

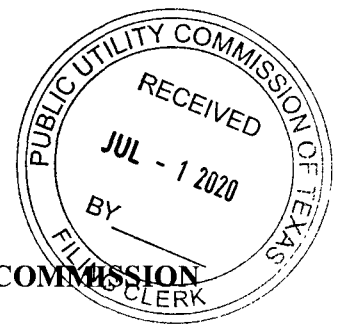


Control Number: 50895



Item Number: 6

Addendum StartPage: 0



DOCKET NO. 50895

**APPLICATION OF CHAMPS WATER
COMPANY AND MIDWAY WATER
UTILITIES, INC. FOR SALE,
TRANSFER, OR MERGER OF
FACILITIES AND CERTIFICATE
RIGHTS IN HARRIS AND
MONTGOMERY COUNTIES** §
§
§
§
§
§
§

**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND PROPOSED NOTICE**

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 and Proposed Notice. Staff recommends that the application be deemed administratively incomplete and that the Applicants be ordered to address the identified deficiencies. In support thereof, Staff shows the following:

I. BACKGROUND

On June 1, 2020, Champs Water Company (Champs) and Midway Water Utilities, Inc. (Midway) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Harris and Montgomery Counties. Midway seeks approval to acquire facilities and to transfer Champs’ water and sewer Certificates of Convenience and Necessity (CCN) Nos. 10972 and 20385, respectively.

On June 4, 2020, the Administrative Law Judge (ALJ) issued Order No. 1, establishing a deadline of July 1, 2020 for Staff to file comments on the administrative completeness of the application and proposed notice, to file a recommendation regarding how to proceed with the application, and to propose a procedural schedule. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and, as detailed in the attached memorandum from Patricia Garcia of the Infrastructure Division, recommends that it be found administratively incomplete. Specifically, Staff has identified deficiencies in the application and mapping content. Staff requests that the Applicants be ordered to submit additional application and mapping content, as further detailed in the attached memorandum.

4

III. COMMENTS ON PROCEDURAL SCHEDULE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of the docket at this time. Staff recommends that the Applicants be ordered to cure the deficiencies identified in Ms. Garcia's memorandum by August 3, 2020, and that Staff be given a deadline of September 3, 2020, to file a supplemental recommendation on the administrative completeness of the application. Staff notes that the Applicants should not issue notice until the application is found administratively complete. Staff intends to propose a procedural schedule alongside a subsequent recommendation for application sufficiency.

IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that the application be found administratively incomplete at this time and that the Applicants be ordered to file a supplement addressing the identified deficiencies in the application by August 3, 2020.

Dated: July 1, 2020

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Rachelle Nicolette Robles
Division Director

Eleanor D'Ambrosio
Managing Attorney

/s/ Justin C. Adkins
Justin C. Adkins
State Bar No. 24101070
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7289
(512) 936-7268 (facsimile)
Justin.Adkins@puc.texas.gov

DOCKET NO. 50895

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 July 1, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Justin C. Adkins
Justin C. Adkins

PUC Interoffice Memorandum

To: Justin Adkins, Attorney
Legal Division

From: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

Date: July 1, 2020

Subject: **Docket No. 50895**, *Application of Champs Water Company and Midway Water Utilities, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris and Montgomery Counties*

On June 1, 2020, Midway Water Utilities, Inc. (Midway or Purchaser) and Champs Water Company (Champs or Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Harris and Montgomery Counties, Texas, pursuant to Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Midway seeks approval to acquire facilities and to transfer all of Champs' water and sewer certificates of convenience and necessity (CCN), Nos. 10972 and 20385, respectively.

Staff has reviewed the information provided by the Applicants and recommends the application be deemed administratively incomplete and not accepted for filing. Staff further recommends that the Applicants address the deficiencies detailed below:

Application Content:

1. Completed application question number 14: The sum of debits and credits should equal zero, but does not, and the plant in service and accumulated depreciation amounts should equal the sum of the amounts on the asset schedules.

Mapping Content:

1. The general location (small scale) maps are deficient. The general location maps must be revised by zooming in closer to the outer boundaries of each requested area and clearly labeling major highways.

Staff recommends that the Applicants submit the following items to resolve the mapping deficiencies:

Revised general location maps identifying only the requested areas for both water and sewer, in reference to the nearest county boundary, city, or town and labeling major highways.

Additional Information:

Staff notes that another STM application in which Midway is the purchaser is currently under review in Docket No. 50059. In that application, Midway has received approval to proceed with a transaction to acquire water CCN No. 12087 and sewer CCN No. 20705.¹ It is recommended that a utility not obtain more than one water and sewer CCN number; therefore, Staff recommends that the service area being acquired in this docket be transferred into the CCNs Midway will acquire in Docket No. 50059, as it is expected to be completed prior to this docket. If Midway does not agree to this change, then Staff recommends that Midway provide an explanation as to why multiple water and sewer CCN numbers are necessary.

¹ *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*, Docket No. 50059, Order No. 9 Approving Sale and Transfer to Proceed (May 11, 2020).