



## Filing Receipt

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**DOCKET NO. 54546**

<b>APPLICATION OF TEXAS WATER UTILITIES, LP AND WOODLAND OAKS UTILITY LP FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS MONTGOMERY COUNTY</b>	<b>§ § § § § §</b>	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
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**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS AND PROPOSED NOTICE AND PROPOSED PROCEDURAL SCHEDULE**

On January 4, 2023, Texas Water Utilities, LP (TWU) and Woodland Oaks Utility, LP (Woodland Oaks) (collectively, the Applicants) filed an application for the sale, transfer, or merger (STM) of facilities and certificate rights in Montgomery County under the provisions of Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. On February 8, 2023, the Applicants amended the application for Woodland Oaks to request approval of a name change, so that the Commission can update Woodland Oaks' name on its water and sewer certificates of convenience and necessity (CCN) and tariffs from Woodland Oaks Utility Company, Inc. to Woodland Oaks Utility, LP.

On February 10, 2023, the Staff (Staff) of the Public Utility Commission of Texas (Commission) filed, among other things, a proposed procedural schedule, which included a deadline of March 10, 2023 for Staff to file a recommendation on the administrative completeness of the STM application. Therefore, consistent with that proposed procedural schedule, Staff files this pleading.

**I. ADMINISTRATIVE COMPLETENESS**

Staff has reviewed the application and supplemental information and, as detailed in the attached memoranda from Jolie Mathis, Infrastructure Division, and David Lopez and Fred Bednarski III, Rate Regulation Division, recommends that the STM application is administratively complete. Staff’s recommendation on administrative completeness is not a comment on the merits of the application.

## II. PROPOSED NOTICE

At this time, Staff recommends that the Applicants proceed with providing public notice to all landowners, 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 a copy of the maps deemed sufficient during administrative review 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 one copy of the notice and the maps provided with the notice. Finally, Staff recommends that Applicants use the attached notice form and affidavit to meet these requirements.

In addition to the foregoing, Staff recommends that the Applicants request for waiver of publication notice be granted and that Woodland Oaks' proposed customer bill insert be found sufficient. Specifically, on March 9, 2023, the Applicants filed a request for waiver of publication notice under 16 TAC § 24.239(c)(4), stating that the area requested by TWU in the STM does not include unserved area. As such, 16 TAC § 24.239(c)(4) applies and therefore Staff is not opposed to the waiver request. Further, pursuant to the responses to Order No. 4 that were filed by Woodland Oaks and Staff, the Applicants also included a proposed customer bill insert for purposes of Woodland Oaks providing notice of the name change request to customers who would not otherwise receive notice of the STM application. Consistent with Staff's response to Order No. 4, Staff recommends that a customer bill insert would be sufficient to provide notice of the name change request to customers who would not otherwise receive notice of the STM application. And after review, Staff recommends that Woodland Oaks' proposed customer bill insert is sufficient. Further, for purposes of providing notice of the name change request to customers who will receive notice of the STM application, the attached notice form clearly identifies that the requested name change is being processed simultaneously with the STM application and has not yet been approved by the Commission.

**III. PROPOSED PROCEDURAL SCHEDULE**

Staff recommends the application be found administratively complete. Staff therefore propose the following procedural schedule, which is consistent with the procedural schedule previously filed by Staff on February 10, 2023, as modified by Staff’s response to Order No. 4:

Event	Date
Deadline for the Applicants to complete notice of the STM application and the name change request	March 24, 2023
Deadline for the Applicants to file with the Commission signed affidavits that the notices of the STM and the name change request were given along with copies of the notices sent to the affected parties	March 31, 2023
Deadline for Staff to file a recommendation on the sufficiency of the notices of the STM application and name change request	April 14, 2023
Deadline to intervene on the STM application and name change request and to file comments or request a hearing	April 24, 2023 <sup>1</sup>
Deadline for Staff to request a hearing or file a recommendation on final disposition of the STM application and name change request	May 8, 2023
Deadline for parties to file a joint motion to admit evidence and proposed order approving sale and allowing transaction to proceed	May 22, 2023
120-day deadline for the Commission to approve the sale or require a hearing	July 24, 2023 <sup>2</sup>

**IV. REQUEST TO RESTYLE THE DOCKET**

While Staff continues to recommend that the docket styling use the name of Woodland Oaks Utility, LP, based on Staff’s discussion in its filing on February 10, 2023 and in its response to Order No. 4, Staff respectfully re-urges its request that the docket be restyled as *Application of Texas Water Utilities, LP and Woodland Oaks Utility, LP for Sale, Transfer, or Merger of Facilities and Certificate Rights and for a Name Change to Certificates of Convenience and*

<sup>1</sup> See 16 TAC § 24.239(b); 30 days after the proposed notice deadline of March 24, 2023 is April 23, 2023, which is a Sunday. Therefore, under 16 TAC § 22.4(a), the deadline falls on the next day the Commission is open for business.

