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DOCKET NO. 53238

APPLICATION OF SIMPLY	§	PUBLIC UTILITY COMMISSION
AQUATICS, INC. AND CSWR-TEXAS	§	
UTILITY OPERATING COMPANY,	§	OF TEXAS
LLC FOR SALE, TRANSFER, OR	§	
MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN	§	
MONTGOMERY, SABINE, AND SAN	§	
AUGUSTINE COUNTIES	§	

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

On February 17, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Simply Aquatics, Inc. (Simply Aquatics) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Montgomery, Sabine, and San Augustine Counties. Specifically, the applicants seek approval to sell and transfer all of Simply Aquatics’s certificated area under CCN No. 13259 to CSWR-Texas under CCN No. 13290. The Applicants filed supplemental information on February 25, 2022.

On February 22, 2022, the administrative law judge (ALJ) filed Order No. 1, establishing a deadline of March 21, 2022 for the Staff (Staff) of the Public Utility Commission of Texas (Commission) 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 supplemental information and, as detailed in the attached memoranda from Patricia Garcia of the Commission’s Infrastructure Division and from Fred Bednarski and Kathryn Eiland of the Commission’s Rate Regulation Division, recommends that the application be found 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 the 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. Garcia. Along with each individual notice, Staff recommends that the Applicants provide an accurate map delineating the requested service area.

Once notice has been provided, Staff recommends that the 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 the Applicants use the attached notice and affidavit to meet these requirements.

III. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively complete. Therefore, Staff proposes the following procedural schedule:

Event	Date
Deadline for the Applicants to file signed affidavits that the notice was given along with a copy of the map and notice sent to the affected parties	May 5, 2022
Deadline for Staff to file a recommendation on sufficiency of notice	May 16, 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 the Applicants be ordered 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: March 21, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Managing Attorney

/s/ Jenna Keller
Jenna Keller
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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 March 21, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Jenna Keller
Jenna Keller

Public Utility Commission of Texas

Memorandum

TO: Jenna Keller, Attorney
Legal Division

FROM: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

DATE: March 21, 2022

RE: Docket No. 53238 – *Application of Simply Aquatics, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery, Sabine, and San Augustine Counties*

On February 17, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Simply Aquatics, Inc. (Simply Aquatics) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Montgomery, Sabine, and San Augustine counties, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, the parties seek approval to acquire facilities and to transfer all of the water service area from Simply Aquatics under Certificate of Convenience and Necessity (CCN) No. 13259 to CSWR-Texas under water CCN No. 13290. The total requested area includes 254 customer connections and approximately 523 acres of transferred area from Simply Aquatics (CCN No. 13259) to CSWR-Texas (CCN No. 13290).

The application proposes the subtraction of approximately 523 acres from CCN No. 13259 and the addition of approximately 523 acres to CCN No. 13290.

The application indicates that the total acreage being requested is approximately 526 acres. Based on the mapping review by Hank Journeay, Infrastructure Division, it was determined the requested area is approximately 523 acres.

Additionally, based on the mapping review by Hank Journeay, Infrastructure Division, maps submitted with Item 9 on February 25, 2022 are sufficient. Based on my technical and managerial review of the information filed, I recommend that the application be found 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:
- *Stanley Lake MUD (CCN No. 11222)*
 - *Aqua Texas Inc. (CCN No. 13203)*
 - *Pine Lake WSC Inc. (CCN No. 12941)*
 - *T & W Water Service Company (CCN No. 12892)*
 - *MSEC Enterprises Inc. (CCN No. 12887)*
 - *Saddle & Surrey Acres WSC (CCN No. 12774)*
 - *Lake Bonanza WSC (CCN No. 12703)*
 - *Timberlane Estates POA (CCN No. 12329)*
 - *Del Lago Estates WSC (CCN No. 12103)*
 - *South Sabine WSC (CCN No. 11992)*
 - *Conroe Resort Utilities LLC (CCN No. 11942)*
 - *Quadvest LP (CCN No. 11612)*
 - *Keenan WSC (CCN No. 11409)*
 - *G-M WSC (CCN No. 11393)*
 - *Lake Lorraine Civic Organization (CCN No. 11357)*
 - *City of Conroe*
 - *Angelina & Neches River Authority*
 - *Montgomery County MUD 008*
 - *Montgomery County MUD 009*
 - *Montgomery County MUD 166*
 - *Montgomery County Utility District 3*
 - *Sabine River Authority*
 - *San Jacinto River Authority*
- b. The county judge of each county that is wholly or partially included in the requested area:
- *Montgomery County Judge*
 - *Sabine County Judge*
 - *San Augustine County Judge*
- c. Each groundwater conservation district that is wholly or partially included in the requested area:
- *Lone Star 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, and 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 CSWR-Texas and Simply Aquatics. CSWR-Texas and Simply Aquatics will have 20 days from the receipt of the RFI to respond.

