



Control Number: 49885



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DOCKET NO. 49885

**APPLICATION OF LZ REAL ESTATE, §
LLC AND EICHHOLZ WATER §
SERVICES, LLC FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN KENDALL COUNTY §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

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**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 files this recommendation in response to Order No. 1. Staff recommends that the application be deemed administratively incomplete and that the applicants be ordered to address the identified deficiencies. In support thereof, Staff would show the following:

I. BACKGROUND

On August 22, 2019, LZ Real Estate, LLC and Eichholz Water Services, LLC and Eichholz Water Services, LLC (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of sewer facilities and certificate rights (CCN) in Kendall County. Specifically, the applicants seek to transfer all of LZ Real Estate's water service area to Eichholz.

The Administrative Law Judge issued Order No. 1 on August 28, 2019 establishing a deadline of September 24, 2019 for the Applicants to file a new application in order to complete its application. Order No. 1 also set a deadline of September 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. This pleading, therefore, is timely filed.

II. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum from Nabaraj Pokharel in the Commission's Infrastructure Division, Staff has reviewed the application and recommends that it be found administratively incomplete. Specifically, Staff has identified deficiencies in the application

content. Staff recommends that Applicants submit additional application content, 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 October 9, 2019 be established for Applicants to supplement the application. Staff further recommends that a deadline of November 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.

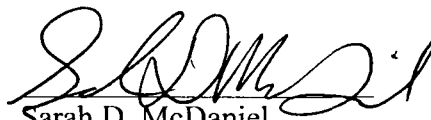
Dated: September 10, 2019

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

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CERTIFICATE OF SERVICE

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



Sarah D. McDaniel

PUC Interoffice Memorandum

To: Sarah McDaniel, Attorney
Legal Division

Through: Heidi Graham, Manager
Infrastructure Division

From: Nabaraj Pokharel, Engineering Specialist
Infrastructure Division

Date: September 10, 2019

Subject: **Docket No. 49885:** Application of LZ Real Estate, LLC and Eichholz Water Services, LLC For Sale, Transfer, or Merger of Facilities and Certificate Rights in Kendall County

On August 22, 2019, LZ Real Estate, LLC (LZ or Seller) and Eichholz Water Services, LLC, (EWS or Buyer) (collectively Applicants) filed an application for a sale, transfer, merger (STM) of facilities and Certificate of Convenience and Necessity (CCN) rights in Kendall County, Texas. This application was filed pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239. Specifically, LZ seeks to transfer all the water service area, facilities and customers held under EWS's CCN.

Based on a review of the information in the application, Staff recommends that the application be deemed insufficient for filing and found administratively incomplete due to the deficiencies detailed below:

Application Content:

Applicants must address the following items to resolve the application deficiencies:

- Fill out all of the missing information in the application; please do not leave any spaces blank. For example, questions 4, 8, 9, 12 (B), 13, 14, 15, 17, 19, 20, 21, and 25 are left blank. Please respond to all of these questions.
- Provide Seller's CCN number;
- Provide documentation showing the legal name of the Seller;
- The Texas Commission on Environmental Quality (TCEQ) database shows the Seller has some unresolved TCEQ violations. Provide the letter(s) from TCEQ showing that the following violations have been resolved or provide the plan how these violations will be resolved:
- Provide documentation that shows mapping details to confirm the area.
- Provide an original copy of Seller's most recent approved tariff,
- Provide a copy of the contract, lease, or sale agreement for the sale of LZ Real Estate, LLC to Eichholz Water Services, LLC.
- Provide a list of water assets to be transferred in order to answer question 11.B of the application. Please include the original cost of plant in service, the date the item was placed in service for sewer service, and accumulated depreciation amount of each asset
- Provide detailed financial information per question 10 of the application.
- Provide Eichholz Water Services, LLC's certificate of account status.

- Provide a completed and notarized Oath for Transferee (Acquiring Entity - Eichholz Water services, LLC)
- Provide a completed and notarized Oath for Transferor (Transferring Entity)