



Control Number: 48532



Item Number: 7

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RECEIVED

APPLICATION OF J&S WATER §
COMPANY, LLC AND NERRO §
SUPPLY, LLC FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN HARRIS, CHAMBERS, §
AND LIBERTY COUNTIES §

2018 AUG 20 AM 11:32
PUBLIC UTILITY COMMISSION
OF TEXAS
REGULATORY DIVISION
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 sufficient for further review. In support thereof, Staff shows the following:

I. BACKGROUND

On July 18, 2018, J&S Water Company, LLC (J&S) and Nerro Supply, LLC (Nerro) (collectively, Applicants), filed an application for sale, transfer, or merger of facilities and certificate rights in Harris, Chambers, and Liberty Counties. Specifically, the Applicants seek approval to transfer a portion of J&S’s facilities and water and sewer service areas under water Certificate of Convenience and Necessity (CCN) No. 12085 and sewer CCN No. 20658 to Nerro’s water CCN No. 12252 and sewer CCN No. 20366. The requested area includes approximately 154 acres and 553 connections.

On July 20, 2018, Order No. 1 was issued establishing a deadline of August 20, 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 Emily Sears, in the Commission’s Water Utility Regulation Division, Staff has reviewed the application and supplemental information and recommends that the application be found administratively complete pursuant to 16 Tex. Admin. Code (TAC) §§ 24.109 and 24.119.

III. NOTICE

The Commission's notice requirement for sale, transfer, merger applications are provided by 16 TAC 24.112. Specifically, Staff 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 areas 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;
 - d) any affected customers, and other affected parties in the requested area; and
 - e) publish notice once a week for two (2) consecutive weeks in a newspaper of general circulation in Harris, Chambers, and Liberty Counties.

- 2) Provide correct notice of the application to the following:
 - Aqua Texas Inc (CCN Nos. 13203, 21065)
 - Gulf Coast Waste Disposal Authority (CCN No. 20465)
 - H C M U D Inc (CCN Nos. 11952, 20641)
 - Hunters Cove Section 1 WSC (CCN No. 12423)
 - Krebs Utilities Inc (CCN No. 11984)
 - Reid Road MUD 1 (CCN Nos. 11102, 20440)
 - Sunbelt FWSD (CCN No. 10833)
 - Trinity @ Windfern LLC (CCN Nos. 13239, 21088)
 - White Oak Manor (CCN No. 12987)
 - Woodcreek Water of Liberty (CCN No. 12449)
 - City of Houston
 - City of Jersey Village
 - City of Mont Belvieu
 - City of Old River Winfree
 - Baytown Area Water Authority
 - Chambers-Liberty Counties Navigation District
 - Coastal Water Authority
 - Cy Fair Community Improvement District
 - Emerald Forest Utility District
 - Harris County FCD
 - Harris County MUD 6

- Harris County MUD 23
- Harris County MUD 25
- Harris County MUD 220
- Harris County MUD 261
- Harris County MUD 366
- Harris County WCID 133
- Harris-Galveston Coastal Subsidence District
- Near Northwest Management District
- North Harris County Regional Water Authority
- Northwest Park MUD
- Port of Houston Authority
- Reid Road MUD 1
- Reid Road MUD 2
- Rolling Fork PUD
- Trinity River Authority of Texas
- West Harris County MUD 1
- West Harris County MUD 9
- West Harris County MUD 10
- West Harris County MUD 11
- West Harris County MUD 21
- White Oak Bend MUD
- Windfern Forest Utility District
- Chambers County Judge
- Harris County Judge
- Liberty County Judge

- 3) Provide an accurate map delineating the requested service area with each individual notice to neighboring utilities, other affected parties, and customers. Information related to districts including addresses can be obtained by the Applicants from the TCEQ web site located at <http://www14.tceq.texas.gov/iwud/>.
- 3) 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 Applicants use the attached notices and affidavits to meet these requirements.

Within 30 days of the Commission order, Staff recommends that the Applicants be required to file a copy of the actual notices issued, the map issued with the individual mailed notices, and the signed affidavits (copies attached) indicating that the notices were given.

