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DOCKET NO. 52759

APPLICATION OF IRON HILL WATER	§	PUBLIC UTILITY COMMISSION
SUPPLY CORPORATION AND RUSK	§	
RURAL WATER SUPPLY CORPORATION	§	OF TEXAS
FOR SALE, TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE RIGHTS	§	
IN CHEROKEE COUNTY	§	

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

On October 27, 2021, Iron Hill Water Supply Corporation (Iron Hill WSC) and Rusk Rural Water Supply Corporation (Rusk Rural WSC) (jointly, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Cherokee County. Applicants seek approval to sell and transfer all of Iron Hill WSC's certificated area under CCN No. 10784 to Rusk Rural WSC. The application reflects a requested area of 2,038 acres and 155 customers. Applicants filed supplemental information on November 15, 2021 and December 1, 2021.

On December 1, 2021, the administrative law judge filed Order No. 2, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation regarding the administrative completeness of the application and the sufficiency of the proposed notice and to propose a procedural schedule by January 12, 2022. On January 12, 2022, Staff filed its recommendation and inadvertently mischaracterized the proposed transaction. That issue has been corrected in this pleading.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information, and as detailed in the attached memoranda by Jolie Mathis of the Commission's Infrastructure Division and by Kathryn Eiland and Fred Bednarski of the Commission's Rate Regulation Division, recommends that the application is administratively complete. Staff's recommendation on administrative completeness is not a comment on the merits of the application.

II. NOTICE

At this time, Staff recommends that Applicants proceed with providing public notice to all current customers, neighboring utilities, political subdivisions, and other persons listed in the attached memorandum using the notice form provided by Ms. Mathis. Along with each individual notice, Staff recommends that Applicants provide an accurate map delineating the requested service area.

Once notice has been provided, Staff recommends that Applicants file proof of notice as described in the attached memorandum, including an affidavit specifying the name and address of every person and entity to whom notice was provided, the date that the notice was provided, and a copy of the map provided with the notice. Finally, Staff recommends that Applicants use the attached notice and affidavit to meet these requirements.

III. PROCEDURAL SCHEDULE

Event	Date
Deadline for Applicants to file with the Commission signed affidavits that the notice was given along with a copy of the notice and map sent to the affected parties	February 11, 2022
Deadline for Staff to file a recommendation on sufficiency of notice	February 25, 2022
Deadline to intervene	30 days after notice is issued

IV. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively complete, that Applicants be directed to provide notice as described in the attached memorandum, and that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: January 13, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Rustin Tawater
Managing Attorney

/s/ Ian Groetsch
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DOCKET NO. 52759

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 13, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Ian Groetsch
Ian Groetsch

Public Utility Commission of Texas

Memorandum

TO: Ian Groetsch, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: January 12, 2022

RE: Docket No. 52759 – *Application of Iron Hill Water Supply Corporaiton and Rusk Rural Water Supply Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Cherokee County*

On October 27, 2021, Rusk Rural Water Supply Corporaiton (Rusk Rural WSC) and the Iron Hill Water Supply Corporation (Iron Hill WSC) (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Cherokee County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Rusk Rural WSC, Certificate of Convenience and Necessity (CCN) No. 10785, seeks approval to acquire facilities and to transfer all of the water service area from Iron Hill WSC under water certificate of convenience and necessity (CCN) No. 10784.

The requested area includes 155 customer connections and approximately 2,038 acres of transferred area from Iron Hill WSC (CCN No. 10784) to Rusk Rural WSC (CCN No. 10785). The application proposes the subtraction of approximately 2,038 acres from Iron Hill WSC (CCN No. 10784) and the addition of approximately 2,038 acres to Rusk Rural WSC (CCN No. 10785).

The application indicates that the total acreage being requested is approximately 2,080 acres. Based on the mapping review by Tracy Montes, Infrastructure Division, it was determined the requested area is approximately 2,038 acres.

Based on the mapping review by Tracy Montes, Infrastructure Division, the revised maps submitted with Item 5 on November 15, 2021 are sufficient. Based on my technical and managerial review of the information filed, 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:
 - *Alto Rusk Water Supply Corporation (WSC) (CCN No. 10783)*
 - *City of Rusk (CCN No. 10803)*
 - *Gallatin WSC (CCN No. 11040)*
 - *City of Reklaw*
 - *Angelina & Neches River Authority*
 - *Upper Neches River Municipal Water Authority*
- b. The county judge of each county that is wholly or partially included in the requested area:
 - *Cherokee County Judge.*
- c. Each groundwater conservation district that is wholly or partially included in the requested area:
 - *Neches & 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 <https://www14.tceq.texas.gov/iwud/index.cfm>.

- 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 copy of 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, the date that the notice was provided.

Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed, Staff may send requests for information (RFI) to Rusk Rural WSC and Iron Hill WSC. Rusk Rural WSC and Iron Hill WSC will have 20 days from the receipt of the RFI to respond.

Public Utility Commission of Texas

Memorandum

TO: Ian Groetsch, Attorney
Legal Division

FROM: Kathryn Eiland, Financial Analyst
Fred Bednarski III, Financial Analyst
Rate Regulation Division

DATE: January 12, 2022

RE: Docket No. 52759 - *Application of Iron Hill Water Supply Corporation and Rusk Rural Water Supply Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Cherokee County*

On October 27, 2021, Iron Hill Water Supply Corporation (Iron Hill WSC) and Rusk Rural Water Supply Corporation filed an application for the sale and transfer of facilities and certificate rights in Cherokee County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

We reviewed the answers provided to questions 4, 10, 11, 12, and 14 of the application. We did not identify any deficiencies in those answers for purposes of determining whether the application is administratively complete. Therefore, we recommend that the Commission deem the application administratively complete from a financial perspective.

Notice to Current Customers, Neighboring Systems, and Cities
RUSK RURAL WATER SERVICE CORPORATION, CERTIFICATE OF CONVENIENCE
AND NECESSITY (CCN) NO. 10785, NOTICE OF INTENT TO PURCHASE WATER
FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 10784
FROM IRON HILL WATER SERVICE CORPORATION IN CHEROKEE COUNTY, TEXAS

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

(Address)

(City State Zip)

<u>Rusk Rural Water Supply Corporation</u>	<u>P.O. Box 606</u>	<u>Rusk, TX</u>	<u>75785</u>
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase all of the water facilities and to transfer water certificated service area under CCN No. 10784 in Cherokee County, TX from:

<u>Iron Hill Water Supply Corporation</u>	<u>P.O. Box 405</u>	<u>Rusk, TX</u>	<u>75785</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:
N/A.

The requested area includes 155 customer connections, is located approximately 2 miles northeast of downtown Rusk, Texas, and is generally bounded on the north by County Road 1327 and County Road 1322; on the east by the intersection of intersection of United States Highway 84 and Farm to Market 2962; on the south by Cooke Creek and County Road 1201; and on the west by intersection of United States Highway 84 and Crystal Avenue.

The requested area includes approximately 2,038 acres of transferred area from Iron Hill WSC (CCN No. 10784) to Rusk Rural WSC (CCN No. 10785).

See enclosed map showing the requested area.

This transaction will have the following effect on the current customers' rates and services: All of the customers will be charged different rates than they were charged before the transaction.

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. 52759

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 _____

Notice Form Updated: April 8, 2021