



Control Number: 50422



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DOCKET NO. 50422

**APPLICATION OF JOHNSON WATER
SERVICE AND SP UTILITY
COMPANY, INC. FOR SALE
TRANSFER OR MERGER OF
FACILITIES AND CERTIFICATE
RIGHTS IN BRAZORIA COUNTY**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**



**COMMISSION STAFF'S SUPPLEMENTAL 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 files this Supplemental 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 January 8, 2020, Johnson Water Service (JWS) and SP Utility Company, Inc. (SPUC) (collectively, "the Applicants") filed an application for sale, transfer, or merger of facilities and certificate rights in Brazoria County. JWS seeks to sell its facilities and to transfer its water service area held under Certificate of Convenience and Necessity (CCN) No. 12004 to SPUC. The requested sale and transfer includes approximately 28 acres and 44 connections. On March 23, 2020 the Applicants filed supplemental information.

On April 14, 2020, Staff's requested an extension until April 23, 2020 for Staff to file a supplemental recommendation on the administrative completeness of the application, and propose a procedural schedule for further processing of the application. An order was never issued granting or denying Staff's request for an extension.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information filed by Applicants and, as detailed in the attached memorandum from Elisabeth English, Infrastructure Division, recommends that it be found administratively complete and accepted for filing. Staff's recommendation does not address the merits of the petition.

III. NOTICE

As detailed in the attached memorandum, Staff recommends that Applicants proceed with providing public notice. Specifically, Staff recommends that Applicants be directed to use the attached *Notice to Current Customers, Neighboring Systems, and Cities* form to complete the following actions:

- 1) Provide notice of the application by first-class mail 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:
 - Aqua Texas Inc. (CCN No. 13203)
 - Brazoria County MUD 21 (CCN No. 13042)
 - Brazoria County MUD 22 (CCN No. 13231)
 - City of Pearland (CCN No. 11008)
 - Johnson's Water Service (CCN No. 12004)
 - Brazoria County MUD 6
 - Brazoria County MUD 22
 - Brazoria County MUD 25
 - Brazoria County MUD 26
 - Brazoria County MUD 34
 - Brazoria County MUD 35
 - Brazoria County MUD 39
 - Brazoria County MUD 40
 - Brazoria Drainage District 4
 - Fort Bend County Drainage District
 - b. The county judge of each county that is wholly or partially included in the requested area:
 - Brazoria County Judge
 - c. Each groundwater conservation district that is wholly or partially included in the requested area:

- Brazoria County Groundwater Conservation District
- d. Any affected customers, and other affected parties in the requested area.
- 2) Provide an accurate map delineating the requested service area with each individual notice to neighboring utilities, other affected parties, and customers.
 - 3) File in the docket an affidavit specifying every person and entity to whom notice was provided and the date that the notice was provided. Also file a representative copy of the actual notice and a copy of the map that was included with each individual notice. All documentation must be filed within 30 days of the date of the notice. It is recommended that the applicants use the attached notice and affidavit to meet these requirements.

IV. PROCEDURAL SCHEDULE

Staff recommends the application as supplemented be found administratively complete. Staff therefore proposes the following procedural schedule:

Event	Date
Deadline for Applicant to file with the Commission signed affidavits that the notice was given along with a copy of the notice sent to the affected parties and published in a newspaper of general circulation	May 25, 2020
Deadline for Staff to file a recommendation on sufficiency of notice	June 1, 2020
Deadline to intervene	Thirty (30) days after notice is issued

IV. CONCLUSION

For the reasons detailed above, Staff recommends that the application, as supplemented, be found administratively complete, that Applicants be directed to provide notice as detailed above and in the attached memorandum, and that the proposed procedural schedule be adopted.

