



Control Number: 48246



Item Number: 6

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**DOCKET NO. 48246**

**APPLICATION OF NERRO SUPPLY §  
INVESTORS, LLC TO AMEND A §  
WATER CERTIFICATE OF §  
CONVENIENCE AND NECESSITY §  
IN MONTGOMERY COUNTY §**

**PUBLIC UTILITY COMMISSION**

**OF TEXAS**

2018 MAY -9 AM 9:47

FILED IN THE CLERK'S OFFICE

**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 sufficient for further review. In support thereof, Staff shows the following:

**I. BACKGROUND**

On April 9, 2018, Nerro Supply Investors, LLC (Nerro) filed an application to amend its water Certificate of Convenience and Necessity (CCN) No. 10336 in Montgomery County. The total service area being requested includes approximately fifty five (55) acres and no (0) current customers. On May 1, 2018, Nerro filed a supplement to their application.

On April 10, 2018, the Administrative Law Judge (ALJ) issued Order No. 1 requiring Staff to file a recommendation on the administrative completeness of the application and proposed notice as well as propose a procedural schedule for further processing of the application. The deadline provided was May 9, 2018. Therefore, this pleading is timely filed.

**II. ADMINISTRATIVE COMPLETENESS**

As detailed in the attached memorandum of Leila Guerrero in the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that it be found administratively complete and accepted for filing.

**III. NOTICE**

As further detailed in the attached memorandum, Staff recommends that Nerro proceed with providing public notice and be directed to use the attached forms to provide such notice to the following persons, political subdivisions and other entities:



- a. cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area;
- b. the county judge of each county that is wholly or partially included in the requested area;
- c. each groundwater conservation district that is wholly or partially included in the requested area; and
- d. landowners who own a tract of land that is at least 25 acres and is wholly or partly located in the requested area to be certified. The landowner information may be obtained from the county appraisal district tax rolls for the county or counties in which the requested area is located;
- e. any affected customers, and other affected parties in the requested area; and
- f. publish notice once each week for two (2) consecutive weeks in a newspaper of general circulation in Montgomery County.

In addition, Staff recommends that Nerro provide correct notice of the application to the following entities:

- H-M-W SUD (CCN No. 10342)
- Johnston Water Utility LLC (CCN No. 12788)
- Pinehurst Decker Prairie WSC (CCN No. 11768)
- Quadvest LP (CCN No. 11612)
- South Central Water Company (CCN No. 13061)
- T & W Water Service (CCN No. 12892)
- Town of Stagecoach
- Lone Star Groundwater Conservation District
- San Jacinto River Authority
- Montgomery County Judge

Staff further recommends that the applicant do the following:

1. Provide an accurate map delineating the requested area with each individual notice to neighboring utilities, other affected parties, landowners and customers. Information related to districts including addresses can be obtained by Nerro from the TCEQ's web site located at <http://www14.tceq.texas.gov/iwud/>
2. Within 30 days of the date of the notice, file in the docket a map and copy of notice along with an affidavit specifying every person and entity to whom notice was provided, the date that the notice was provided, and the publisher's affidavit for proof of newspaper publication. It is recommended that Nerro use the attached notices and affidavits to meet these requirements.
3. In addition, please provide copies of the balance sheet and income statement (financial statement) for the year 2016 and projected financial statements for five years (2018 – 2022).



## PROCEDURAL SCHEDULE

Staff has conferred with the representative for Nerro, Bret W. Fenner, and is authorized to report that Nerro agrees with the following proposed procedural schedule:

Event	Date
Deadline for Nerro to file with the Commission signed affidavits that the notice was given along with a copy of the notice sent to the affected parties and published in a newspaper of general circulation	June 25, 2018
Deadline for Staff to file a recommendation on sufficiency of notice and propose a supplemental procedural schedule	Within 10 days of Nerro filing proof of completed notice with the Commission
Deadline to intervene	30 days after notice is issued

## IV. CONCLUSION

For the reasons discussed above, Staff recommends that the application be found administratively complete, that Nerro be directed to provide notice as detailed above and in the attached memorandum, and that the procedural schedule be adopted.

