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DOCKET NO. 48791

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PUBLIC UTILITY COMMISSION
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PUBLIC UTILITY COMMISSION

OF TEXAS

APPLICATION OF PENDLETON §
HARBOR WATER SUPPLY §
CORPORATION AND G-M WATER §
SUPPLY CORPORATION FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN SABINE COUNTY §

**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON
ADMINISTRATIVE COMPLETENESS AND PROPOSED PROCEDURAL SCHEDULE**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and in response to Order No. 4, files this Supplemental Recommendation on Administrative Completeness and Proposed Procedural Schedule. Staff recommends that the application be deemed administratively complete and sufficient for further review. In support thereof, Staff shows the following:

I. BACKGROUND

On October 17, 2018, Pendleton Harbor Water Supply Corporation (Pendleton) and the G-M Water Supply Corporation (G-M) (collectively, Applicants), filed an application for sale, transfer, or merger of facilities and certificate rights in Sabine County, Texas. Specifically, Pendleton seeks to transfer its facilities and water service area under Certificate of Convenience and Necessity (CCN) No. 10737, to G-M. The requested transfer includes approximately 1,024 acres¹ and 234 current customers. Applicants filed supplemental information on March 6, 2019, and April 9, 2019.

On March 1, 2019, Order No. 4 was issued establishing a deadline of April 15, 2019, for Staff to file a supplemental 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.

¹ Applicants amended their acreage totals in Letter in Reference to Docket at 1 (April 9, 2019).

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 supplemental information and recommends that the application be found administratively complete.

III. NOTICE

The Commission's notice requirement for sale, transfer, merger applications are provided by 16 Texas Administrative Code (TAC) § 24.239. Specifically, Staff recommends that Applicants be ordered to provide notice according to the attached memorandum of Kathryn Eiland.

IV. PROCEDURAL SCHEDULE

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

Event	Date
Deadline for Applicants to file with the Commission signed affidavits that the notice was given, along with a copy of the notice sent to the affected parties	May 15, 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 discussed above, Staff respectfully 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 for further processing of this docket.

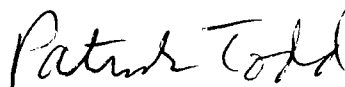
Date: April 12, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney



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DOCKET NO. 48791

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 12, 2019, in accordance with 16 TAC § 22.74.



Patrick D. Todd

PUC Interoffice Memorandum

To: Patrick Todd, Attorney
Legal Division

Thru: Lisa Fuentes, Manager
Water Utility Regulation Division

From: Kathryn Eiland, Financial Analyst
Water Utility Regulation Division

Date: April 12, 2019

Subject: **Docket No. 48791**, *Application of Pendleton Harbor Water Supply Corporation and G-M Water Supply Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Sabine County*

On October 17, 2018, G-M Water Supply Corporation (G-M or Purchaser) and the Pendleton Harbor Water Supply Corporation (Pendleton or Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Sabine County, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and the 16 Texas Administrative Code (TAC) § 24.239. Specifically, G-M seeks approval to acquire facilities and cancel Pendleton's water Certificate of Convenience and Necessity (CCN) No. 10737 and amend G-M's CCN No. 11393. The requested area includes approximately 1,024 acres and 234 connections.

A Staff review of the additional information filed by the applicant on March 6, 2019, and April 9, 2019, found that it is sufficient in the required application and mapping information. Therefore, Staff recommends that the application be deemed sufficient for filing and 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; and
 - 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 Sabine County.
- 2) Provide correct notice to the following:
 - Deep East Texas Groundwater Conservation District
 - Sabine River Authority
 - Sabine County Judge
- 3) Provide an accurate map delineating the requested service 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 web site located at <http://www14.tceq.texas.gov/iwud/>.

- 4) File in the docket 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 the Applicants use the attached notices and affidavits to meet these requirements.

Notice to Neighboring Systems, Landowners, Customers and Cities

G-M WATER SUPPLY CORPORATION, (G-M WSC) NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO CANCEL PENDLETON HARBOR WATER SUPPLY CORPORATION'S CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) 10737 AND TO AMEND G-M WSC'S CCN NO. 11393 IN SABINE COUNTY, TEXAS

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

(Address)

(City State Zip)

<u>G-M Water Supply Corporation</u>	<u>405 Hwy 87N</u>	<u>Hemphill, Texas</u>	<u>75948</u>
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase water facilities and cancel Pendleton Harbor Water Supply Corporation's CCN No. 10737 in Sabine County, Texas

<u>Pendleton Harbor Water Supply Corporation</u>	<u>200 Sand Dollar Drive</u>	<u>Hemphill, Texas</u>	<u>75948</u>
(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 subdivision:
Pendleton Harbor Subdivision.

The requested area subject to this transaction is located approximately 9.3 miles northeast of downtown Hemphill, Texas, and is generally bounded on the north by Toledo Bend Reservoir; on the east by Toledo Bend Reservoir; on the south by State Highway 21 and Toledo Bend Reservoir; and on the west by intersection of Cedar Grove Road and Elma Lane. The total requested area for the water CCN being transferred and amended includes approximately 1,024 acres and 234 current customers. See enclosed map showing the requested area.

This transaction will have the following effect on the current customers' rates and services: All of the customers will be charged G-M's current rates.

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.

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 request with the Commission to be excluded from the requested area ("opt out") within (30) days from the date that notice was provided by the Utility. 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 N. Congress, P. O. Box 13326
Austin, TX 78711-3326

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

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

Utility Representative

Utility Name

Notice for Publication

G-M WATER SUPPLY CORPORATION, (G-M WSC) NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO CANCEL PENDLETON HARBOR WATER SUPPLY CORPORATION'S CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) 10737 AND TO AMEND G-M WSC'S CCN NO. 11393 IN SABINE COUNTY, TEXAS

G-M Water Supply Corporation (G-M) has submitted an application with the Public Utility Commission of Texas (Commission) to purchase water facilities and cancel Pendleton Harbor Water Supply Corporation Certificate of Convenience and Necessity (CCN) No. 10737 and amend G-M's (CCN) No. 11393 in Sabine County.

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 subdivision:
Pendleton Harbor Subdivision.

The requested area subject to this transaction is located approximately 9.3 miles northeast of downtown Hemphill, Texas, and is generally bounded on the north by Toledo Bend Reservoir; on the east by Toledo Bend Reservoir; on the south by State Highway 21 and Toledo Bend Reservoir; and on the west by intersection of Cedar Grove Road and Elma Lane. The total requested area for the water CCN being transferred and amended includes approximately 1,024 acres and 234 current customers. See enclosed map showing the requested area.

A copy of the map showing the requested area is available at: G-M Water Supply Corp., 405 Hwy 87 N., Hemphill, TX 75948

This transaction will have the following effect on the current customers' rates and services: All of the customers will be charged G-M's current rates.

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.

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, LANDOWNERS, NEIGHBORING UTILITIES AND AFFECTED PARTIES DOCKET NO. 48791

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 _____

PUBLIC UTILITY COMMISSION



PUBLISHER'S AFFIDAVIT DOCKET NO. 48791

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 _____, 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 _____