



## Filing Receipt

**Received - 2023-04-05 10:17:00 AM**

**Control Number - 54617**

**ItemNumber - 13**

**DOCKET NO. 54617**

<b>APPLICATION OF TEXAS WATER UTILITIES, LP AND SOUTHERN HORIZONS DEVELOPMENT, INC. FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN LIBERTY AND MONTGOMERY COUNTIES</b>	<b>§ § § § § § §</b>	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
---	--	--

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

On February 2, 2023, Texas Water Utilities, L.P. (Texas Water) and Southern Horizons Development, Inc. (Sothern Horizons) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Liberty and Montgomery Counties. Texas Water filed supplemental information on February 16 and March 15, 2023.

On March 3, 2023, the administrative law judge (ALJ) filed Order No. 2, directing 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 directing both the Applicants and Staff to file a recommendation regarding how to proceed with the application and propose a procedural schedule by April 5, 2023. 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 James Harville, Infrastructure Division, and David Lopez and Fred Bednarski III, Rate Regulation Division, Staff recommends that the supplemented 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 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 Mr. Harville. Along with each individual

notice, Staff recommends that the 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 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, as supplemented, be found administratively complete. Therefore, Staff proposes the following procedural schedule. Staff has conferred with the Applicants and is authorized to represent that they are unopposed to the proposed procedural schedule.

Event	Date
Deadline for the 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	May 4, 2023
Deadline for Staff to file a recommendation on sufficiency of notice	May 15, 2023
Deadline to intervene	30 days after notice is issued

**IV. CONCLUSION**

For the reasons detailed above, Staff recommends that the application, as supplemented, be found administratively complete, that the 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: April 5, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Marisa Lopez Wagley  
Interim Division Director

John Harrison  
Managing Attorney

/s/ Margaux Fox  
Margaux Fox  
State Bar No. 24120829  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7021  
(512) 936-7268 (facsimile)  
Margaux.Fox@puc.texas.gov

**DOCKET NO. 54617**

**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 April 5, 2023 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Margaux Fox  
Margaux Fox

# *Public Utility Commission of Texas*

---

## **Memorandum**

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

**FROM:** James Harville, Infrastructure Analyst  
Infrastructure Division

**DATE:** April 5, 2023

**RE:** Docket No. 54617 – *Application of Texas Water Utilities, LP and Southern Horizons Development, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Liberty and Montgomery Counties*

---

On February 2, 2023, Texas Water Utilities, L.P. (Texas Water) and Southern Horizons Development, Inc. (Southern Horizons) (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Liberty and Montgomery counties, Texas, under Texas Water Code (TWC) §§ 13.242 through 13.250 and § 13.301 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237 and § 24.239.

Specifically, Texas Water, Certificate of Convenience and Necessity (CCN) No. 12983, seeks approval to acquire facilities and to transfer all of the water service area from Southern Horizons under water CCN No. 12863.

Based on the mapping review by Hank Journeay, Infrastructure Division, the revised maps and digital mapping data submitted with Item 8 on March 15, 2023 are sufficient.

- The requested area includes 452 customer connections and approximately 728.2 acres, comprised of:  
102.5 acres of uncertificated area to amend to CCN No. 12983;  
527 acres of transferred area from Southern Horizons (CCN No. 12863) to Texas Water (CCN No. 12983); and  
98.7 acres of decertified area from CCN No. 12863.
- The application proposes the subtraction of approximately 625.7 acres from CCN No. 12863 and the addition of approximately 629.5 acres to CCN No. 12983.

Based on the mapping review and my technical and managerial review of the information filed on March 15, 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 No. 13203)*
    - *C & R Water Supply Inc. (CCN No. 13098)*
    - *City of Cleveland (CCN No. 13217)*
    - *City of Splendora (CCN No. 11727)*
    - *Crystal Springs Water Company Inc. (CCN No. 11373)*
    - *East Montgomery County Improvement District*
    - *Northwoods Water Supply Corporation (WSC) (CCN No. 12879)*
    - *Quadvest LP (CCN No. 11612)*
    - *San Jacinto River Authority*
    - *South Cleveland WSC (CCN No. 12566)*
    - *T & W Water Service Company (CCN No. 12892)*
  - b. The county judge of each county that is wholly or partially included in the requested area:
    - *Liberty County Judge*
    - *Montgomery County Judge*
  - c. Each groundwater conservation district that is wholly or partially included in the requested area:
    - *Lone Star Groundwater Conservation District*
  - d. Each owner of a tract of land that is at least 25 acres and is wholly or partly located in the requested area. Notice must be mailed to the owner of the tract of land according to the most current tax appraisal rolls of the applicable central appraisal district at the time the application was filed.
  - e. 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) Publish notice once each week for two consecutive weeks in a newspaper having general circulation in each county where the requested area is located. Proof in the form of a publisher's affidavit must be filed within 30 days of the publication date. The affidavit must state with specificity each county in which the newspaper is of general circulation. Within 30 days of the date the notice was mailed, Texas Water must file an