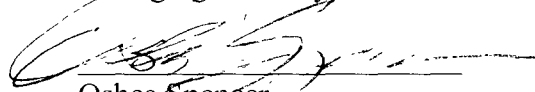
Dated: May 8, 2018

Respectfully Submitted,

### PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney



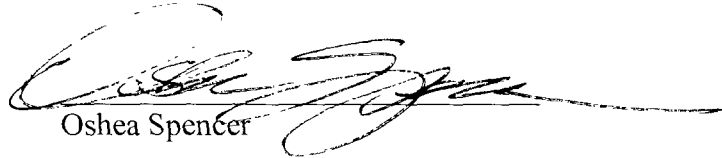
Oshea Spencer  
State Bar No. 24039190  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7289  
(512) 936-7268 (facsimile)  
oshea.spencer@puc.texas.gov



**DOCKET NO. 48246**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on May 8, 2018 in accordance with 16 TAC § 22.74.

  
Oshea Spencer



## PUC Interoffice Memorandum

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**To:** Oshea Spencer, Attorney  
Legal Division

**Thru:** Lisa Fuentes, Manager  
Water Utility Regulation Division

**From:** Leila Guerrero, Regulatory Accountant/Auditor  
Water Utility Regulation Division

**Date:** May 4, 2018

**Subject:** **Docket No. 48246**, *Application of Nerro Supply Investors, LLC to Amend its Water Certificate of Convenience and Necessity (CCN) in Montgomery County*

On April 9, 2018, Nerro Supply Investors, LLC (Applicant) filed with the Public Utility Commission of Texas (Commission) an application to amend its water Certificate of Convenience and Necessity (CCN) No. 10336 in Montgomery County, Texas pursuant to Texas Water Code Ann. (TWC), §§ 13.242 to 13.250 and the 16 Texas Administrative Code (TAC) §§ 24.101 to 24.107. The requested area includes approximately 55 acres and 0 current customers.

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

- 1) Provide notice of the application to the following:
  - a) cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area;
  - b) the county judge of each county that is wholly or partially included in the requested area;
  - c) each groundwater conservation district that is wholly or partially included in the requested area; and
  - d) landowners who own a tract of land that is at least 25 acres and is wholly or partly located in the requested area to be certified. The landowner information may be obtained from the county appraisal district tax rolls for the county or counties in which the requested area is located;
  - e) any affected customers, and other affected parties in the requested area; and
  - f) publish notice once each week for two (2) consecutive weeks in a newspaper of general circulation in Montgomery County.
- 2) Provide correct notice of the application to the following entities:
  - H-M-W SUD (CCN No. 10342)
  - Johnston Water Utility LLC (CCN No. 12788)
  - Pinchurst Decker Prairie WSC (CCN No. 11768)
  - Quadvest LP (CCN No. 11612)
  - South Central Water Company (CCN No. 13061)
  - T & W Water Service (CCN No. 12892)



- Town of Stagecoach
  - Lone Star Groundwater Conservation District
  - San Jacinto River Authority
  - Montgomery County Judge
- 3) Provide an accurate map delineating the requested area with each individual notice to neighboring utilities, other affected parties, landowners and customers. Information related to districts including addresses can be obtained by the Applicant from the TCEQ's web site located at <http://www14.tceq.texas.gov/iwud/>
  - 4) Within 30 days of the date of the notice, file in the docket a map and copy of notice along with an affidavit specifying every person and entity to whom notice was provided, the date that the notice was provided, and the publisher's affidavit for proof of newspaper publication. It is recommended that the Applicant use the attached notices and affidavits to meet these requirements.
  - 5) In addition, please provide copies of the balance sheet and income statement (financial statement) for the year 2016 and projected financial statements for five years (2018 – 2022).



