



Control Number: 46996



Item Number: 24

Addendum StartPage: 0

RECEIVED

2017 AUG 16 AM 9:33

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
---	--------------------------------------	--

**COMMISSION STAFF'S THIRD 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. 4, Staff's Third 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 June 28, 2017, the Commission administrative law judge (ALJ) issued Order No. 4, finding that the Application remains deficient and requiring the Applicants to file a supplement. On July 21, 2017, the Applicants filed supplemental documentation. Order No. 4 also required Staff to file a supplemental recommendation regarding the administrative completeness of the Application by August 16, 2017. Therefore, this pleading is timely filed.

II. DEFICIENCY RECOMMENDATION

As indicated in the attached memorandum of Sean Scaff of the Water Utility Regulation Division, Staff reviewed the supplemental materials submitted by the Applicants on July 21, 2017 and determined that the Application remains deficient. First, the Applicants filed a decertification agreement from Monarch Utilities I, LP regarding the overlap with CCN No.

24

12983, but decertification agreements are still necessary from the City of Cleburne for the overlapping portion of CCN No. 10917 and Johnson County SUD for the overlapping portion of CCN No. 10081. Second, but on a related note, Staff needs clarification from the Applicants regarding the intent of the Application. Do the overlaps with neighboring utilities' service areas presented in the mapping data represent areas where Chuck Bell in fact has customers and infrastructure but was serving outside of its service area? Or do the overlaps with those neighboring utilities simply represent areas which Undine would like to incorporate into the service area that it is acquiring from Chuck Bell?

Because the Application lacks the identified information, Staff recommends that the Application continue to be found administratively incomplete and that the Applicants be ordered to file a supplement addressing the identified 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 September 15, 2017 to cure the identified deficiencies in the Application and that Staff be given until October 13, 2017 to file a supplemental administrative completeness recommendation.

Furthermore, Staff notes that 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 September 15, 2017.

Dated: August 16, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

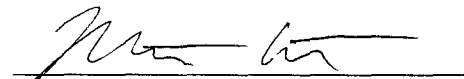
Katherine Lengieza Gross
Managing Attorney



Matthew A. Arth
State Bar No. 24090806
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7021
(512) 936-7268 (facsimile)
Matthew.Arth@puc.texas.gov

**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 August 16, 2017 in accordance with the requirements of 16 Tex. Admin. Code § 22.74.



Matthew A. Arth

PUC Interoffice Memorandum

To: Matthew Arth, Attorney
Legal Division

Through: Lisa Fuentes, Manager
Water Utility Regulation Division

From: Sean Scaff, Engineering Specialist
Water Utility Regulation Division

Date: August 11, 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 items filed on July 21, 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

Staff is unable to determine the sufficiency of the mapping documentation until the Applicant files agreements for decertification from the following CCN holders:

- City of Cleburne (CCN No. 10917)
- Johnson County SUD (CCN No. 10081)

Commission Staff would also like clarification from the Applicants on whether Undine is attempting a straight STM transfer of the Chuck Bell properties, or if they intend on taking on the customers, service area and infrastructure of the overlapped areas in addition to the Chuck Bell systems.