



## Filing Receipt

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**DOCKET NO. 52408**

<b>APPLICATION OF S.S. WATER</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SUPPLY CORPORATION AND</b>	<b>§</b>	
<b>LAS PALOMAS WATER SERVICE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>COMPANY FOR SALE, TRANSFER,</b>	<b>§</b>	
<b>OR MERGER OF FACILITIES AND</b>	<b>§</b>	
<b>CERTIFICATION RIGHTS IN WILSON</b>	<b>§</b>	
<b>COUNTY</b>	<b>§</b>	

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

On August 10, 2021, S.S. Water Supply Corporation (SSWSC) and Las Palomas Water Service Company, LLC under the receivership of Donald G. Rauschuber (Las Palomas) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Wilson County. Specifically, SSWSC seeks approval to acquire facilities and to transfer water service area held under water certificate of convenience and necessity (CCN) number 12308. The requested area includes approximately 1,060 acres and 235 current customers.

On August 11, 2021, the administrative law judge (ALJ) filed Order No. 1, establishing a deadline of September 9, 2021 for the Staff of the Public Utility Commission of Texas (Staff) to file comments on the administrative completeness of the application and proposed notice and to propose a procedural schedule for the further processing of this docket. Therefore, this pleading is timely filed.

**I. ADMINISTRATIVE COMPLETENESS**

Staff has reviewed the application and, as detailed in the attached memorandum from Patricia Garcia, of the Infrastructure Division, recommends that the application is administratively incomplete from a managerial and technical perspective. Staff recommends that the Applicants be ordered to cure the deficiencies identified in Ms. Garcia’s memorandum by September 23, 2021 and that Staff be given a deadline of October 7, 2021 to file a supplemental recommendation on the administrative completeness of the application.

## **II. 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 intends to propose a procedural schedule alongside a subsequent recommendation that the application be found administratively complete. Staff notes that the Applicants should not issue notice until the application is deemed sufficient.

## **III. CONCLUSION**

For the reasons detailed above, Staff recommends that the application be found administratively incomplete and that the Applicants be ordered to file supplemental information to cure the deficiencies in the application by September 23, 2021. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: September 9, 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 September 9, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Arnett D. Caviel  
Arnett D. Caviel

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Arnett Caviel, Attorney  
Legal Division

**FROM:** Patricia Garcia, Senior Engineering Specialist  
Infrastructure Division

**DATE:** September 9, 2021

**RE:** Docket No. 52408 – *Application of S.S. Water Supply Corporation and Las Palomas Water Service Company for Sale, Transfer, or Merger of Facilities and Certification Rights in Wilson County*

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S.S. Water Supply Corporation (SSWSC) and Las Palomas Water Service, LLC under the receivership of Donald G. Rauschuber (Las Palomas) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Wilson County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, SSWSC, certificate of convenience and necessity (CCN) No. 11489, seeks approval to acquire facilities and to transfer all of the water service area from Las Palomas under water CCN No. 12308.

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 due to the deficiencies detailed below:

- Donald G. Rauschuber, was appointed as the receiver for Las Palomas and its public water system, Lake Valley Water, by an order filed by the Travis County 98<sup>th</sup> District Court (District Court) on January 24, 2019.<sup>1</sup> The order filed by the District Court also states that Las Palomas has been owner of the water system and utility since 2002; however Commission records show the utility name as Lake Valley Water.<sup>2</sup> Additionally, an order filed by the District Court on August 3, 2021, allowing the sale of the water system to proceed, names Las Palomas Water System Service Company as the holder of the CCN to be purchased.<sup>3</sup> Staff recommends that the Applicants

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<sup>1</sup> *Application*, Attachment 1.1, at 1.

<sup>2</sup> *Id.*, Attachment 1.1 at 2.

<sup>3</sup> *Id.*, Attachment 1.5 at 2.

provide a copy of the Secretary of State Certificate of Account Status for Las Palomas and SSWSC. Also, please explain the relationship between Lake Valley Water and Las Palomas.

- Lake Valley Water is on the regulatory assessment fees list for non-payment or underpayment for the years 2014-2019. Please discuss this issue with the Texas Commission on Environmental Quality (TCEQ) so that they can provide advice on how to resolve this issue and provide an explanation on how this issue was resolved in response to this deficiency.
- The application indicates that Lake Valley Water public water system has a moratorium on new connections. Please provide an explanation on how SSWSC will resolve this.
- Lake Valley Water's public water system has active violations in the TCEQ's Drinking Water Watch and Central Registry databases. Please provide an explanation on how these violations will be resolved.