## ***Notice to Neighboring Systems, Landowners and Cities***

### **NOTICE OF APPLICATION OF NERRO SUPPLY INVESTORS, LLC TO AMEND A WATER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN MONTGOMERY COUNTY, TEXAS**

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 2018  
(Neighboring System, Landowner or City)  
\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
(City State Zip)

Nerro Supply Investors, LLC filed an application with the Public Utility Commission of Texas to amend its water CCN No. 10336 in Montgomery County, Texas.

The requested area is located approximately 4 miles southeast of downtown Magnolia, Texas, and is generally bounded on the north by Gossamer Lane; on the east by Adams Lane; on the south by FM 1774; and on the west by Hazy Meadows Lane and FM 1774. The total area for the water utility service being requested includes approximately 55 acres of land and 0 current customers. **See enclosed map of the proposed service area.**

*Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date.*

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the requested area, may file a written with the Commission to be excluded from the requested area ("opt out") within (30) days from the date that notice was provided by the applicant. All opt out requests must include a large scale map and a metes and bounds description of the landowner's tract of land.

Persons who wish to request this option should file the required documents with the:

Public Utility Commission of Texas  
Central Records  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

In addition, the landowner must also send a copy of the opt-out to the applicant. Staff may request additional information regarding your request.

Si desea información en español, puede llamar al 1-888-782-8477.



# PUBLIC UTILITY COMMISSION



## AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, LANDOWNERS, NEIGHBORING UTILITIES AND AFFECTED PARTIES DOCKET NO. 48246

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

\_\_\_\_\_ has provided individual  
notice to the following entities, landowners and customers:

DATE OF NOTICE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OATH

I, \_\_\_\_\_, being duly sworn, file this form as  
\_\_\_\_\_ (indicate relationship to applicant, that is,  
owner, member of partnership, title of officer of corporation, or other authorized representative of  
applicant); that in such capacity, I am qualified and authorized to file and verify such form, am  
personally familiar with the notices given with this application, and have complied with all notice  
requirements in the application and application acceptance letter; and that all such statements made  
and matters set for therein are true and correct.

\_\_\_\_\_  
Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant,  
or its' attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
to certify which witness my hand and seal of office.

\_\_\_\_\_  
Notary Public in and for the State of Texas

\_\_\_\_\_  
Print or Type Name of Notary Public

Commission Expires \_\_\_\_\_



## *Notice for Publication*

### NOTICE OF APPLICATION OF NERRO SUPPLY INVESTORS, LLC TO AMEND A WATER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN MONTGOMERY COUNTY, TEXAS

Nerro Supply Investors, LLC filed an application with the Public Utility Commission of Texas to amend its water CCN No. 10336 in Montgomery County, Texas.

The requested area is located approximately 4 miles southeast of downtown Magnolia, Texas, and is generally bounded on the north by Gossamer Lane; on the east by Adams Lane; on the south by FM 1774; and on the west by Hazy Meadows Lane and FM 1774. The total area for the water utility service being requested includes approximately 55 acres of land and 0 current customers.

**A copy of the proposed service area map may be viewed at:** P.O. Box 691008, Houston, Texas 77269 (281) 355-1312.

*Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date.*

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Si desea información en español, puede llamar al 1-888-782-8477.



# PUBLIC UTILITY COMMISSION



PUBLISHER'S AFFIDAVIT  
DOCKET NO. 48246

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_,  
who being by me duly sworn, deposes and that (s)he is the

\_\_\_\_\_ of the \_\_\_\_\_  
(TITLE) (NAME OF NEWSPAPER)

that said newspaper is regularly published in \_\_\_\_\_  
(COUNTY/COUNTIES)

and generally circulated in \_\_\_\_\_, Texas;  
(COUNTY/COUNTIES)

and that the attached notice was published in said newspaper on the following dates, to wit:

\_\_\_\_\_  
(DATES)

\_\_\_\_\_  
(SIGNATURE OF NEWSPAPER REPRESENTATIVE)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018  
to certify which witness my hand and seal of office.

\_\_\_\_\_  
Notary Public in and for the State of Texas

\_\_\_\_\_  
Print or Type Name of Notary Public

Commission Expires \_\_\_\_\_