



Control Number: 49230



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DOCKET NO. 49230

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

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REGISTRATION

**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. 5, files this supplemental recommendation on administrative completeness and proposed procedural schedule. Staff recommends that the application be deemed administratively complete. 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. The requested transfer includes approximately 13 acres and 47 current customers.

On September 17, 2019, Order No. 5 was issued, establishing a deadline of November 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.

II. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum from Fred Bednarski III in the Commission’s Rate Regulation Division, Staff has reviewed the application and supplemental information and recommends that the application be found administratively complete.

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III. NOTICE

The Commission's notice requirements 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 as detailed in the attached memorandum of Fred Bednarski III.

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 with the Commission signed affidavits that the notice was given, along with a copy of the notice sent to the affected parties	December 16, 2019
Deadline for Staff to file a recommendation on sufficiency of notice	Within 10 days of the Applicants 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 the 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.

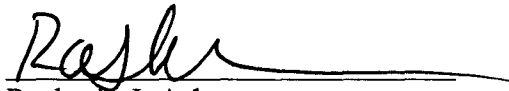
Dated: November 15, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Rachelle Nicolette Robles
Managing Attorney

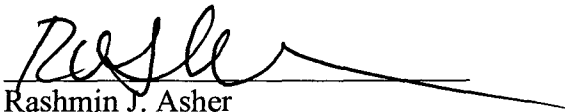


Rashmin J. Asher
State Bar No. 24092058
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7216
(512) 936-7268 (facsimile)
Rashmin.Asher@puc.texas.gov

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on November 15, 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: November 15, 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.

A Staff review of the additional information filed by the Applicant on October 22, 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) Any affected customers, and other affected parties in the requested area.

- 2) Provide correct notice of the application to the following entities:
 - G M WSC (CCN No. 11393)
 - Sabine County Judge
 - Sabine River Authority
 - South Sabine WSC (CCN No. 11992)
 - Timberlane Estates POA (CCN No. 12329)

- 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 Applicant 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 and the date that the notice was provided. It is recommended that the Applicant use the attached notices and affidavits to meet these requirements.

In addition, Staff requests that the Applicant provide the following information:

- 1) An updated number of customers and acres to be transferred;
- 2) The list of affiliated organizations of Simply Aquatics, Inc. (if any) and the affiliate's business relationship to the Applicant; and
- 3) An updated calculation of net income for each projected year based on the projected income and expense amounts on application page 19.