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DOCKET NO. 51454

**APPLICATION OF AQUA UTILITIES, §
INC. AND AQUA TEXAS, INC. FOR §
SALE, TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN VICTORIA COUNTY §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

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

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Recommendation on Administrative Completeness and Proposed Notice. In support thereof, Staff shows the following:

I. BACKGROUND

On October 22, 2020, Aqua Texas, Inc. (Aqua Texas) and Aqua Utilities, Inc. (Aqua Utilities) (collectively, Applicants) filed an application for approval of the sale and transfer of certificate of convenience and necessity (CCN) rights in Victoria County. Aqua Texas seeks approval to acquire facilities and to transfer all of Aqua Utilities' service area under water CCN No. 11157 and sewer CCN No. 20453. The requested area includes approximately 174 acres and 75 connections. Applicants filed supplemental information on November 10 and 17, 2020.

On October 23, 2020, the administrative law judge filed Order No. 1, establishing a deadline of November 23, 2020, for Staff to file a recommendation on administrative completeness and proposed notice. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

After review, and as detailed in the attached memorandum from Patricia Garcia of the Commission's Infrastructure Division, Staff recommends that the application, as supplemented, be found administratively incomplete. Specifically, Staff has identified Texas Commission on Environmental Quality violations for both the water and sewer systems being transferred. Staff recommends that Applicants provide documentation showing that the violations have been addressed or provide details describing how each violation will be addressed.

III. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule for the continued processing of this application:

Event	Date
Deadline for Applicants to file information to cure deficiencies identified in Commission Staff's memorandum	December 23, 2020
Deadline for Commission Staff to file a supplemental recommendation on administrative completeness of the application and proposed procedural schedule for the continued processing of this application	January 22, 2021

IV. CONCLUSION

For the reasons discussed above, Staff respectfully requests the issuance of an order deeming the application administratively incomplete and adopting the proposed procedural schedule.

Dated: November 20, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Eleanor D'Ambrosio
Managing Attorney

/s/ Merritt Lander
Merritt Lander
State Bar No. 24106183
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7290
(512) 936-7268 (facsimile)
Merritt.Lander@puc.texas.gov

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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 on November 20, 2020 in accordance with the Order Suspending Rules issued in Project No. 50664.

/s/ Merritt Lander
Merritt Lander

Public Utility Commission of Texas

Memorandum

TO: Merritt Lander, Attorney
Legal Division

FROM: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

DATE: November 23, 2020

RE: Docket No. 51454 – *Application of Aqua Utilities, Inc. and Aqua Texas, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County*

Aqua Texas, Inc. (Aqua Texas) and Aqua Utilities, Inc. (Aqua Utilities) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Victoria County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Aqua Texas, certificate of convenience and necessity (CCN) Nos. 13203 and 21065, seeks approval to acquire facilities and to transfer a portion of the water and sewer service area from Aqua Utilities under water CCN No. 11157 and sewer CCN No. 20453. The requested area includes approximately 174 acres and 75 connections.

Based on my technical and managerial review of the information filed by the Applicants, I recommend that the application be deemed administratively incomplete and not accepted for filing.

Upon review of the Texas Commission on Environmental Quality's (TCEQ) databases, I identified violations for both the water and sewer systems being transferred. I recommend that the Applicants provide documentation showing that the violations have been addressed or provide details describing how each violation will be addressed.