to note that although not required for completion of the administrative completeness phase, the Applicants must ultimately provide a list of licensed operational staff that will be hired to operate the proposed areas. That list must include the operator's name, license number, and the class of their license (i.e. Class A, B, C, or D).

Because the Application continues to lack adequate maps and other identified information, Staff recommends that the Application be found deficient and that the Applicants be ordered to file a supplement addressing these deficiencies.

### **III. PROCEDURAL SCHEDULE**

Due to the deficiencies in the Application, Staff does not recommend a procedural schedule for the evaluation of the merits of the Application at this time. Staff recommends that the Applicants be given until July 21, 2017 to cure the identified deficiencies in the Application and that Staff be given until August 16, 2017 to file a supplemental administrative completeness recommendation.

Furthermore, pursuant to 16 TAC § 24.8(d), an application is not considered filed until the Commission makes a determination of administrative completeness. If the ALJ agrees with Staff's deficiency recommendation, then the Application is not administratively complete and therefore the Application is not considered filed.

#### IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that the Application continue to be deemed insufficient and that the Applicants be ordered to file further supplemental documentation addressing the identified deficiencies by July 21, 2017.

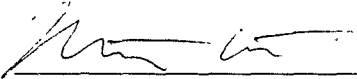
Dated: June 23, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

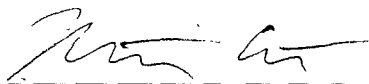
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**PUC DOCKET NO. 46996  
CERTIFICATE OF SERVICE**

I certify that a copy of this document was served on all parties of record in this proceeding on June 23, 2017 in accordance with the requirements of 16 Tex. Admin. Code § 22.74.



Matthew A. Arth

**PUC Interoffice Memorandum**

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**To:** Matthew Arth, Attorney  
Legal Division

**Through:** Lisa Fuentes, Manager  
Water Utilities Division

**From:** Sean Scaff, Engineering Specialist  
Water Utilities Division

**Date:** June 19, 2017

**Subject:** **Docket No. 46996:** *Application of Chuck Bell d/b/a Chuck Bell Water System, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Johnson and Tarrant Counties*

On March 27, 2017, Chuck Bell dba Chuck Bell Water System, LLC (Chuck Bell or Seller) and Undine Texas, LLC (Undine or Buyer), (collectively, Applicants), filed an application for a sale, transfer, merger (STM) of facilities and Certificate of Convenience and Necessity (CCN) rights in Johnson and Tarrant Counties, Texas, pursuant to Texas Water Code § 13.301 (TWC) and the 16 Tex. Admin. Code §§ 24.109 and 24.112 (TAC). Specifically, Undine seeks approval to acquire facilities and transfer customers and CCN No. 12190 from Chuck Bell.

Based on a review of the revised mapping documentation filed on May 18, 2017, Staff recommends that the application be deemed insufficient for filing and found administratively incomplete. The revised maps and digital mapping data filed indicate the Applicants' intent of the application should be amended to also include decertifying portions of the certificated service areas from the City of Cleburne (CCN No. 10917), Johnson County SUD (CCN No. 10081), and Monarch Utilities I LP (CCN No. 12983).

**Administrative Completeness**

The maps and digital mapping data remain deficient, since they do not accurately display the outer boundary of each requested area. The maps should display the outer boundary of each requested area, which incorporates all the areas to be added, decertified and/or transferred. Also, the maps should designate each portion of the requested area that is being decertified and label the corresponding CCN number.

Applicant must file the following items to resolve the mapping deficiencies:

- Revised general location map clearly identifying the outer boundary of each requested area in reference to the nearest county boundary, city, or town.
- Revised detailed maps identifying the outer boundary of each requested area in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads.
- Revised digital mapping data for the outer boundary of each requested area provided in a shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters). Also, include each polygon record (portion) being decertified from the indicated CCN number.

Also, the revised mapping documentation provided shows overlaps with portions of other certificated service areas not owned by Chuck Bell, which the Applicant is seeking to decertify and amend to Undine Texas, LLC. The Applicant must file agreements allowing decertification of the following certificated service areas:

- City of Cleburne (CCN No. 10917)
- Johnson County SUD (CCN No. 10081)
- Monarch Utilities I LP (CCN No. 12983)

Staff requests the Applicant to clarify if any existing customers are changing water service providers in the areas being decertified from existing certificate service areas.

**Technical Review**

Although not required for administrative review, Commission staff recommends the Applicants submit and address the following information in order to **approve** the application:

The Applicants must also provide a list of licensed operational staff that will be hired to operate the proposed areas. The list must contain the operators name, license number and class of license (i.e. A, B, C, D)