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DOCKET NO. 48151

APPLICATION OF BOLIVER	§	PUBLIC UTILITY COMMISSION
UTILITY SERVICES, LLC AND	§	21
UNDINE TEXAS ENVIRONMENTAL,	§	OF TEXAS
LLC FOR SALE, TRANSFER, OR	§	
MERGER OF FACILITIES AND	§	
CERTIFICATES RIGHTS IN	§	
GALVESTON COUNTY	§	

**COMMISSION STAFF'S RECOMMENDATION
ON ADMINISTRATIVE COMPLETENESS AND PROPOSED NOTICE**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and in response to Order No. 1, files this Recommendation on Administrative Completeness and Proposed Notice. Staff recommends that the application be deemed administratively incomplete and that the applicant be ordered to address the identified deficiencies. In support thereof, Staff shows the following:

I. BACKGROUND

On March 8, 2018, Bolivar Utility Services, LLC (Bolivar), and Undine Texas Environmental, LLC (Undine) (collectively Applicants), filed an application for a sale, transfer, or merger of facilities and Certificate of Convenience and Necessity (CCN) rights in Galveston County, Texas. Specifically, Bolivar seeks to sell its sewer system and transfer the service area under CCN No. 21026 to Undine. The total area being requested includes approximately 37,468 acres and serves 668 current customers.

On March 12, 2018, Order No. 1 was issued, establishing a deadline of April 9, 2018, for Staff to file a recommendation on the administrative completeness of the application and notice and propose a procedural schedule for further processing of the application.

II. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum from Sean Scaff in the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that it be found administratively incomplete. Specifically, Staff has identified deficiencies in the application content. Staff recommends that Applicants submit additional application content, as further detailed in the attached memorandum.

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III. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively incomplete. Therefore, Staff recommends that a deadline of May 9, 2018, be established for Applicants to supplement the application. Staff further recommends that a deadline of May 30, 2018, be established for Staff to review Applicants' supplemental information and make a supplemental recommendation on the administrative completeness of the application. Staff notes that the Applicants should not issue notice until the application is found administratively complete.

IV. CONCLUSION

For the reasons discussed above, Staff respectfully recommends that the application be found administratively incomplete. Staff further recommends that the procedural schedule proposed above be adopted for further processing of this docket.

Dated: April 9, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 9, 2018 in accordance with 16 TAC § 22.74.



Richard Nemer

PUC Interoffice Memorandum

To: Rick Nemer, Attorney
Legal Division

Through: Tammy Benter, Director
Lisa Fuentes, Manager
Water Utility Regulation Division

From: Sean Scaff, Engineering Specialist
Leila Guerrero, Financial Analyst
Water Utility Regulation Division

Date: April 5, 2018

Subject: **Docket No. 48151:** *Application of Bolivar Utility Services, LLC and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Certificate Rights in Galveston County*

On March 8, 2018, Bolivar Utility Services, LLC (Bolivar or seller), and Undine Texas Environmental, LLC (Undine or purchaser) (collectively Applicants), filed an application for a sale, transfer, merger (STM) of facilities and Certificate of Convenience and Necessity (CCN) rights in Galveston County, Texas. This application was filed pursuant to Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.109. Specifically, Undine, seeks to acquire all of Bolivar's waste water service area, facilities, and customers held under CCN No. 21026.

Based on a review of the information in the application, Staff recommends that the application be deemed insufficient for filing and found administratively incomplete due to the deficiencies detailed below.

Application Content:

Applicants must file the following items to resolve the application deficiencies:

- Signed and notarized oaths from the purchaser and seller;
- Undine's audited financial statements for calendar years 2016 and 2017. If audited financial statements are not available, provide the unaudited financial reports; and
- Notarized affidavit, signed by an appropriate representative of an Undine affiliated interest, providing a written guarantee to cover any operations and maintenance cash shortages. The affidavit would serve to satisfy the operations test under 16 TAC § 24.11(e)(3).