



Control Number: 51382



Item Number: 7

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DOCKET NO. 51382

**APPLICATION OF DOGWOOD §
ESTATES WATER COMPANY AND §
LAKESHORE UTILITY COMPANY §
FOR SALE, TRANSFER, OR MERGER §
OF FACILITIES AND CERTIFICATE §
RIGHTS IN HENDERSON COUNTY §**

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PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

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

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and in response to Order No. 2, files this Supplemental Recommendation on Administrative Completeness and Proposed Procedural Schedule. Staff recommends that the supplemented application be deemed administratively complete. In support thereof, Staff shows the following:

I. BACKGROUND

On October 2, 2020, Sentry Title Company, Inc. dba Lakeshore Utility Company (Lakeshore) and Rick L. Brown dba Dogwood Estates Water Company (Dogwood Estates) (collectively, Applicants) filed an application for approval of the sale and transfer of certificate of convenience and necessity (CCN) rights in Henderson County. Lakeshore seeks approval to acquire facilities and to transfer all of the water service area from Dogwood Estates under water CCN No. 10823. The requested area includes 7,328 acres and 442 current customers. Applicants filed supplemental information on October 29, 2020 and November 6, 2020.

On November 3, 2020, the administrative law judge filed Order No. 2 finding the application deficient and requiring Applicants to supplement the application by December 1, 2020. Order No. 2 also established a deadline of January 5, 2021 for Staff to file a supplemental recommendation on the administrative completeness of the application and to 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 Jolie Mathis, of the Infrastructure Division, Staff has reviewed the application and recommends that the application be found administratively complete.

III. NOTICE

At this time, Staff recommends that the Applicants proceed with providing public notice to all current customers, persons, political subdivisions, and other entities listed in the attached memorandum using the notice provided by Ms. Mathis.¹ Along with each individual notice, Staff recommends that Applicants provide an accurate map delineating the requested service area. Within 30 days of the provision of notice, Staff recommends that the Applicants file proof of notice as described in the attached memorandum. Finally, Staff recommends that the Applicants use the attached notices and affidavits to meet these requirements.

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 signed affidavits that notice was provided, along with a copy of the notice sent to the affected parties	February 4, 2021
Deadline for Commission Staff to file a recommendation on sufficiency of notice	February 18, 2021
Deadline for affected persons to file motions to intervene; deadline to request a hearing on the merits	30 days after notice is issued

V. CONCLUSION

For the reasons discussed above, Staff respectfully recommends that the supplemented application be found administratively complete, that Applicants be directed to provide notice as detailed above in the attached memorandum, and that the proposed procedural schedule be adopted for further processing of this docket.

¹ The Commission's notice requirement for sale, transfer, merger applications are provided by 16 Texas Administrative Code (TAC) § 24.239.

Dated: January 5, 2021

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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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 January 5, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Alaina Zermeno
Alaina Zermeno

Public Utility Commission of Texas

Memorandum

TO: Alaina Zermeno, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: January 5, 2021

RE: Docket No. 51382 – *Application of Dogwood Estates Water Company and Lakeshore Utility Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Henderson County*

On October 2, 2020, Sentry Title Company, Inc. dba Lakeshore Utility Company (Lakeshore) and the Rick L. Brown dba Dogwood Estates Water Company (Dogwood Estates) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Henderson County, Texas, pursuant to Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239

Specifically, Lakeshore, holding certificate of convenience and necessity (CCN) No. 10843, seeks approval to acquire facilities and to transfer all of the water service area from Dogwood Estates encompassed under water certificate of convenience and necessity (CCN) No. 10823. The requested area includes approximately 7,238 acres and 422 connections.

Based on the mapping review by Gary Horton, Infrastructure Division, the financial and managerial review by Fred Bednarski, Rate Regulation Division, and my technical and managerial review of the additional information filed on November 6, 2020, I recommend that the application be deemed administratively complete. I further recommend that the Applicants be ordered to do the following:

- 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. 13201)*
 - *City of Athens*
 - *City of Malakoff*
 - *Crescent Heights WSC (CCN No. 10827)*

- *Monarch Utilities I, LP (CCN No. 12983)*
 - *Trinity River Authority of Texas*
 - *Virginia Hill WSC (CCN No. 10852)*
- b. The county judge of each county that is wholly or partially included in the requested area:
- *Henderson County Judge*
- c. Each groundwater conservation district that is wholly or partially included in the requested area:
- *Neches and Trinity Valleys Groundwater Conservation District*
- d. Any affected customers, and other affected parties in the requested area.

Addresses can be obtained from the Water Utility Database at <http://www.puc.texas.gov/watersearch>. District information and addresses can be obtained from the Texas Commission on Environmental Quality's (TCEQ) web site located at <http://www14.tceq.texas.gov/iwud/>.

- 2) Provide notice using the attached notice form(s).
- 3) Provide a copy of the map(s) deemed sufficient during administrative review delineating the requested area with each individual notice to neighboring utilities, other affected parties, and customers.
- 4) File in the docket a copy of the notice and the map(s) deemed sufficient during administrative review along with the signed affidavit specifying every person and entity to whom notice was provided, and the date that the notice was provided.

Notice to Current Customers, Neighboring Systems, and Cities

LAKESHORE UTILITY COMPANY, INC., CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO. 10843, NOTICE OF INTENT TO PURCHASE WATER
FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 10823
FROM DOGWOOD ESTATES WATER COMPANY IN HENDERSON COUNTY, TEXAS

To: _____ Date Notice Mailed: _____, 20____
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

<u>Lakeshore Utility Company</u>	<u>106 E. Corsicana</u>	<u>Athens, TX</u>	<u>75751</u>
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase Dogwood Estates Water Company water facilities and to transfer water certificated service area under CCN No. 10823, in Henderson County, TX from:

<u>Dogwood Estates Water Company</u>	<u>P.O. Box 387</u>	<u>Athens, TX</u>	<u>75751</u>
(Seller's Name)	(Address)	(City), (State)	(Zip Code)

The sale is scheduled to take place if approved by the Commission (Texas Water Code § 13.301). The transaction and the transfer of the CCN includes the following subdivision:
Dogwood Estates, Oak Manor, Wagontree and adjacent subdivisions.

The requested area is located approximately 2 mile(s) southwest of downtown Athens, Texas, and is generally bounded on the north by West Corsicana Street; on the east by West Cayuga Drive and FM 59; on the south by FM 753; and on the west by FM 753. The total requested area includes approximately 7,238 acres and 422 current customers. **See enclosed map showing the requested area.**

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 applicable.

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. 51382

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 forth 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 _____

Updated: October 15, 2020