

Control Number: 49382



Item Number: 21

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RECEIVED

APPLICATION OF NERRO SUPPLY, §
LLC AND UNDINE TEXAS §
ENVIRONMENTAL, LLC FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN CHAMBERS, HARRIS §
AND WALKER COUNTIES §

PUBLIC UTILITY COMMISSION 2019 JUN 19 10 59 AM
OF TEXAS
REGISTRATION CLERK

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. 3, files this Supplemental Recommendation on Administrative Completeness and Proposed Procedural Schedule. In support thereof, Staff shows the following:

I. BACKGROUND

On March 27, 2019, Nerro Supply, LLC (Nerro) and Undine Texas Environmental, LLC (Undine) (collectively, Applicants) filed an application for Sale, Transfer, or Merger of Facilities and Certificate Rights in Chambers, Harris and Walker Counties, Texas. Specifically, the applicants seek to sell and transfer portions of Nerro’s facilities and service area under sewer Certificate of Convenience and Necessity (CCN) No. 20366 to Undine’s CCN No. 20816. The requested transfer includes service area within the Bayridge Subdivision and Oaks at Houston Point in Chambers County; Wildwood Shores in Walker County; and Greens Bayou Fabrication Yard in Harris County. On May 1, 2019, the Commission administrative law judge (ALJ) issued Order No. 2, finding the application deficient and requiring Applicants to file a supplement to cure deficiencies by May 29, 2019. On May 28, 2019, Applicants filed a request for a 21-day extension to submit information intended to cure the identified deficiencies. On May 29, 2019, the Commission ALJ issued Order No. 3, granting Applicants request for an extension. On June 19, 2019, Applicants filed supplemental information to cure the application deficiencies.

Order No. 3 also required Staff to file a supplemental recommendation on the administrative completeness of the application and notice and to propose a procedural schedule for further processing of the application by July 18, 2019. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum of Patricia Garcia in the Commission's Water Utility Regulation Division, Staff has reviewed the application and supplemental information and recommends that the application, as supplemented, be found administratively complete.

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 Patricia Garcia.

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	August 19, 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, as supplemented, 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.

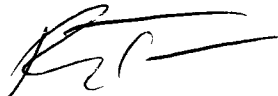
Dated: July 16, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

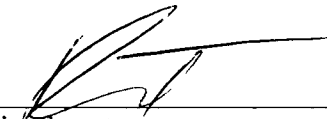


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DOCKET NO. 49382

CERTIFICATE OF SERVICE

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



Rustin Tawater

PUC Interoffice Memorandum

To: Rustin Tawater, Attorney
Legal Division

Thru: Lisa Fuentes, Manager
Water Utility Regulation Division

From: Patricia Garcia, Engineering Specialist
Water Utility Regulation Division

Date: July 15, 2019

Subject: **Docket No. 49382, Application of Nerro Supply, LLC and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Chambers, Harris, and Walker Counties**

On March 27, 2019, Undine Texas Environmental, LLC (Undine or Purchaser) and Nerro Supply, LLC (Nerro Supply or Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Chambers, Harris, and Walker Counties, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Undine, Certificate of Convenience and Necessity (CCN) No. 20816, seeks approval to acquire facilities and to transfer a portion of Nerro Supply's sewer CCN No. 20366. The requested area includes service area within the Bayridge Subdivision and Oaks at Houston Point in Chambers County; Wildwood Shores in Walker County; and Greens Bayou Fabrication Yard in Harris County.

A Staff review of the additional information filed by the applicant on June 19, 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;
 - d) any affected customers, and other affected parties in the requested area; and
 - e) publish notice once each week for two (2) consecutive weeks in a newspaper of general circulation in Chambers, Harris, and Walker Counties.

- 2) Provide correct notice of the application to the following entities:
 - Aqua Texas Inc. (CCN No. 21065)
 - G B Biosciences (CCN No. 20846)
 - Gulf Coast Waste Disposal Authority (CCN No. 20465)
 - Harris County FWSD 47 (CCN No. 20329)
 - Harris County WCID 21 (CCN No. 20545)
 - Marwood WSC (CCN No. 20724)
 - Nerro Supply, LLC (CCN No. 20366)

- City of Baytown
 - City of Beach City
 - City of Galena Park
 - City of Houston
 - City of Pasadena
 - Baytown Area Water Authority
 - Bluebonnet Groundwater Conservation District
 - Chambers-Liberty Counties Navigation District
 - Chambers County Improvement District 1
 - Coastal Water Authority
 - Harris County FCD
 - Harris County FWSD 47
 - Harris County Improvement District 15
 - Harris County MUD 8
 - Harris County WCID 36
 - Harris Galveston Coastal Subsidence District
 - North Channel Water Authority
 - Port of Houston Authority
 - San Jacinto River Authority
 - Trinity River Authority of Texas
 - Chambers County Judge
 - Harris County Judge
 - Walker County Judge
- 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 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 notice and affidavit to meet these requirements.

