



## **Filing Receipt**

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**Item Number - 12**

**DOCKET NO. 55328**

<b>APPLICATION OF SP UTILITY</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>COMPANY, INC. AND MUNICIPAL</b>	<b>§</b>	
<b>OPERATIONS, LLC FOR SALE,</b>	<b>§</b>	<b>OF TEXAS</b>
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN HARRIS COUNTY</b>	<b>§</b>	

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

**I. INTRODUCTION**

On August 7, 2023, SP Utility Company, Inc. (SP Utility) and Municipal Operations, LLC (Municipal) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Harris County. The Applicants filed supplemental information on August 8, 2023, August 25, 2023, and December 8, 2023.

On November 6, 2023, the administrative law judge (ALJ) filed Order No. 4, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation on the administrative completeness of the application and proposed notice and propose a procedural schedule by January 5, 2024. Therefore, this pleading is timely filed.

**II. 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, recommends that the application is administratively complete and sufficient for further review from a technical, managerial, and financial perspective. Staff’s recommendation on administrative completeness is not a comment on the merits of the application.

**III. 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 from Mr. Harville, including an affidavit specifying the name and address of every person and entity to whom notice was provided, the date that 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.

#### **IV. PROCEDURAL SCHEDULE**

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

<b>Event</b>	<b>Date</b>
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	February 5, 2024
Deadline for Staff to file a recommendation on sufficiency of notice	February 15, 2024
Deadline to intervene	30 days after notice is issued

#### **V. CONCLUSION**

For the reasons detailed above, Staff recommends that the supplemented application 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: January 5, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Marisa Lopez Wagley  
Division Director

John York Harrison  
Senior Managing Attorney

/s/ Cheri Hasz  
Cheri Hasz  
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1701 N. Congress Avenue  
P.O Box 13326  
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(512) 936-7343  
(512) 936-7268 (facsimile)  
Cheri.Hasz@puc.texas.gov

**DOCKET NO. 55328**

**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 January 5, 2024 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Cheri Hasz  
Cheri Hasz

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Cheri Hasz, Attorney  
Legal Division

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

**DATE:** January 5, 2024

**RE:** Docket No. 55328 – *Application of SP Utility Company, Inc. and Municipal Operations, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County*

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SP Utility Company, Inc. (SP Utility) and the Municipal Operations, LLC (Municipal Operations) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Harris County, 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, SP Utility, Certificate of Convenience and Necessity (CCN) No. 12978, seeks approval to acquire facilities and to transfer all of the water service area from Municipal Operations under water CCN No. 11872.

Based on the mapping review by Hank Journeay, Infrastructure Division, the revised maps submitted with Item 4 on August 25, 2023 are sufficient.

- The requested area includes 37 customer connections and approximately 14.4 acres of transferred area from Municipal Operations (CCN No. 11872) to SP Utility (CCN No. 12978).
- The application proposes the subtraction of approximately 14.4 acres from CCN No. 11872 and the addition of approximately 14.4 acres to CCN No. 12978.

Based on the mapping review and my technical and managerial review of the information filed on August 25, 2023 and the additional information filed on December 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:
- *Airline Improvement District*
  - *Aqua Texas Inc. (CCN No. 13203)*
  - *Blue Bell Manor Utility Co. Inc. (CCN No. 10963)*
  - *Central Harris County Regional Water Authority*
  - *City of Houston*
  - *Coastal Water Authority*
  - *East Aldine Management District*
  - *Fallbrook Utility District*
  - *Greenwood Place Civic Club Inc. (CCN No. 12544)*
  - *Gulf Coast Authority*
  - *Harris County Flood Control District (FCD)*
  - *Harris County Municipal Utility District (MUD) 321*
  - *Harris County MUD 406*
  - *Imperial Valley MUD (CCN No. 10865)*
  - *Midway Water Utilities Inc. (CCN No. 12087)*
  - *North Belt Utility District*
  - *North Houston District*
  - *Port of Houston Authority*
  - *Seller Water Company (CCN No. 12288)*
  - *Southern Water Corp (CCN No. 11389)*
  - *Stonetown Royal Coach Utilities LLC (CCN No. 13305)*
  - *Sunbelt Fresh Water Supply District (FWSD) (CCN No. 10833)*
  - *Texas Water Utilities LP (CCN No. 12983)*
  - *Westfield Mobile Home Park (CCN No. 11782)*
- b. The county judge of each county that is wholly or partially included in the requested area:
- *Harris County Judge*
- c. Each groundwater conservation district that is wholly or partially included in the requested area:
- *Harris-Galveston Subsidence 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) Provide notice using the attached notice forms.
- 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, landowners, and customers.
- 5) Within 30 days of the date the notice was mailed, SP Utility must file in the docket:
  - a. A copy of the notices (1 example of each type of notice).
  - b. The general location and detailed maps deemed sufficient during administrative review.
  - c. The signed affidavits for the mailed notices.
  - d. A list specifying every person and entity to whom notice was provided.
  - e. If there are multiple landowners provide a list of the applicable county appraisal district parcels located within the requested area. The list should include the following for a landowner of a tract of land that is at least 25 acres or more and is wholly or partially within the requested area;
    - i. Each property ID;
    - ii. Landowner Name;
    - iii. Address; and
    - iv. The acreage owned by each listed landowner.