IV. PROCEDURAL SCHEDULE

Staff recommends the application be found administratively complete. Staff therefore proposes the following procedural schedule:

Event	Date
Deadline for Applicants to file notices and affidavits of proof of notice	September 21, 2019
Deadline for Staff to file a recommendation on sufficiency of notice	Within 10 days of Applicant filing proof of completed notice with the Commission
Deadline for intervention; deadline for intervenors to request a hearing on the merits	30 days after notice is issued

V. CONCLUSION

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

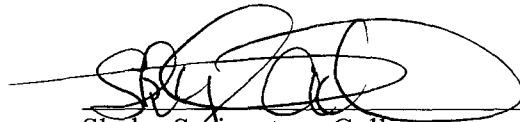
Dated: August 20, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

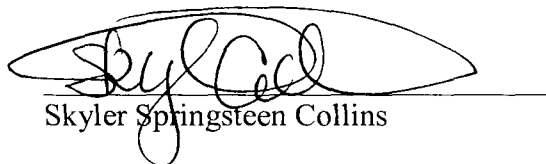


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(512) 936-7203
(512) 936-7268 (facsimile)
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DOCKET NO. 48532

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on August 20, 2018, in accordance with 16 Texas Administrative Code § 22.74.



Skyler Springsteen Collins

PUC Interoffice Memorandum

To: Skyler Collins, Attorney
Legal Division

Thru: Lisa Fuentes, Manager
Water Utility Regulation Division

From: Emily Sears, Financial Analyst
Water Utility Regulation Division

Date: August 16, 2018

Subject: **Docket 48532**, *Application of J&S Water Company, LLC and Nerro Supply, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris, Chambers, and Liberty Counties*

On July 18, 2018, J&S Water Company, LLC (Seller) and Nerro Supply, LLC (Purchaser) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Harris, Chambers, and Liberty Counties, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and the 16 Texas Administrative Code (TAC) § 24.109. Specifically, the Purchaser seeks approval to acquire a portion of the facilities and to transfer water and sewer service area from the Seller under water Certificate of Convenience and Necessity (CCN) No. 12085 and sewer CCN No. 20658. The requested area includes approximately 154 acres and 553 connections.

Based on Staff's review of the above referenced application, Staff recommends that the application be deemed sufficient for filing and be found administratively complete. Staff also recommends 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;
 - d) any affected customers, and other affected parties in the requested area; and
 - e) publish notice once a week for two (2) consecutive weeks in a newspaper of general circulation in Harris, Chambers, and Liberty Counties.

- 2) Provide correct notice of the application to the following:
 - Aqua Texas Inc (CCN Nos. 13203, 21065)
 - Gulf Coast Waste Disposal Authority (CCN No. 20465)
 - H C M U D Inc (CCN Nos. 11952, 20641)
 - Hunters Cove Section 1 WSC (CCN No. 12423)
 - Krebs Utilities Inc (CCN No. 11984)
 - Reid Road MUD 1 (CCN Nos. 11102, 20440)
 - Sunbelt FWSD (CCN No. 10833)
 - Trinity @ Windfern LLC (CCN Nos. 13239, 21088)
 - White Oak Manor (CCN No. 12987)
 - Woodcreek Water of Liberty (CCN No. 12449)

- City of Houston
 - City of Jersey Village
 - City of Mont Belvieu
 - City of Old River Winfree
 - Baytown Area Water Authority
 - Chambers-Liberty Counties Navigation District
 - Coastal Water Authority
 - Cy Fair Community Improvement District
 - Emerald Forest Utility District
 - Harris County FCD
 - Harris County MUD 6
 - Harris County MUD 23
 - Harris County MUD 25
 - Harris County MUD 220
 - Harris County MUD 261
 - Harris County MUD 366
 - Harris County WCID 133
 - Harris-Galveston Coastal Subsidence District
 - Near Northwest Management District
 - North Harris County Regional Water Authority
 - Northwest Park MUD
 - Port of Houston Authority
 - Reid Road MUD 1
 - Reid Road MUD 2
 - Rolling Fork PUD
 - Trinity River Authority of Texas
 - West Harris County MUD 1
 - West Harris County MUD 9
 - West Harris County MUD 10
 - West Harris County MUD 11
 - West Harris County MUD 21
 - White Oak Bend MUD
 - Windfern Forest Utility District
 - Chambers County Judge
 - Harris County Judge
 - Liberty County Judge
- 3) Provide an accurate map delineating the requested service area with each individual notice to neighboring utilities, other affected parties, and customers. Information related to districts including addresses can be obtained by the Applicants from the TCEQ web site located at <http://www14.tceq.texas.gov/iwud/>.
- 4) 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 Applicants use the attached notices and affidavits to meet these requirements.

