



Control Number: 48505



Item Number: 8

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APPLICATION OF SHELCON §
SERVICES AND CREST WATER §
COMPANY FOR SALE, TRANSFER, §
OR MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS IN TARRANT §
COUNTY §

2018 AUG -2 AM 10:09
PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
OF TEXAS
CLERK

**COMMISSION STAFF’S RECOMMENDATION
ON ADMINISTRATIVE COMPLETENESS**

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. Staff recommends that the application be deemed administratively incomplete and that the applicants be ordered to address the identified deficiencies. In support thereof, Staff shows the following:

I. BACKGROUND

On July 2, 2018, Shelcon Services and Crest Water Company (collectively, Applicants) filed an application for approval of a sale, transfer, or merger of facilities and Certificate of Convenience and Necessity (CCN) rights in Tarrant County, Texas. Specifically, Applicants entered into an agreement for the purchase of Mustang Creek Estates public water system (PWS). If approved, Shelcon Services will deed the Mustang Creek Estates PWS facilities and water service area under CCN No. 13055. The total area being requested includes approximately 358 acres and 273 current customers.

On July 11, 2018, Order No. 1 was issued, establishing a deadline of August 2, 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. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum from Kathryn Eiland 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.

III. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively incomplete. Therefore, Staff recommends that a deadline of September 4, 2018 be established for Applicants to supplement the application. Staff further recommends that a deadline of October 4, 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 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.

Date: August 2, 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 August 2, 2018, in accordance with 16 TAC § 22.74.

Justine Tan

Justine Isabelle Caedo Tan

PUC Interoffice Memorandum

To: Justine Tan, Attorney
Legal Division

Thru: Lisa Fuentes, Manager
Water Utility Regulation Division

From: Kathryn Eiland, Financial Analyst
Water Utility Regulation Division

Date: August 2, 2018

Subject: **Docket 48505** *Application of Shelcon Services and Crest Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Tarrant County*

On July 2, 2018, Crest Water Company (Purchaser) and the Shelcon Services (Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Tarrant County, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and the 16 Tex. Admin Code (TAC) § 24.109. Specifically, Purchaser seeks approval to acquire facilities and to transfer water service area from Shelcon under water Certificate of Convenience and Necessity (CCN) No. 13055. The requested area includes approximately 358 acres and 273 connections.

Staff has reviewed the information provided by the Applicant and recommends the application be deemed administratively incomplete and not accepted for filing due to the deficiencies detailed below:

Application Content:

1. The STM application was revised in March 2018 and the former version was removed from the website in May. The application filed by the Applicants was the previous version. The Applicants must complete and submit the latest version of the STM application.
2. The Applicants must file a copy of the submittal letter to the TCEQ for construction of the new well. The TCEQ approval letter must be on file prior to Staff making a final recommendation on the application.

Note: Any confidential items should be submitted as confidential filings with the PUC. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).