Notice to Current Customers, Neighboring Systems, and Cities

UNDINE TEXAS ENVIRONMENTAL, LLC, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 20816, NOTICE OF INTENT TO PURCHASE A PORTION OF NERRO SUPPLY, LLC'S SEWER FACILITIES AND TO TRANSFER ITS SEWER SERVICE AREA UNDER CCN NO. 20366 IN CHAMBERS, HARRIS, AND WALKER COUNTIES, TEXAS

To: _____ Date Notice Mailed: _____, 201__
(Name of Customer, Neighboring System, or City)

(Address)

(City) State Zip)

Undine Texas Environmental, LLC 17681 Telge Rd. Cypress, TX 77429
(Purchaser's Name) (Address) (City), (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase a portion of Nerro Supply, LLC's sewer facilities and to transfer sewer certificated service area under CCN No. 20366, in Chambers, Harris, and Walker Counties, TX from:

Nerro Supply, LLC P.O. Box 691008 Houston, TX 77269-1008
(Seller's Name) (Address) (City), (State) (Zip Code)

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code § 13.301). The transaction and the transfer of the CCN includes the following subdivisions:

Bayridge Sewer Treatment Plant (Bayridge Subd & Oaks at Houston Point) – WQ0013643-001- Chambers County

The two requested areas are located approximately 1.5 miles southwest of downtown Beach City, TX, and is generally bounded on the north by Tri City Beach Road; on the east by Jordan Road; on the south by Trinity Bay; and on the west by Cedar Point Road.

The requested area includes approximately 143 total acres and 116 current customers.

Greens Bayou Fabrication Yard – WQ0003792-000 – Harris County

The requested area is located approximately 3.4 miles east/northeast of downtown Galena Park, TX, and is generally bounded on the north by Greens Bayou; on the east by Greens Bayou; on the south by Buffalo Bayou; and on the west by Industrial Road.

The requested area includes approximately 254 total acres and 148 current customers.

HUI Enterprises, Inc. (Wildwood Shores WWTP) – WQ0014154-001 - Walker County

The requested area is located approximately 7.3 miles west of downtown New Waverly, TX, and is generally bounded on the north by .64 mile south of Pipkin Road; on the east by Forest Service Road 222; on the south and west by Lake Paula (Reservoir at Lake Conroe).

The requested area includes approximately 240 total acres and 130 current customers.

The total area being requested includes approximately 637 acres and 394 current customers.

A copy of the map showing the requested area is available at: 17681 Telge Rd., Cypress, TX 77429

This transaction will not have an effect on the current customer's rates and services.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date.

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

Si desea información en español, puede llamar al 1-888-782-8477.

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES AND
AFFECTED PARTIES
DOCKET NO. 49382

STATE OF TEXAS
COUNTY OF _____

_____ has provided individual
notice to the following entities and customers:

DATE OF NOTICE

OATH

I, _____, being duly sworn, file this form as
_____ (indicate relationship to applicant, that is,
owner, member of partnership, title of officer of corporation, or other authorized representative of
applicant); that in such capacity, I am qualified and authorized to file and verify such form, am
personally familiar with the notices given with this application, and have complied with all notice
requirements in the application and application acceptance letter; and that all such statements made
and matters set for therein are true and correct.

Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant,
or its' attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this _____ day of _____, 20____,
to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____

Notice for Publication

UNDINE TEXAS ENVIRONMENTAL, LLC, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 20816, NOTICE OF INTENT TO PURCHASE A PORTION OF THE SEWER FACILITIES AND TO TRANSFER SEWER SERVICE AREA UNDER CCN NO. 20366 FROM NERRO SUPPLY, LLC IN CHAMBERS, HARRIS, AND WALKER COUNTIES, TEXAS

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Si desea información en español, puede llamar al 1-888-782-8477.

PUBLIC UTILITY COMMISSION



PUBLISHER'S AFFIDAVIT
DOCKET NO. 49382

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____,

who being by me duly sworn, deposes and that (s)he is the

_____ of the _____
(TITLE) (NAME OF NEWSPAPER)

that said newspaper is regularly published in _____
(COUNTY/COUNTIES)

and generally circulated in _____, Texas;
(COUNTY/COUNTIES)

and that the attached notice was published in said newspaper on the following dates, to wit:

(DATES)

(SIGNATURE OF NEWSPAPER REPRESENTATIVE)

Subscribed and sworn to before me this _____ day of _____, 20__
to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____