<sup>2</sup> See 16 TAC § 24.239(a) and (h); 120 days after the proposed notice deadline of March 24, 2023 is July 22, 2023, which is a Saturday. Therefore, under 16 TAC § 22.4(a), the deadline falls on the next day the Commission is open for business.

*Necessity in Montgomery County* to account for Woodland Oaks' name change request being processed with the STM application.

## V. CONCLUSION

For the reasons detailed above, Staff recommends that the STM application be found administratively complete, that Applicants be directed to provide notice as described in Ms. Mathis' attached memorandum, that the Applicants request for waiver of publication notice be granted, that the proposed procedural schedule be adopted, and that the docket be restyled. Staff also respectfully re-urges its recommendation that Woodland Oak's name change request be found sufficient and recommends that its proposed customer bill insert be found sufficient. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: March 10, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Keith Rogas  
Division Director

Sneha Patel  
Managing Attorney

/s/ Scott Miles  
Scott Miles  
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**DOCKET NO. 54546**

**CERTIFICATE OF SERVICE**

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on March 10, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Scott Miles  
Scott Miles

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Margaux Fox, Attorney  
Legal Division

**FROM:** Jolie Mathis, Utility Engineering Specialist  
Infrastructure Division

**DATE:** March 10, 2023

**RE:** Docket No. 54546 – *Application of Texas Water Utilities, LP and Woodland Oaks Utility LP for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County*

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On January 4, 2023, Texas Water Utilities, LP (Texas Water) and the Woodland Oaks Utility LP (Woodland Oaks) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Montgomery County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Texas Water, Certificate of Convenience and Necessity (CCN) Water CCN No. 12983 and Sewer CCN No. 20899, seeks approval to acquire facilities and to transfer a portion of the water and sewer certificated service area from Woodland Oaks under water CCN No. 12947 and sewer CCN No. 20880.

In addition to the transfer request, Woodland Oaks Utility, LP requests to change the name on its CCN Nos. 12947 and 20880 from Woodland Oaks Utility Company, Inc. to Woodland Oaks Utility, LP. A Certificate of Conversion was filed with the Texas Secretary of State by Woodland Oaks Utility Company, Inc. on September 28, 2009. Woodland Oaks Utility Company, Inc. has been operating as Woodland Oaks Utility, LP since that time.

On March 9, 2023, the Applicants filed a request for waiver of publication notice under 16 TAC § 24.239(c)(4), because the requested water and sewer areas do not include unserved area.

Based on the mapping review by Hank Journeay, Infrastructure Division, the digital mapping data submitted with Item 4 on January 9, 2023 and revised maps submitted with Item 11 on February 8, 2023, are sufficient. Additionally, the requested water area and requested sewer area do not include unserved area, such that 16 TAC § 24.239(c)(4) applies. As such, I do not oppose the waiver request.

### **Requested Water Area**

- The requested water area includes 1,251 customer connections and approximately 884 acres of transferred area from Woodland Oaks (CCN No. 12947) to Texas Water (CCN No. 12983).
- The application proposes the subtraction of approximately 884 acres from CCN No. 12947 and the addition of approximately 884 acres to CCN No. 12983.

### **Requested Sewer Area**

- The requested sewer area includes 1,291 customer connections and approximately 737.6 acres of transferred area from Woodland Oaks (CCN No. 20880) to Texas Water (CCN No. 20899).
- The application proposes the subtraction of approximately 737.6 acres from CCN No. 20880 and the addition of approximately 737.6 acres to CCN No. 20899.

Based on the mapping review and my technical and managerial review of the additional information filed on February 8, 2023, 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 Nos. 13203 and 21065)*
    - *Everett Square Inc. (CCN No. 12831)*
    - *H-M-W Special Utility District (SUD) (CCN No. 10342)*
    - *Montgomery County Municipal Utility District (MUD) 46*
    - *Montgomery County MUD 47*
    - *Montgomery County MUD 113*
    - *Montgomery County MUD 121*
    - *Montgomery County MUD 141*
    - *Montgomery Place Water System (CCN No. 12639)*
    - *MSEC Enterprises Inc. (CCN No. 12887)*
    - *Quadvest LP (CCN No. 11612)*
    - *San Jacinto River Authority*
    - *T & W Water Service Company (CCN No. 12892)*
    - *Undine Texas LLC (CCN No. 13260)*
    - *Westwood Magnolia Parkway Improvement District*
    - *Westwood North WSC (CCN No. 11599)*
  - b. The county judge of each county that is wholly or partially included in the requested area:
    - *Montgomery 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.
- 3) Provide a copy of the maps 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 one copy of the notice and the maps 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 Texas Water and Woodland Oaks. Texas Water and Woodland Oaks will have 20 days from the receipt of the RFI to respond.

