



Control Number: 48863



Item Number: 12

Addendum StartPage: 0

**DOCKET NO. 48863**

**APPLICATION OF CAMP JOY  
WATER AND TEXAS WATER  
SYSTEMS, INC. FOR SALE,  
TRANSFER, OR MERGER OF  
FACILITIES AND CERTIFICATE  
RIGHTS IN UPSHUR COUNTY**

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**PUBLIC UTILITY COMMISSION**

**OF TEXAS**

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PUBLIC UTILITY COMMISSION  
FILE NO. 00287

**COMMISSION STAFF'S MOTION TO AMEND PROCEDURAL SCHEDULE**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and in response to Order No. 3, files this Motion to Amend Procedural Schedule, and would show the following:

**I. BACKGROUND**

On November 9, 2018, Camp Joy Water (Seller) and Texas Water Systems, Inc. (Purchaser) (collectively, Applicants), filed an application for approval of a sale, transfer or merger of facilities and certificate rights in Upshur County. Specifically, Applicants seek approval to transfer all of Camp Joy Water's facilities and water service area under Certificate of Convenience and Necessity (CCN) No. 12960 to Texas Water Systems, Inc. (CCN No. 12473). The total requested area includes approximately 470 acres and 119 current customers.

On November 29, 2018, Applicants submitted supplemental information regarding their respective legal names and all assumed names, their respective form of business in Texas, and information related to their respective parent companies.

On January 2, 2019, Order No. 3 was issued by the Commission administrative law judge (ALJ), establishing a deadline for Staff to request a hearing or file a recommendation on approval of the sale by February 13, 2019. Therefore, this pleading is timely filed.

**II. STAFF RECOMMENDATION**

Under 16 Texas Administrative Code (TAC) § 24.239(g), a retail public utility that files an application for the purchase or transfer of a utility or system "must demonstrate adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area and the transferee's certificated area as required by § 24.227(a)." In assessing

the capability of the retail water utility to provide continuous and adequate service, the Commission shall ensure that the transferee has “a TCEQ-approved public water system that is capable of providing drinking water that meets the requirements of Texas Health and Safety Code, chapter 341, TCEQ rules, and the TWC.”<sup>1</sup> Staff has identified that Purchaser has been issued several TCEQ violations for other currently owned public water systems.

Staff has communicated with Purchaser and has been informed that it has been in contact with TCEQ to rectify the cited violations at its other currently owned public water systems. Further, Purchaser conveyed its intention to Staff to submit approval letters received by TCEQ related to its submitted plans to cure the cited violations.

As detailed in the attached memorandum from Nabaraj Pokharel in the Commission’s Water Utility Regulation Division, Staff has reviewed the application, but additional time will be required to receive and review the documentation that Applicants have agreed to file. Therefore, Staff requests that it be granted an extension to request a hearing or file a recommendation on approval of the sale in order for Applicants to supplement their application with regulatory documentation.

### **III. AMENDED PROCEDURAL SCHEDULE**

Until Purchaser files the TCEQ approval letters in the present docket, Staff is unable to offer a final recommendation regarding Purchaser’s ability to provide adequate service to the requested area detailed in the application. Consequently, Staff requests a four-week extension to its deadline to request a hearing or file a recommendation on approval of the sale, in order to allow for Purchaser to obtain and provide to Staff the TCEQ approval letters, and subsequently supplement its application to include the regulatory documentation. The remaining deadline for Applicants to file a response to Staff’s recommendation is also advanced accordingly. Staff’s request would result in the following modifications to the procedural schedule:

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<sup>1</sup> 16 TAC § 24.227(a)(1)(A).

<b>Event</b>	<b>Date</b>
Deadline for Commission Staff to request a hearing or file a recommendation on approval of the sale and on the certificate of convenience and necessity amendment	March 13, 2019
Deadline for parties to file a response to Commission Staff's recommendation	March 27, 2019
120-day deadline for Commission to approve the sale or require a hearing	April 12, 2019

Staff has contacted Applicants regarding the amended procedural schedule, and Applicants agree with the proposed dates.

Dated: February 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. 48863**

**CERTIFICATE OF SERVICE**

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

A handwritten signature in black ink, appearing to read 'RN', is written above a horizontal line.

Richard Nemer

## PUC Interoffice Memorandum

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**To:** Richard Nemer, Attorney  
Legal Division

**Thru:** Heidi Graham, Manager  
Water Utility Regulation Division

**From:** Nabaraj Pokharel, Engineering Specialist  
Water Utility Regulation Division

**Date:** February 12, 2019

**Subject:** **Docket No. 48863:** *Application of Camp Joy Water and Texas Water Systems, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Upshur County*

On November 9, 2018, Camp Joy Water (Camp Joy or Seller) and Texas Water Systems, Inc. (TWS or Purchaser) (collectively, Applicants), filed an application for approval of a sale, transfer or merger of facilities and certificate rights in Upshur County. Specifically, Applicants seek approval to transfer all of Camp Joy's facilities and water service area under Certificate of Convenience and Necessity (CCN) No. 12960 to TWS (CCN No. 12473). The total requested area includes approximately 470 acres and 119 current customers.

Texas Commission on Environmental Quality (TCEQ) records indicate that some of the Purchaser's existing public water systems have pending capacity violations. Staff has communicated with the Purchaser and has confirmed that it will file plans and specifications with the TCEQ to rectify the cited violations. Upon receiving approval from TCEQ for its plans and specifications, Purchaser committed to filing these approval letters in the present docket.