affidavit specifying the notice that was provided to every person and entity to whom notice was provided and the date the notice was mailed.

- 3) Provide notice using the attached notice form(s).
- 4) 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, landowners and customers.
- 5) File in the docket copy of notice and the maps deemed sufficient during administrative review along with the signed affidavit specifying every person and entity to whom notice was provided, specify whether or not landowners were provided notice the date that the notice was provided, and the publisher's affidavit and tear sheets for proof of newspaper publication.

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 Southern Horizons. Texas Water and Southern Horizons will have 20 days from the receipt of the RFI to respond.

# *Public Utility Commission of Texas*

---

## **Memorandum**

**TO:** Margaux Fox  
Legal Division

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

**DATE:** April 5, 2023

**RE:** Docket No. 54617 – *Application of Texas Water Utilities, LP and Southern Horizons Development, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Liberty and Montgomery Counties*

---

On February 2, 2023, Texas Water Utilities, L.P. and Southern Horizons Development, Inc. filed an application for the sale and transfer of facilities and certificate rights in Liberty and Montgomery 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 deem the application administratively complete from a financial perspective.



***Notice to Current Customers, Landowners, Neighboring Systems, and Cities***  
TEXAS WATER UTILITIES, LP, CERTIFICATE OF CONVENIENCE AND NECESSITY  
(CCN) NO. 12983, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO  
TRANSFER WATER SERVICE AREA UNDER CCN NO. 12863 FROM SOUTHERN  
HORIZONS DEVELOPMENT, INC. IN LIBERTY AND MONTGOMERY COUNTIES,  
TEXAS

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

Texas Water Utilities, LP 12535 Reed Road Sugar Land, TX 77478  
(Texas Water Utilities, LP'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. 12863 in Liberty and Montgomery counties, TX from:

Southern Horizons Development, Inc. P.O. Box 1076 Splendora, TX 77372  
(Southern Horizons Development, Inc. 's Name) (Address) (City), (State) (Zip Code)

The requested area overlaps the district boundaries of East Montgomery County Improvement District and San Jacinto River Authority. If these districts do not request a public hearing, the Commission shall determine that the districts are consenting to Texas Water Utilities, LP'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: Southern Oaks and Southern Crossing.

The requested area includes 452 customer connections, is located approximately 2.4 mile(s) northeast of downtown Splendora, Texas, and is generally bounded on the north by County Road 377; on the east by 0.1 mile east of County Road 3737; on the south by County Road 373; and on the west by United States Highway 59.

The requested area includes approximately 728.2 acres, comprised of:

102.5 acres of uncertificated area to amend to CCN No. 12983;

527 acres of transferred area from Southern Horizons Development, Inc. (CCN No. 12863) to Texas Water Utilities, L.P (CCN No. 12983); and

98.7 acres of decertified area from CCN No. 12863.

The application proposes the subtraction of approximately 625.7 acres from CCN No. 12863 and the addition of approximately 629.5 acres to CCN No. 12983.

**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, LP, which are higher than the current rate for a 5/8" meter for Southern Horizons Development, Inc. To view a copy of the current approved tariff, go to: <https://www.swwc.com/texas/tariff/> (Applicable water rates on tariff page 9) or email [TXCustomerCare@swwc.com](mailto:TXCustomerCare@swwc.com) or call 866-654-7992 to request a copy.

*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.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the uncertificated requested area, may file a written request with the Commission to be excluded from the requested area ("opt out") within (30) days from the date that notice was provided by the Utility. All opt out requests must include a large-scale map, a metes and bounds description of the landowner's tract of land, landowner's name, address, email address and fax number, if applicable.