Dated: April 23, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Robert Dakota Parish
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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on April 23, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Robert Dakota Parish
Robert Dakota Parish

PUC Interoffice Memorandum

To: Robert Dakota Parish, Attorney
Legal Division

From: Elisabeth English, Engineering Specialist
Infrastructure Division

Date: April 23, 2020

Subject: **Docket No. 50422:** *Application of Johnson Water Service and SP Utility Company, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Brazoria County*

On January 8, 2020, Johnson Water Service (Johnson WS or Seller) and SP Utility Company, Inc. (SP Utility or Buyer) (collectively “Applicants”) filed an application for Sale, Transfer, or Merger (STM) of certificate rights and facilities in Brazoria County, Texas. The STM application is being reviewed consistent with 16 Texas Administrative Code (TAC) §§ 24.227 and 24.239 and Texas Water Code (TWC) §§ 13.241, 13.246, and 13.301. SP Utility seeks an amendment to their water Certificate of Convenience and Necessity (CCN) No. 12978 via the transfer of service area located within Johnson WS’s water CCN No. 12004. The application also seeks approval for the purchase of Johnson WS’s facilities and the subsequent cancellation of CCN No. 12004.

Johnson WS currently owns and operates the Texas Commission on Environmental Quality (TCEQ) public water supply (PWS) named “Oleander Road Mobile Home Development” (PWS ID 0200158). The PWS provides water utility service to 44 residential customers that are located within the boundaries of CCN No. 12004, which has a service area of approximately 28 acres. The application proposes the sale and transfer of the public water system, CCN, and existing customers to SP Utility.

On March 23, 2020 Johnson WS supplemented their application. Based on Staff’s review of the above referenced application and the supplemental filing, Staff recommends that the application be deemed sufficient for filing and be found administratively complete. Staff also recommends the following actions be required of the applicants:

- 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, and any city with an extraterritorial jurisdiction that overlaps the requested area;
 - Aqua Texas Inc. (CCN No. 13203)
 - Brazoria County MUD 21 (CCN No. 13042)
 - Brazoria County MUD 22 (CCN No. 13231)
 - City of Pearland (CCN No. 11008)
 - Johnson’s Water Service (CCN No. 12004)
 - Brazoria County MUD 6
 - Brazoria County MUD 22
 - Brazoria County MUD 25
 - Brazoria County MUD 26
 - Brazoria County MUD 34
 - Brazoria County MUD 35

- Brazoria County MUD 39
 - Brazoria County MUD 40
 - Brazoria Drainage District 4
 - Fort Bend County Drainage District
 - b) the county judge of each county that is wholly or partially included in the requested area;
 - Brazoria County Judge
 - c) each groundwater conservation district that is wholly or partially included in the requested area;
 - Brazoria County Groundwater Conservation District
 - d) any affected customers and other affected parties in the requested area.
- 2) Provide an accurate map delineating the requested service area with each individual notice to neighboring utilities, other affected parties, and customers.
- 3) File in the docket an affidavit specifying every person and entity to whom notice was provided and the date that the notice was provided. Also file a representative copy of the actual notice and a copy of the map that was included with each individual notice. All documentation must be filed within 30 days of the date of the notice. It is recommended that the applicants use the attached notice and affidavit to meet these requirements.

Notice to Current Customers, Neighboring Systems, and Cities

SP UTILITY COMPANY INC'S CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 12978 NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 12004 FROM JOHNSON WATER SERVICE IN BRAZORIA COUNTY, TEXAS

To: _____ Date Notice Mailed: _____, 202__
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

SP Utility Company Inc. PO Box 690521, Houston, TX 77269
has submitted an application with the Public Utility Commission of Texas (Commission) to purchase water facilities and to transfer water certificated service area under CCN No. 12004 in Brazoria County TX from:

Johnson Water Service 1713 Oleander St, Rosharon, TX 77583
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 No. 12004 includes the following subdivisions: Oleander Road Mobile Home Development

The requested area to be transferred is located approximately 8 miles southwest of downtown Pearland, TX, and is generally bounded on the north by 400 feet north of Oleander Street; on the east by 50 feet east of Old Airline Road; on the south by Magnolia Parkway and CR 59; and on the west by 50 feet west of CR 967. The requested area to be transferred includes approximately 28 total acres and 44 current customers.

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. The letter must include the person's name, address, email address and fax number if appropriate.

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 OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND AFFECTED PARTIES DOCKET NO. 50422

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 _____