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DOCKET NO. 50059

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PUBLIC UTILITY COMMISSION
FILING OFFICE
OF TEXAS

APPLICATION OF DOUBLE §
DIAMOND UTILITIES COMPANY, §
INC., DOUBLE DIAMOND §
PROPERTIES CONSTRUCTION §
COMPANY, AND MIDWAY WATER §
UTILITIES, INC. FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN HILL, PALO PINTO, §
JOHNSON, AND GRAYSON §
COUNTIES §

**COMMISSION STAFF'S RECOMMENDATION
ON ADMINISTRATIVE COMPLETENESS**

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. Staff recommends that the application be deemed sufficient for further review. In support thereof, Staff shows the following:

I. BACKGROUND

On September 27, 2019, Midway Water Utilities, Inc. (Midway), Double Diamond Utilities Co., and Double Diamond Properties Construction Co. (Double Diamond) (collectively, Applicants) filed an application for the transfer of assets. Double Diamond seeks to sell the assets of water Certificate of Convenience and Necessity (CCN) Nos. 12087 and 13235 and sewer CCN No. 20705 and transfer the respective water and sewer CCNs to Midway. The application is filed pursuant to Tex. Water Code (TWC) § 13.301 and 16 Tex. Admin. Code (TAC) § 24.239. Additionally, Midway proposes to consolidate water CCN Nos. 12087 and 13235 into CCN No. 12087. Requests for Extension were filed by Staff on October 24th and November 8th of 2019. Midway supplemented the application on November 8th and 18th of 2019.

On November 13, 2019, Order No. 3 was issued granting the extension and also establishing a deadline of November 20, 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 from Nabaraj Pokharel, in the Commission's Infrastructure Division, Staff has reviewed the application and recommends that the application be found administratively complete.

III. NOTICE

The Commission's notice requirement for sale, transfer, merger applications are provided by 16 TAC § 24.239. Specifically, Staff recommends that Applicants be ordered to provide notice according to the attached memorandum of Nabaraj Pokharel.

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	December 20, 2019
Deadline for Staff to file a recommendation on sufficiency of notice	January 3, 2020
Deadline to intervene	30 days after notice is issued

V. CONCLUSION

Staff respectfully requests the issuance of an order consistent with the foregoing.


Dated: November 20, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Rachelle Nicolette Robles
Managing Attorney

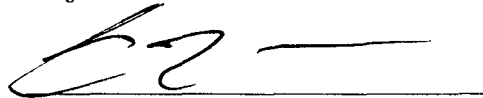


Creighton R. McMurray
State Bar No. 24109536
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7275
(512) 936-7268 (facsimile)
creighton.mcmurray@puc.texas.gov

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 20th of November 2019 in accordance with 16 TAC § 22.74.



Creighton R. McMurray

PUC Interoffice Memorandum

To: Creighton McMurray, Attorney
Legal Division

Thru: Heidi Graham, Director of Water Utility Engineering
Infrastructure Division

From: Nabaraj Pokharel, Engineering Specialist
Infrastructure Division

Date: November 19, 2019

Subject: **Docket No. 50059**, *Application of Double Diamond Utilities Company, Inc., Double Diamond Properties Construction Company, and Midway Water Utilities, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hill, Palo Pinto, Johnson, and Grayson Counties*

On September 27, 2019, Midway Water Utilities, Inc. (Midway or Purchaser) and Double Diamond Utilities Company, Inc., Double Diamond Properties Construction Company (Double Diamond or Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Grayson, Hill, Johnson, and Palo Pinto Counties, Texas, pursuant to Texas Water Code § 13.301 and the 16 Texas Administrative Code § 24.239.

Specifically, Midway seeks approval to acquire facilities and to transfer all of Double Diamond's water Certificate of Convenience and Necessity (CCN) Nos. 12087, 13235 and sewer CCN No. 20705. Midway also proposes to consolidate the two water CCNs into water CCN No. 12087. Per Applicants' request, CCN No. 13235 is being cancelled. According to Staff's official CCN data and the information provided by the Applicants, the revised requested areas to be transferred includes approximately 9,755 acres and 2,444 connections.

Staff reviewed the application and the additional information filed by the Applicants on November 8, 2019 and November 18, 2019 and recommends that the application be deemed sufficient for filing and administratively complete. Staff further recommends the Applicants 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 Grayson, Hill, Johnson, Palo Pinto Counties.

