



Control Number: 49230



Item Number: 11

Addendum StartPage: 0

RECEIVED

APPLICATION OF TIMBERLANE §
WATER SYSTEM, INC. AND SIMPLY §
AQUATICS, INC. FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN SABINE COUNTY §

PUBLIC UTILITY COMMISSION AM 11:56
OF TEXAS
PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S FOURTH 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 incomplete. In support thereof, Staff shows the following:

I. BACKGROUND

On February 15, 2019, Simply Aquatics, Inc. and the Timberlane Water System, Inc. (collectively, Applicants) filed an application for sale, transfer, or merger of facilities and certificate rights in Sabine County, Texas. Specifically, the Applicants seek to transfer Timberlane's facilities and service area under water Certificate of Convenience and Necessity (CCN) Number 12336 to Simply Aquatics.

On July 18, 2019, Order No. 4 was issued establishing a deadline of September 16, 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.

II. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum from Fred Bednarski III in the Commission's Water Utility Regulation Division, Staff has reviewed the application and supplemental information and recommends that the application continue to be found administratively incomplete.

11

DOCKET NO. 49230

CERTIFICATE OF SERVICE

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


Rashmin J. Asher

PUC Interoffice Memorandum

To: Rashmin Asher, Attorney
Legal Division

Thru: Heidi Graham, Manager
Infrastructure Division

From: Fred Bednarski III, Financial Examiner
Rate Regulation Division

Date: September 16, 2019

Subject: **Docket No. 49230**, *Application of Simply Aquatics, Inc. and Timberlane Water System, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Sabine County*

On February 15, 2019, Simply Aquatics, Inc. (Simply Aquatics or Purchaser) and the Timberlane Water System, Inc. (Timberlane 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. § 13.301 and the 16 Texas Administrative Code § 24.239. Specifically, Simply Aquatics, Certificate of Convenience and Necessity (CCN) No. 13259, seeks to purchase Timberlane's water facilities, amend Timberlane's water service area held under CCN No. 12336 and cancel Timberlane's CCN No. 12336. The requested area includes approximately 20 acres and 47 connections.

Staff recommends that the revised application filed by the Applicants on August 16, 2019, be found administratively incomplete and not accepted for filing due to deficiencies in the application. Staff requests the following information to cure those deficiencies.

1. Provide documentation showing how Simply Aquatics intends to address the violations shown in the Texas Commission on Environmental Quality's databases for the Simply Aquatics' public water systems and the Timberlane Water System.
2. Provide the estimated cost to resolve all of the violations and explain how Simply Aquatics will fund the resolution of these violations.
3. Revise application page 124 to contain the total original purchase price amount and accumulated depreciation amount provided in item 10.
4. Update application pages 6 and 7 based on the assets being transferred amounts listed on application page 124 submitted in item 10 and other missing entries.
5. Update application page 12, question 31, in item 10 to contain the address the map will be available.
6. Provide the list of affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.