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 SP Utility and Municipal Operations. SP Utility and Municipal Operations will have 20 days from the receipt of the RFI to respond.

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Cheri Hasz, Attorney  
Legal Division

**FROM:** David Lopez, Rate Analyst  
Fred Bednarski III, Financial Analyst  
Rate Regulation Division

**DATE:** January 5, 2024

**RE:** Docket No. 55328 – *Application of SP Utility Company, Inc. and Municipal Operations, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County*

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On August 7, 2023, SP Utility Company, Inc. (SP Utility) and Municipal Operations, LLC (Municipal) filed an application for the sale and transfer of facilities and certificate rights in Harris 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***

**SP UTILITY COMPANY, INC., CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 12978, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 11872 FROM MUNICIPAL OPERATIONS, LLC IN HARRIS COUNTY, TEXAS**

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

<u>SP Utility Company, Inc.</u>	<u>PO Box 690521</u>	<u>Houston, TX</u>	<u>77269</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. 11872 in Harris County, TX from:

<u>Municipal Operations, LLC</u>	<u>410 Noonday Lane</u>	<u>Houston, TX</u>	<u>77060</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:  
SWEA Garden Estates.

The requested area includes 37 customer connections, is located approximately 9.6 mile(s) southwest of downtown Humble, Texas, and is generally bounded on the north by the intersection of San Fernando Drive and Old Creek Road; on the east by Lillja Road; on the south by East West Road; and on the west by Old Creek Road.

The requested area includes approximately 14.4 acres of transferred area from Municipal Operations, LLC (CCN No. 11872) to SP Utility Company, Inc. (CCN No. 12978).

The application proposes the subtraction of approximately 14.4 acres from CCN No. 11872 and the addition of approximately 14.4 acres to CCN No. 12978.

**See enclosed maps 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.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the 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.

A landowner that opts out from the requested area releases the applicant's obligation to provide retail water or sewer utility service to the removed land for any reason.

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

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Utility Representative

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Utility Name

# PUBLIC UTILITY COMMISSION OF TEXAS



## AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND AFFECTED PARTIES DOCKET NO. 55328

STATE OF TEXAS

COUNTY OF \_\_\_\_\_

\_\_\_\_\_ has provided individual  
notice via first-class mail to the following entities, affected parties, 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 to Landowners***

SP UTILITY COMPANY, INC., CERTIFICATE OF CONVENIENCE AND NECESSITY  
(CCN) NO. 12978, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO  
TRANSFER WATER SERVICE AREA UNDER CCN NO. 11872 FROM MUNICIPAL  
OPERATIONS, LLC IN HARRIS COUNTY, TEXAS

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

<u>SP Utility Company, Inc.</u>	<u>PO Box 690521</u>	<u>Houston, TX</u>	<u>77269</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. 11872 in Harris County, TX from:

<u>Municipal Operations, LLC</u>	<u>410 Noonday Lane</u>	<u>Houston, TX</u>	<u>77060</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:  
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The requested area includes 37 customer connections, is located approximately 9.6 mile(s) southwest of downtown Humble, Texas, and is generally bounded on the north by the intersection of San Fernando Drive and Old Creek Road; on the east by Lillja Road; on the south by East West Road; and on the west by Old Creek Road.

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The application proposes the subtraction of approximately 14.4 acres from CCN No. 11872 and the addition of approximately 14.4 acres to CCN No. 12978.

**See enclosed maps 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.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the 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.

A landowner that opts out from the requested area releases the applicant's obligation to provide retail water or sewer utility service to the removed land for any reason.

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

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Utility Representative

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Utility Name

# PUBLIC UTILITY COMMISSION OF TEXAS



## AFFIDAVIT OF NOTICE TO LANDOWNERS DOCKET NO. 55328

STATE OF TEXAS

COUNTY OF \_\_\_\_\_

\_\_\_\_\_ has

- ☐ Determined that there are no landowners owning tracts of land over 25 acres wholly or partly inside the requested CCN area.
- ☐ Provided individual notice via first-class mail to the following landowners owning tracts of land over 25 acres wholly or partly inside the requested CCN area:

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: August 2, 2023