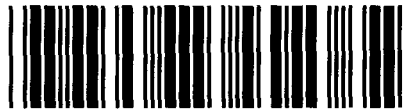


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DOCKET NO. 49615

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PUBLIC UTILITY COMMISSION
OF TEXAS
FILING CLERK

APPLICATION OF MSEC §
ENTERPRISES INC. AND MSEC §
WASTE WATER INC. FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN MONTGOMERY COUNTY §

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND PROPOSED PROCEDURAL SCHEDULE**

COMES NOW the Commission 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 complete. In support thereof, Staff shows the following:

I. BACKGROUND

On June 7, 2019, MSEC Waste Water Inc. (MSEC Waste) and MSEC Enterprises Inc. (MSEC Enterprises)(collectively, Applicants) filed an application for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County, Texas. Specifically, MSEC Waste seeks approval to purchase facilities and transfer MSEC Enterprises’ wastewater Certificate of Convenience and Necessity (CCN) No. 20984. The requested area includes approximately 373 total acres and 3 current customers.

On June 14, 2019, Order No. 1 was issued establishing a deadline of July 8, 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 supported by the attached memorandum of Debbie Reyes in the Commission’s Water Utility Regulation Division, Staff has reviewed the application and recommends that the application be found administratively complete.

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III. NOTICE

The Commission's notice requirement 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 Debbie Reyes.

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 proof of notice with the Commission	August 22, 2019
Deadline for Staff to file a recommendation on sufficiency of notice	Within 10 days of Applicants filing proof of completed notice with the Commission
Deadline to intervene	30 days after notice is issued

V. CONCLUSION

For the reasons discussed above, Staff respectfully recommends that the application be found administratively complete, that 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 3, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney



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(512) 936-7377
(512) 936-7268 (facsimile)
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DOCKET NO. 49615

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on July 3, 2019,
in accordance with 16 TAC § 22.74.



Alexander Petak

PUC Interoffice Memorandum

TO: Alexander Petak, Attorney
Legal Division

THRU: Lisa Fuentes, Manager
Water Utility Regulation Division

FROM: Debbie Reyes, Program Specialist
Water Utilities Division

DATE: July 1, 2019

SUBJECT: **Docket No. 49615**, *Application of MSEC Waste Water Inc. and MSEC Enterprises Inc.'s for Sale, Transfer, or Merger all of Facilities and Certificate Rights in Montgomery County*

On June 7, 2019, MSEC Waste Water Inc.'s (Purchaser or MSEC Waste), and MSEC Enterprises Inc.'s (Seller or MSEC Enterprises) (collectively Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Montgomery County, Texas. Specifically, MSEC Waste seeks approval to purchase facilities and transfer MSEC Enterprises' wastewater Certificate of Convenience and Necessity (CCN) No. 20984. The requested area includes approximately 373 total acres and 3 current customers. This application is being reviewed under 16 Texas Administrative Code (TAC) §§ 24.227 and 24.239 and Texas Water Code (TWC) §§ 13.241, 13.246, and 13.301.

Staff has reviewed the application information and recommends that the application be deemed sufficient for filing and be 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; and
 - d) any affected customers, and other affected parties in the requested area.

- 2) Provide correct notice of the application to the following:
 - Aqua Texas Inc. (CCN No. 21065)
 - SC Utilities (CCN No. 20586)
 - Stanley Lake MUD (CCN No. 20483)
 - City of Conroe
 - City of Montgomery
 - Martin Creek MUD
 - San Jacinto River Authority
 - Lone Star Groundwater Conservation District

- Montgomery County Judge

- 3) Provide an 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's web site located at <http://www14.tceq.texas.gov/iwud/>
- 4) File in the docket a copy of notice along with an affidavit specifying every person and entity to whom notice was provided, the date that the notice was provided, and the publisher's affidavit for proof of newspaper publication. It is recommended that the Applicant use the attached notice and affidavit to meet these requirements.

Notice to Customers, Neighboring Systems and Cities

MSEC WASTE WATER INC.'S NOTICE OF INTENT TO PURCHASE WASTEWATER FACILITIES AND TO TRANSFER MSEC ENTERPRISES INC.'S CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 20984 IN MONTGOMERY COUNTY, TEXAS

To: _____
(Name of Customers, Neighboring System, or City)

Date Notice Mailed: _____, 2019

(Address)

(City State Zip)

MSEC Waste Water Inc.	P. O. Box 970	Navasota, Texas	77868
(Purchaser's or Transferee's Name)	(Address)	(City) (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase wastewater facilities and transfer certificated service area under CCN No. 20984, in Montgomery County, Texas from:

MSEC Enterprises Inc.	P. O. Box 970	Navasota, Texas	77868
(Seller's or Transferor'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 includes the following subdivisions: Montgomery Independent School District, Mid-South Synergy Operations Center, Lake Creek High School, Oak Hill Junior High School, Keenan Elementary School

The requested area to be transferred are located approximately 8.6 miles west of downtown Conroe, TX, and is generally bounded on the north by FM 2854 and Rabon Chapel Road; on the east by the intersection of FM 2854 and Honea Egypt Road; on the south by Keenan Cut Off Road and FM 2854; and on the west by FM 149. The requested areas to be transferred includes approximately 373 total acres and 3 current customers.

This transaction will have the following effect on the current customers' rates and services:
All of the customers will be charged the same rates they were charged before the transaction.

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 informacion en Espanol, puede llamar al 1-888-782-8477.

Utility Representative
MSEC Waste Water Inc.

PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES AND
AFFECTED PARTIES
DOCKET NO. **49615**

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 _____, 2019, 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 _____