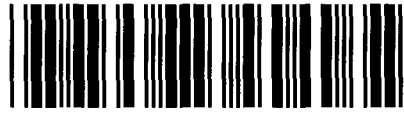


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Addendum StartPage: 0

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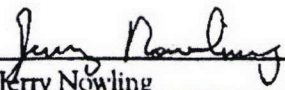
**APPLICATION OF J & S WATER COMPANY, LLC AND
NERRO SUPPLY LLC**

6

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

SELLER:

J&S Water Company, LLC, a Texas limited liability company

By: 
Name: Kerry Nowling
Title: Owner/Managing Member

BUYER:

Nerro Supply, LLC, a Texas limited liability company

By: 
Name: Gregory Pappas
Title: Managing Member

A fully executed copy of this Agreement has been received by the undersigned on this _____ day of _____, 2018 (the "Effective Date").

Alamo Title Company, a Texas corporation

By: _____
Name: Chris Underbrink
Title: Executive Vice President

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48532

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
 - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
 - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
 - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (**NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.**)

- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
 - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***

- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.

HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

PUBLIC UTILITY COMMISSION
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Application Summary

Transferor: J & S Water Company, LLC.

(selling entity)

CCN No.s: 12085 & 20658

Sale
 Transfer
 Merger
 Consolidation
 Lease/Rental

Transferee: Nero Suply, LLC

(acquiring entity)

CCN No.s: 12252 & 20366

Water
 Sewer
 All CCN
 Portion CCN
 Facilities transfer

County(ies): Harris, Chambers & Liberty

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Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
<input checked="" type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4
<input checked="" type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input type="checkbox"/> Partnership Agreement	Part C: Question 7
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input type="checkbox"/> Financial Audit	Part C: Question 10
<input checked="" type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10
<input type="checkbox"/> Capital Improvement Plan	Part C: Question 10
<input checked="" type="checkbox"/> List of Assets to be Transferred	Part D: 11.B
<input type="checkbox"/> Developer Contribution Contracts or Agreements	Part D: 11.D
<input checked="" type="checkbox"/> Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
<input type="checkbox"/> TCEQ Compliance Correspondence	Part F: Question 22
<input type="checkbox"/> TCEQ Engineering Approvals	Part F: Question 24
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part F: Question 26
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> General Location (small scale) Map	Part G: Question 29
<input type="checkbox"/> Digital Mapping Data	Part G: Question 29
<input checked="" type="checkbox"/> Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

The purpose of this transaction is for Nerro Supply, LLC to purchase portions of the water and sewer assets of J&S Water Company, LLC. and to add these transferred service areas to its water and sewer Certificates of Convenience and Necessity. This application is only for the sale and transfer of the existing water and sewer service areas of the transferred systems. No additional service area is being requested nor is any service area being amended as a part of this application. The existing water and sewer systems being purchased and transferred are Maple Leaf Gardens PWS #1011493 & WQ12342-001, Oakland Village PWS #1010049 and Woodland Acres PWS #0360027 & WQ11720-001. (See Attached Purchase and Sale Agreement between the Parties)

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

- Obtaining a NEW CCN for Purchaser
- Transfer all CCN into Purchaser's CCN (Merger)
- Transfer Portion of CCN into Purchaser's CCN
- Transfer all CCN to Purchaser and retain Seller CCN
- Uncertificated area added to Purchaser's CCN

For **Transferor** (Seller) CCN:

- Cancellation of Seller's CCN
- Transfer of a Portion of Seller's CCN to Purchaser
- Only Transfer of Facilities, No CCN or Customers
- Only Transfer of Customers, No CCN or Facilities
- Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: J & S Water Company, LLC
(individual, corporation, or other legal entity)
 Individual Corporation WSC Other: _____

B. Mailing Address: 8010 Thompson Road, Highlands, Texas 77562

Phone: (281) 590-4359 Email: jswaterco@yahoo.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Jerry Nowling Title: Director

Mailing Address: 8010 Thompson Road, Highlands, Texas 77562

Phone: (281) 590-4359 Email: jswaterco@yahoo.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B: (See Attached Water & Sewer Tariffs)

A. Effective date for most recent rates: February 1, 2017

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

No Yes Application or Docket Number: 46438

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:
- There are no customers that will be transferred (See Attached List of Customer Deposits)
- # of customers without deposits held by the transferor 130
- # of customers with deposits held by the transferor* 423
- *Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the transferee (purchaser or proposed service provider)

6. A. Name: Nerro Supply, LLC
(individual, corporation, or other legal entity)
 Individual Corporation WSC Other:
- B. Mailing Address: P.O. Box 691008, Houston, TX 77269
-
- Phone: (281) 355-1312 Email: customerservice@gulfutility.net
- C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.
- Name: Chuck Peterson Title: Manager
- Address: P.O. Box 691008, Houston, TX 77269
- Phone: (281) 355-1312 Email: chuck@gulfutility.net
- D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?
- No Yes N/A
- E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?
- No Yes N/A

7. The legal status of the transferee is:
- Individual or sole proprietorship
- Partnership or limited partnership (*attach* Partnership agreement)
- Corporation
 Charter number (as recorded with the Texas Secretary of State): 32043563207
- Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
 Charter number (as recorded with the Texas Secretary of State): _____
 Articles of Incorporation and By-Laws established (*attach*)
- Municipally-owned utility
- District (MUD, SUD, WCID, FWSD, etc.)

THIS DOCUMENT CONTAINED A BAR CODE

UNABLE TO SCAN

TO VIEW DOCUMENT(S) PLEASE CONTACT
CENTRAL RECORDS (512)-936-7180