

Control Number: 49260



Item Number: 18

Addendum StartPage: 0

DOCKET NO. 49260

**APPLICATION OF TEXAS WATER §
SYSTEMS, INC. AND UNDINE TEXAS, §
LLC FOR SALE, TRANSFER, OR §
MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS IN GREGG, §
HENDERSON, LIMESTONE, SMITH, §
AND UPSHUR COUNTIES §**

RECEIVED
19 APR 13 PM 1:09
PUBLIC UTILITY COMMISSION
OF TEXAS
FILING CLERK

**COMMISSION STAFF'S 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. 2, files this Recommendation on Administrative Completeness and Proposed Procedural Schedule. Staff recommends that the application be deemed administratively incomplete and that the applicants be ordered to address the identified deficiencies. In support thereof, Staff shows the following:

I. BACKGROUND

On February 25, 2019, Undine Texas, LLC (Undine) and Texas Water Systems, Inc. (TWS) (collectively, Applicants) filed an application for sale, transfer, or merger of facilities and certificate rights in Gregg, Henderson, Limestone, Smith, and Upshur Counties, Texas. On March 11, 2019, Applicants filed an amended application. Specifically, Undine seeks approval to acquire facilities and to transfer a portion of water service area currently owned by TWS under Certificate of Convenience and Necessity (CCN) No. 12473. The requested transfer includes approximately 6478 acres and 997 current customers.

On March 21, 2019, Order No. 2 was issued establishing a deadline of April 10, 2019 for Staff to file a 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 of Debbie Reyes in the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that it be found administratively incomplete. Specifically, Staff has identified deficiencies in the mapping

information supplied with the application. As further detailed in the attached memorandum, portions of the mapping data lack a single, continuous polygon record. Such a record is required by 16 Texas Administrative Code (TAC) § 24.257(a)(3)(C). Staff recommends that Applicants submit additional mapping information resolving the deficiencies, as further detailed in the attached memorandum.

III. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively incomplete. Therefore, Staff recommends that a deadline of May 13, 2019 be established for Applicants to supplement the application. Staff further recommends that a deadline of June 13, 2019 be established for Staff to review Applicants' supplemental information and make a supplemental recommendation on the administrative completeness of the application. Staff notes that Applicants should not issue notice until the application is found administratively complete.

IV. CONCLUSION

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

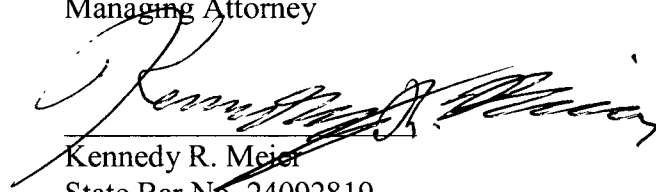
Dated: April 10, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

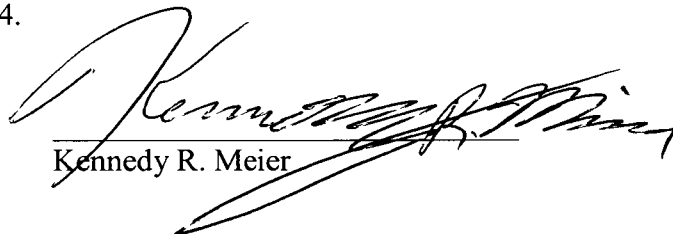


Kennedy R. Meier
State Bar No. 24092819
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7265
(512) 936-7268 (facsimile)
kennedy.meier@puc.texas.gov

DOCKET NO. 49260

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 10, 2019, in accordance with 16 TAC § 22.74.



Kennedy R. Meier

PUC Interoffice Memorandum

To: Kennedy Meier, Attorney
Legal Division

Thru: Lisa Fuentes, Manager
Water Utility Regulation Division

From: Debbie Reyes, Program Specialist
Water Utilities Regulation Division

Date: April 10, 2019

Subject: **Docket No. 49260**, *Application of Texas Water Systems, Inc. and Undine Texas, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Gregg, Henderson, Limestone, Smith, and Upshur Counties*

On February 25, 2019, Undine Texas, LLC (Undine or Buyer) and the Texas Water Systems, Inc., (Texas Water Systems or Seller), (collectively, Applicants), filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Gregg, Henderson, Limestone, Smith and Upshur Counties, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and the 16 Texas Administrative Code (TAC) § 24.239. On March 11, 2019, Applicants filed an amended application. Specifically, the Buyer seeks approval to acquire facilities and to transfer a portion of water service area from Texas Water Systems under Certificate of Convenience and Necessity (CCN) No. 12473. The requested area includes approximately 6478 acres and 997 connections.

Staff has reviewed the information provided by the Applicants and recommends the application be deemed administratively incomplete and not accepted for filing due to the mapping deficiencies detailed below:

Mapping Information:

Staff's review indicates that portions of the requested areas shown on the hard copy maps and digital data lack a single, continuous polygon record and therefore need to be revised to include bounded service areas, rather than facility lines plus two hundred feet, where appropriate. In addition, Staff recommends the requested areas being transferred and amended in this docket should follow along property lines and/or verifiable man-made and natural landmarks, such as roads, streets, and rivers.

The Applicant must submit the following items to resolve the mapping deficiencies:

- A general location map identifying only the requested areas to be transferred and amended, in reference to the nearest county boundary, city, or town.
- A detailed map identifying only the requested areas to be transferred and amended, in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads.
- Digital mapping data for the requested areas, as a single polygon record, in shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet).
- Include the approximate total acreage for the revised requested areas.

Staff recommends the Applicant obtain additional mapping guidance from the PUC's mapping staff, Ms. Tracy Montes at (512)936-7187 or tracy.montes@puc.texas.gov to resolve the mapping deficiencies.

Application Information:

Staff recommends that the Applicants provide an explanation and provide supporting documentation on sources of the additional cash listed as *Other* in confidential *Attachment G*, page 87 for the next five years. Note that this information is not required for sufficiency of the application, but will be needed before Staff will be able to make a final recommendation on the application.

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>).