



Control Number: 49442



Item Number: 3

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**APPLICATION OF LEGEND BANK,
INC. DBA OREAL, INC. AND RAY
HARLOW FOR SALE, TRANSFER, OR
MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN
ANGELINA COUNTY**

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PUBLIC UTILITY COMMISSION

2019 MAY 7 AM 10:35
PUBLIC UTILITY COMMISSION
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. 1, 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 April 12, 2019, Ray Harlow (Harlow) and the Legend Bank, Inc. d/b/a Oreal, Inc., (Oreal) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Angelina County. Specifically, Harlow seeks approval to acquire facilities and to transfer all of Oreal's sewer Certificate of Convenience and Necessity (CCN) area and retain Oreal's CCN No 20568. The requested area includes approximately 45 acres and 87 connections.

On April 16, 2019, Order No. 1 was issued establishing a deadline of May 7, 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 Fred Bednarski III 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 information provided with the application. These deficiencies are further detailed on the attached

memorandum. Staff recommends that Applicants submit updated and revised 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 June 6, 2019 be established for Applicants to supplement the application. Staff further recommends that a deadline of July 8, 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.

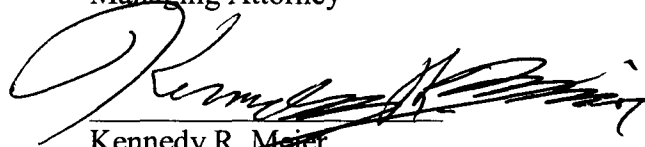
Dated: May 7, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

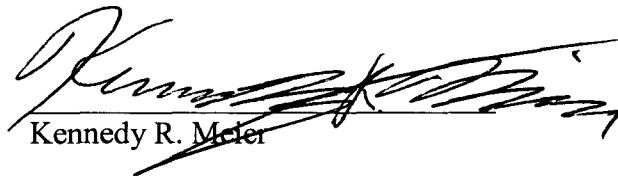


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DOCKET NO. 49442

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on May 7, 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: Fred Bednarski III, Financial Analyst
Water Utility Regulation Division

Date: May 07, 2019

Subject: **Docket No. 49442**, *Application of Legend Bank, Inc. dba Oreal, Inc. and Ray Harlow for Sale, Transfer, or Merger of Sewer Facilities and Certificate Rights in Angelina County*

On April 12, 2019, Ray Harlow (Purchaser) and the Legend Bank, Inc. dba Oreal, Inc., (Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Angelina County, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and the 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Purchaser seeks approval to acquire facilities and to transfer all of Seller's sewer CCN area and retain the Seller's CCN No 20568. The requested area includes approximately 45 acres and 87 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 deficiencies detailed below.

Application Content

The Applicants must provide the following information for sufficiency:

1. Correct CCN number on page 2 of 20,
2. A (proposed) acquisition adjustment for question #14 on page 7 of 20, or additional information responsive to the question,
3. The name of the company(s) representing the balance sheet and income statements on application pages 18 and 19 of 20,
4. Correct net income amount for the current year on application page 19 of 20 based on the information provided on that page,
5. Updated application page 18 of 20 based on corrections to net income on application page 19 of 20,
6. TCEQ compliance inspection report required for question #22 B on application page 9 of 20,
7. Proof that regulatory assessment fees are current with the Texas Commission on Environmental Quality for Legend Bank, CCN 20568, FY 2018, and
8. Proof the application to transfer the wastewater discharge permit is on file with the TCEQ.

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>).