



Control Number: 49464



Item Number: 38

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# OPEN MEETING COVER SHEET

## COMMISSIONER MEMORANDUM

**MEETING DATE:** January 31, 2020

**DATE DELIVERED:** January 30, 2020

**AGENDA ITEM NO.:** 18

**CAPTION:** Docket No. 49464; SOAH Docket No. 473-20-1427 — Application of Drew T. Spencer dba Cypresswood Estates Water System and South Cost Utilities, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County

**DESCRIPTION:** Commissioner Walker and D'Andrea memos.

Distribution List:  
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Urban, John Paul  
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**DeAnn T. Walker**  
Chairman

**Arthur C. D'Andrea**  
Commissioner

**Shelly Botkin**  
Commissioner

**John Paul Urban**  
Executive Director



**Greg Abbott**  
Governor

## *Public Utility Commission of Texas*

TO: Chairman DeAnn T. Walker  
Commissioner Arthur C. D'Andrea  
Commissioner Shelly Botkin

All Parties of Record (*via electronic transmission*)

FROM: Austin Spraez   
Commission Advising

RE: *Application of Drew T. Spencer dba Cypresswood Estates Water System and South Coast Utilities, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County, Docket No. 49464, Commissioner Memo, January 31, 2020 Open Meeting, Item No. 18.*

DATE: January 30, 2020

Please find enclosed memoranda by Chairman Walker and Commissioner D'Andrea regarding the above-referenced docket.

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# Public Utility Commission of Texas

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## Memorandum

**TO:** Commissioner Arthur C. D'Andrea  
Commissioner Shelly Botkin

**FROM:** Chairman DeAnn T. Walker *A72*

**DATE:** January 30, 2020

**RE:** Open Meeting of January 31, 2020 – Agenda Item No. 18  
Docket No. 49464; SOAH Docket No. 473-20-1427 – *Application of Drew T. Spencer dba Cypresswood Estates Water System and South Coast Utilities, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County*

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I recommend that the Commission make the following changes to the preliminary order in this proceeding.

Issue numbers one and two should be modified for clarity.

1. ~~Is the application, as supplemented, complete and correct~~ Is the FM 2854 tract served by a public water system?
  - a. If so, who owns and operates that water system? Is that water system included in the proposed transaction?
  - b. If not, how are the residents located within the FM 2854 tract provided water service? Who provides water service to the residents of that tract?
2. ~~Will the proposed transaction include both tracts in Cypresswood Estates's service area? If not, under what CCN will the second tract be served, d~~ Does the application properly accurately reflect the proposed transaction, and if not, should this matter be returned to the Commission for further administrative processing?

Finally, I propose delegating to the Office of Policy and Docket Management staff the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Chairman DeAnn T. Walker  
Commissioner Shelly Botkin

**FROM:** Commissioner Arthur C. D'Andrea *AD*  
*r/permission*

**DATE:** January 30, 2020

**RE:** Open Meeting of January 31, 2020 – Agenda Item No. 18  
Docket No. 49464 – *Application of Drew T. Spencer dba Cypresswood Estates Water System and South Coast Utilities, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County*

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I recommend that the Commission make the following changes to include an issue not to be addressed in order to clarify the scope of this proceeding. The purpose of the sale, transfer, and merger process is to evaluate whether an acquiring entity demonstrates that it possesses the necessary financial, managerial, and technical capabilities to provide continuous and adequate service to the requested areas and any areas currently certificated to the acquiror.

### **II. Issue Not to be Addressed**

The Commission identifies the following issue that need not be addressed in this proceeding for the reason stated.

#### **1. Does the transferor possess legal title to the utility at issue in this proceeding?**

For applications filed under TWC § 13.301, the Commission is required to make determinations that address the transferee of an applicable entity. The Commission has no jurisdiction to enter an order affecting legal title.

Finally, I propose delegating to the Office of Policy and Docket Management staff the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.