- 2) Provide correct notice of the application to the following entities:

- Beachview Acres Water Association (CCN No. 13186)
- Cedar Creek Colony WSC (CCN No. 11497)
- Double Diamond Utilities Company, Inc. (CCN Nos. 12087, 20705)
- Double Diamond Properties Construction Company (CCN No. 13235)
- Gaines Bend Utilities Inc. (CCN No. 21042)
- Hilco United Services Inc. (CCN No. 12998)
- Hill County WSC (CCN No. 12125)
- James A Dyche (CCN No. 12037)
- Northwest Grayson County WCID 1 (CCN No. 12362)
- Possum Kingdom WSC (CCN No. 12890)
- Woodrow-Osceola WSC (CCN No. 10901)
- Aquilla Hackberry Creek Conservation District
- Brazos River Authority
- Northwest Grayson County WCID 1
- Palo Pinto County WCID 1
- Red River Authority of Texas
- Sportsmans World MUD
- White Bluff WCID
- Prairielands Groundwater Conservation District
- Red River Groundwater Conservation District
- Grayson County Judge
- Hill County Judge
- Johnson County Judge
- Palo Pinto County Judge

- 3) Provide an accurate map delineating the requested 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's web site located at <http://www14.tceq.texas.gov/iwud/>
- 4) Within 30 days of the date of the notice, file in the docket a map and 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 notices and affidavits to meet these requirements.

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>).

Notice to Current Customers, Neighboring Systems, and Cities

MIDWAY WATER UTILITIES, INC NOTICE OF INTENT TO PURCHASE WATER AND SEWER FACILITIES AND TO TRANSFER SERVICE AREAS FROM DOUBLE DIAMOND UTILITIES COMPANY, INC. WATER CCN NO. 12087 AND SEWER CCN NO. 20705, AND DOUBLE DIAMOND PROPERTIES CONSTRUCTION COMPANY'S WATER CCN NO. 13235 IN GRAYSON, HILL, JOHNSON, AND PALO PINTO COUNTIES, TEXAS

To: _____ Date Notice Mailed: _____, 2019
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

Midway Water Utilities, Inc. 12535 Reed Rd., Sugar Land, TX 77478
(Purchaser's Name) (Address) (City), (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase water and sewer facilities and to transfer water and sewer certificated service areas under CCN Nos. 12087, 13235, and 20705 in Grayson, Hill, Johnson and Palo Pinto , TX from:

Double Diamond Utilities Company Inc. & 5495 Belt Line Rd Ste 200 Dallas, TX 75254
Double Diamond Properties Construction Company
(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 subdivision:

The requested areas to be transferred and subject to this transaction includes the following:

Rock Creek in Grayson County – CCN No. 13235

- The requested area is located approximately 2.8 miles northwest of downtown Gordonville, TX, and is generally bounded on the north by Lake Texoma and Paw Paw Creek Road; on the east by intersection of Liberty Road and Pine Grove Road; on the south by Farm to Market 901; and on the west by Farm to Market 901. The requested area includes approximately 1,415 total acres and 184 current customers.

Rock Creek in Grayson County – CCN No. 20705

- The requested area is located approximately 2.8 miles northwest of downtown Gordonville, TX, and is generally bounded on the north by Paw Creek Road; on the east by intersection of Liberty Road and Pine Grove Road; on the south by Farm to Market 901; and on the west by Farm to Market 901. The requested area includes approximately 1,219 total acres and 184 current customers.

White Bluff in Hill County – CCN Nos. 12087 and 20705

- The requested area is located approximately 5.8 miles northwest of downtown Whitney,

TX, and is generally bounded on the north by County Road 1145; on the east by Farm to Market Road 933; on the south by Lake Whitney and Farm to Market Road 2604; and on the west by Lake Whitney. The requested area includes approximately 3,276 total acres and 1,236 current customers.

The Retreat in Johnson County – CCN Nos. 12087 and 20705

- The requested area is located approximately 6.5 miles southwest of downtown Rio Vista, TX, and is generally bounded on the north by Farm to Market Road 1434; on the east by Ham Creek; on the south by County Road 1108; and on the west by Farm to Market Road 1434. The requested area includes approximately 2,604 total acres and 287 current customers.

The Cliffs in Palo Pinto County – CCN Nos. 12087 and 20705

- The requested area is located approximately 11 miles southwest of downtown Graford, TX, and is generally bounded on the north by Possum Kingdom Lake; on the east by State Highway 16; on the south by intersection of State Highway 16 and Gaines Bend Drive; and on the west by Possum Kingdom Lake. The requested area includes approximately 1,241 total acres and 553 current customers.

The total requested area includes approximately 9,755 total acres and 2,444 current customers.

A copy of the map showing the requested area is available at: 1620 Grand Ave Parkway, Pflugerville, TX 78660

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. 50059

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 _____