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Margaux Fox  
Legal Division

**FROM:** David Lopez  
Fred Bednarski III  
Rate Regulation Division

**DATE:** March 10, 2023

**RE:** Docket No. 54546 – *Application of Texas Water Utilities, LP and Woodland Oaks Utility LP for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County*

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On January 4, 2023, Texas Water Utilities, LP and Woodland Oaks Utility, LP filed an application for the sale and transfer of facilities and certificate rights in Montgomery 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**  
TEXAS WATER UTILITIES, LP, CERTIFICATE OF CONVENIENCE AND NECESSITY  
(CCN) NOS. 12983 AND 20899, NOTICE OF INTENT TO PURCHASE WATER AND  
SEWER FACILITIES AND TO TRANSFER A PORTION OF WATER AND SEWER  
SERVICE AREA UNDER CCN NOS. 12947 AND 20880 FROM WOODLAND OAKS  
UTILITY LP IN MONTGOMERY COUNTY, TEXAS

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 20\_\_\_\_  
(Name of Customer, Neighboring System, or City)  
  
\_\_\_\_\_  
(Address)  
  
\_\_\_\_\_  
(City State Zip)

Texas Water Utilities, L.P 12535 Reed Road Sugar Land, TX 77478  
(Purchaser's Name) (Address) (City), (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase a portion of the water facilities and to transfer water certificated service area under CCN No. 12947 and a portion of the sewer facilities and to transfer sewer certificated service area under CCN No. 20880 in Montgomery County, TX from:

Woodland Oaks Utility, LP PO Box 592 Conroe, TX 77305  
(Seller's Name) (Address) (City), (State) (Zip Code)

In addition to the transfer request, Woodland Oaks Utility, LP requests to change the name on its CCN Nos. 12947 and 20880 from Woodland Oaks Utility Company, Inc. to Woodland Oaks Utility, LP. A Certificate of Conversion was filed with the Texas Secretary of State by Woodland Oaks Utility Company, Inc. on September 28, 2009. Woodland Oaks Utility Company, Inc. has been operating as Woodland Oaks Utility, LP since that time. The name change request is being processed simultaneously with the transfer request and has not yet been approved by the Commission.

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:  
Woodland Oaks.

**Requested Water Area**

The requested water area includes 1,251 customer connections, is located approximately 8.4 mile(s) southwest of downtown Conroe, Texas, and is generally bounded on the north by Honea Egypt Road; on the east by Honea Egypt Road; on the south by Farm to Market Road 1488; and on the west by Pipestone Road.

The requested water area includes approximately 884 acres of transferred area from Woodland Oaks Utility, LP (CCN No. 12947) to Texas Water Utilities, L.P. (CCN No. 12983).

The application proposes the subtraction of approximately 884 acres from CCN No. 12947 and the addition of approximately 884 acres to CCN No. 12983.

### **Requested Sewer Area**

The requested sewer area includes 1,291 customer connections, is located approximately 8.4 mile(s) southwest of downtown Conroe, Texas, and is generally bounded on the north by County Road 2629; on the east by Westwood Drive; on the south by the intersection of Tamina Road and Revelwood Drive; and on the west by Corporate Woods Drive.

The requested area includes approximately 737.6 acres of transferred area from Woodland Oaks Utility, LP (CCN No. 20880) to Texas Water Utilities, L.P. (CCN No. 20899).

The application proposes the subtraction of approximately 737.6 acres from CCN No. 20880 and the addition of approximately 737.6 acres to CCN No. 20899.

### **See enclosed maps showing the requested area.**

The proposed transaction may change the current customers' rates and services to the current approved rates and services of Texas Water Utilities, L.P, with rates that are higher than the current rates for a 5/8" meter for Woodland Oaks Utility, LP. To view copies of the current approved tariffs for Texas Water Utilities, L.P, call 866-654-7992 to request copies of the tariffs or go to the following links.

- 1) <https://swwc.com/wp-content/uploads/files/tx/tariff/Texas-Water-Utilities-Water-Tariff.pdf>
- 2) <https://swwc.com/wp-content/uploads/files/tx/tariff/Texas-Water-Utilities-Wastewater-Tariff.pdf>

*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. 54546

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 \_\_\_\_\_