Please note, Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed Staff may send requests for information (RFI) to the

Applicants. The Applicants will have 20 days from the receipt of the RFI to respond unless additional time is requested by the Applicants.

Notice to Current Customers, Neighboring Systems, and Cities

NERRO SUPPLY, LLC CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NOS. 12252 AND 20366 NOTICE OF INTENT TO PURCHASE A PORTION OF THE WATER FACILITIES AND TO TRANSFER WATER AND SEWER SERVICE AREA UNDER CCN NO. 12085 AND 20658 FROM J & S WATER COMPANY, LLC IN HARRIS, CHAMBERS, AND LIBERTY COUNTIES, TEXAS

To: _____ Date Notice Mailed: _____, 201__
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

Nerro Supply, LLC P.O. Box 691008 Houston, Texas 77269
(Purchaser's Name) (Address) (City), (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase a portion of J & S Water Company, LLC's water facilities and to transfer water certificated service area under CCN No. 12085 and sewer facilities and to transfer sewer certificated service area under CCN No. 20658, in Harris, Chambers, and Liberty Counties, TX from:

J & S Water Company, LLC 8010 Thompson Road Highlands, Texas 77562
(Seller's Name) (Address) (City), (State) (Zip Code)

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code § 13.301). The transaction and the transfer of the CCN includes the following subdivisions: Maple Leaf Gardens, Oakland Village, and Woodland Acres.

Chamber and Liberty Counties

The requested area is located approximately 1.2 miles northeast of downtown Old River Winfree, TX, and is generally bounded on the north by County Road 400; on the east by FM 1409; on the south by 250 feet south of intersection of FM 1409 and Reeves Cemetery Road; and on the west by Timber Ridge Drive.

Harris County:

The requested areas are located approximately 2 miles northeast of downtown Jersey Village, TX, and is generally bounded on the north by Fox Road; on the east by 1200 feet east of Windfern Road; on the south by West Road; and on the west by Beltway 8.

The requested areas for the water and sewer CCNs being transferred includes approximately 154 total acres and 553 water and 333 sewer current customers.

This transaction will not have an effect on the current customer's rates and services.

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.

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

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES AND
AFFECTED PARTIES
DOCKET NO. 48532

STATE OF TEXAS
COUNTY OF _____

_____ has provided individual
notice to the following entities 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

NERRO SUPPLY, LLC CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NOS. 12252 AND 20366 NOTICE OF INTENT TO PURCHASE A PORTION OF THE WATER FACILITIES AND TO TRANSFER WATER AND SEWER SERVICE AREA UNDER CCN NO. 12085 AND 20658 FROM J & S WATER COMPANY, LLC IN HARRIS, CHAMBERS, AND LIBERTY COUNTIES, TEXAS

Nerro Supply, LLC	P.O. Box 691008	Houston, Texas	77269
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase a portion of J & S Water Company, LLC's water facilities and to transfer water certificated service area under CCN No. 12085 and sewer facilities and to transfer sewer certificated service area under CCN No. 20658, in Harris, Chambers, and Liberty Counties, TX from:

J & S Water Company, LLC	8010 Thompson Road	Highlands, Texas	77562
(Seller's Name)	(Address)	(City), (State)	(Zip Code)

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code § 13.301). The transaction and the transfer of the CCN includes the following subdivisions:

Maple Leaf Gardens, Oakland Village, and Woodland Acres.

Chamber and Liberty Counties

The requested area is located approximately 1.2 miles northeast of downtown Old River Winfree, TX, and is generally bounded on the north by County Road 400; on the east by FM 1409; on the south by 250 feet south of intersection of FM 1409 and Reeves Cemetery Road; and on the west by Timber Ridge Drive.

Harris County:

The requested areas are located approximately 2 miles northeast of downtown Jersey Village, TX, and is generally bounded on the north by Fox Road; on the east by 1200 feet east of Windfern Road; on the south by West Road; and on the west by Beltway 8.

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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.

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

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION



PUBLISHER'S AFFIDAVIT
DOCKET NO. 48532

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 _____