Public Utility Commission of Texas

Memorandum

TO: Jenna Keller, Attorney
Legal Division

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

DATE: March 21, 2022

RE: Docket No. 53238 – *Application of Simply Aquatics, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer or Merger of Facilities and Certificate Rights in Montgomery, Sabine, and San Augustine Counties*

On February 17, 2022, Simply Aquatics, Inc. and CSWR-Texas Utility Operating Company, LLC filed an application for the sale and transfer of facilities and certificate rights in Montgomery, Sabine, and San Augustine Counties 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 find the application administratively complete from a financial perspective.

Notice to Current Customers, Neighboring Systems, and Cities
CSWR-TEXAS UTILITY OPERATING COMPANY, LLC, CERTIFICATE OF
CONVENIENCE AND NECESSITY (CCN) NO. 13290, NOTICE OF INTENT TO
PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER
CCN NO. 13259 FROM SIMPLY AQUATICS, INC. IN MONTGOMERY, SABINE, AND
SAN AUGUSTINE COUNTIES, TEXAS

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

(Address)

(City State Zip)

CSWR-Texas Utility Operating Company, LLC 1650 Des Peres Rd, Suite 303
(Purchaser's Name) (Address)
St. Louis, MO 63131
(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. 13259, in Montgomery, Sabine, and San Augustine counties, TX from:

Simply Aquatics, Inc. P.O. Box 157 Kirbyville, TX 75956
(Seller's Name) (Address) (City), (State) (Zip Code)

The requested area overlaps the district boundaries of:

- *Angelina & Neches River Authority*
- *Sabine River Authority*
- *San Jacinto River Authority*

If these districts do not request a public hearing, the Commission shall determine that the district is consenting to CSWR-Texas Utility Operating Company, LLC's request to provide retail water utility service in the requested area.

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 subdivisions:

Requested Area 1 - El Pinon Estates Subdivision in San Augustine County

The requested area includes 88 customer connections, is located approximately 10 mile(s) southwest of downtown Pineland, Texas, and is generally bounded on the north by approximately 110 feet north of County Road 900; on the east by approximately 110 feet east of County Road 485; on the south by approximately 120 feet south of County Road 900; and on the west by approximately 145 feet west of County Road 900.

Requested Area 2 - La Playa Subdivision in San Augustine County

The requested area includes 28 customer connections, is located approximately 5 mile(s) south of downtown Broadus, Texas, and is generally bounded on the north by County Road 4717 and County Road 4715 South; on the east by approximately 0.6 miles west of County Road 427; on the south by Sam Rayburn Reservoir; and on the west by Sam Rayburn Reservoir.

Requested Area 3 - Vista Verde Subdivision in Montgomery County

The requested area includes 82 customer connections, is located approximately 3.4 mile(s) southeast of downtown Montgomery, Texas, and is generally bounded on the north by approximately 0.5 miles south of Lake Conroe; on the east by South Pine Lake Road; on the south by Mail Route Road; and on the west by approximately 170 feet west of Shadow Lane.

Requested Area 4 - Timberlane Subdivision in Sabine County

The requested area includes 47 customer connections, is located approximately 11 mile(s) southeast of downtown Hemphill, Texas, and is generally bounded on the north by Toledo Bend Reservoir; on the east by a line perpendicular to Oakhill Road; on the south by Toledo Reservoir Bend; and on the west by Toledo Bend Reservoir.

The total requested area includes 254 customer connections and approximately 523 acres of transferred area from Simply Aquatics, Inc (CCN No. 13259) to CSWR (CCN No. 13290).

The application proposes the subtraction of approximately 523 acres from CCN No. 13259 and the addition of approximately 523 acres to CCN No. 13290.

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. 53238

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: March 15, 2022