Persons who wish to request this option should file the required documents with the:

Public Utility Commission of Texas  
Central Records  
1701 N. Congress, P. O. Box 13326  
Austin, TX 78711-3326

In addition, the landowner must also send a copy of the opt out request to the Utility. Staff may request additional information regarding your request.

Si desea información en español, puede llamar al 1-888-782-8477.

\_\_\_\_\_  
Utility Representative

\_\_\_\_\_  
Utility Name

**Notice for Publication**

TEXAS WATER UTILITIES, LP, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 12983, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 12863 FROM SOUTHERN HORIZONS DEVELOPMENT, INC. IN LIBERTY AND MONTGOMERY COUNTIES, TEXAS

Texas Water Utilities, LP	12535 Reed Road	Sugar Land, TX	77478
(Texas Water Utilities, LP'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. 12863 in Liberty and Montgomery counties, TX from:

Southern Horizons Development, Inc.	P.O. Box 1076	Splendora, TX	77372
(Southern Horizons Development, Inc.'s Name)	(Address)	(City), (State)	(Zip Code)

The requested area overlaps the district boundaries of East Montgomery County Improvement District and San Jacinto River Authority. If these districts do not request a public hearing, the Commission shall determine that the districts are consenting to Texas Water Utilities, LP'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: Southern Oaks and Southern Crossing.

The requested area includes 452 customer connections, is located approximately 2.4 mile(s) northeast of downtown Splendora, Texas, and is generally bounded on the north by County Road 377; on the east by 0.1 mile east of County Road 3737; on the south by County Road 373; and on the west by United States Highway 59.

The requested area includes approximately 728.2 acres, comprised of:

102.5 acres of uncertificated area to amend to CCN No. 12983;

527 acres of transferred area from Southern Horizons Development, Inc. (CCN No. 12863) to Texas Water Utilities, L.P (CCN No. 12983); and

98.7 acres of decertified area from CCN No. 12863.

The application proposes the subtraction of approximately 625.7 acres from CCN No. 12863 and the addition of approximately 629.5 acres to CCN No. 12983.

**A copy of the maps showing the requested area are available at: 1620 Grand Ave Pkwy, Ste 140, Pflugerville, TX 78665.**

The proposed transaction may change the current customers' rates and services to the current approved rates and services of Texas Water Utilities, LP, which are higher than the current rate for a 5/8" meter for Southern Horizons Development, Inc. To view a copy of the current approved

tariff, go to: <https://www.swwc.com/texas/tariff/> (Applicable water rates on tariff page 9) or email [TXCustomerCare@swwc.com](mailto:TXCustomerCare@swwc.com) or call 866-654-7992 to request a copy.

*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 a final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the uncertificated requested area, may file a written request with the Commission to be excluded from the requested area ("opt out") within (30) days from the date that notice was provided by the Utility. All opt out requests must include a large-scale map, a metes and bounds description of the landowner's tract of land, landowner's name, address, email address and fax number, if applicable.

Persons who wish to request this option should file the required documents with the:

Public Utility Commission of Texas  
Central Records  
1701 N. Congress, P. O. Box 13326  
Austin, TX 78711-3326

In addition, the landowner must also send a copy of the opt out request to the Utility. Staff may request additional information regarding your request.

Si desea información en español, puede llamar al 1-888-782-8477.

# PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, LANDOWNERS, NEIGHBORING UTILITIES, AND AFFECTED PARTIES  
DOCKET NO. 54617

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 \_\_\_\_\_

# PUBLIC UTILITY COMMISSION OF TEXAS



## PUBLISHER'S AFFIDAVIT DOCKET NO. 54617

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_,

who being by me duly sworn, deposes and that (s)he is the

\_\_\_\_\_ of the \_\_\_\_\_  
(TITLE) (NAME OF NEWSPAPER)

that said newspaper is regularly published in \_\_\_\_\_  
(COUNTY/COUNTIES)

and generally circulated in \_\_\_\_\_, Texas;  
(COUNTY/COUNTIES)

and that the attached notice was published in said newspaper on the following dates, to wit:

\_\_\_\_\_  
(DATES)

\_\_\_\_\_  
(SIGNATURE OF NEWSPAPER REPRESENTATIVE)

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 \_\_\_\_\_