



Control Number: 49230



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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  
PUBLIC UTILITY COMMISSION  
OF TEXAS

**COMMISSION STAFF’S THIRD 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. 3, files this third 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. The requested transfer includes approximately thirteen (13) acres and forty-seven (47) current customers.

On May 20, 2019, Order No. 3 was issued establishing a deadline of July 17, 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 continues to be found administratively incomplete.

### III. PROCEDURAL SCHEDULE

Staff recommends that Applicants be ordered to cure the deficiencies identified in Mr. Bednarski's memorandum by August 16, 2019 and that Staff be given a deadline of September 16, 2019, to file a supplemental recommendation on the administrative completeness of the application. Staff notes that the Applicants should continue to not issue notice until the application is found administratively complete.

### IV. CONCLUSION

For the reasons discussed above, Staff respectfully recommends that the application continues to be found administratively incomplete. Staff further recommends that the procedural schedule proposed above be adopted for further processing of this docket.

Dated: July 17, 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](mailto: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 July 17, 2019, in accordance with 16 TAC § 22.74.

  
Rashmin J. Asher

## PUC Interoffice Memorandum

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**To:** Rashmin Asher, Attorney  
Legal Division

**Thru:** Lisa Fuentes, Manager  
Water Utility Regulation Division

**From:** Fred Bednarski III, Financial Analyst  
Water Utility Regulation Division

**Date:** July 17, 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 and cancel CCN No. 12336.

On June 26, 2019, the Applicants provided supplemental information. Based on Staff's review of the information some of the deficiencies were cured, however Staff recommends the application be deemed administratively incomplete and not accepted for filing.

The Applicants must submit the following application content for sufficiency:

1. Simply Aquatics' balance sheets for FYs 2016, 2017, and 2018.
2. Projections to operate Timberlane Water System for the first five years. See application pages 18, 19, 20.
3. Complete the accumulated depreciation and net book value dollar amounts in question 11 B. on application page 6 of 20.
4. TCEQ compliance correspondence for question 22 on application page 9 of 20.
5. Complete the dollar amounts for question 14 on application page 7 of 20. The debits (positive numbers) should equal credits (negative numbers) so that all the line items added together equal zero.
6. A list the water assets to be transferred including the original cost of plant in service, the date the item was placed in service for water service, and accumulated depreciation amount of each asset.
7. Proof that TCEQ regulatory assessment fees for CCN No. 12336 are current for 2013 and 2018, and CCN No. 13259 is current for 2018.
8. Copies of the information listed below for Simply Aquatics:
  - a) "Certification of Account Status" from the Texas Comptroller,
  - b) Corporation's Charter number,
  - c) Listing of Stockholders and their respective percentages of ownership,

- d) A copy of the company's organizational chart,
- e) List of all directors and disclose the title of each individual, and
- f) List of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

Note: Any confidential items should be submitted as confidential filings with the PUC. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).