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DOCKET NO. 55336

APPLICATION OF SP UTILITY	§	PUBLIC UTILITY COMMISSION
COMPANY, INC. AND ALBURY MANOR	§	
UTILITY COMPANY, INC. FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN HARRIS COUNTY	§	

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS**

On August 8, 2023, SP Utility Company, Inc (SP Utility) and Albury Manor Utility Company, Inc. (Albury Manor Utility) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Harris County, Texas. The Applicants filed supplemental information on September 11, 2023.

On September 9, 2023, the administrative law judge filed Order No. 2 requiring Staff to file comments on the administrative completeness of the application and proposed notice by October 26, 2023. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application, as supplemented, and, as detailed in the attached memoranda from Jaspinder Singh of the Infrastructure Division and Fred Bednarski of the Rate Regulation Division, recommends that the application be deemed to be administratively incomplete. Staff further recommends that Applicants be ordered to cure the deficiencies identified in Mr. Singh and Mr. Bednarski’s memoranda by November 9, 2023 and that Staff be given a deadline of November 28, 2023 to file a supplemental recommendation on the administrative completeness of the application.

II. PROCEDURAL SCHEDULE

In accordance with Staff’s deficiency recommendation, Staff does not propose a procedural schedule for further processing of the docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation that the application be found administratively complete.

III. CONCLUSION

For the reasons detailed above, Staff recommends that the application, as supplemented, be found administratively incomplete, that Applicants be ordered to file supplemental information to cure the deficiencies in the application by November 9, 2023, and that Staff be given a deadline of November 28, 2023 to file a supplemental recommendation on the administrative completeness of the application. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: October 26, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

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Managing Attorney

/s/ Scott Miles
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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 October 26, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Scott Miles
Scott Miles

Public Utility Commission of Texas

Memorandum

TO: Scott Miles, Attorney
Legal Division

FROM: Jaspinder Singh, Engineering Specialist
Infrastructure Division

DATE: October 26, 2023

RE: Docket No. 55336– *Application of SP Utility Company, Inc. and Albury Manor Utility Company, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County*

On August 8, 2023, SP Utility Company, Inc. (SP Utility) and the Albury Manor Utility Company, Inc. (Albury Manor Utility) (collectively, Applicants) filed an application for the 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 Albury Manor Utility under water CCN No. 11507.

Based on my technical and managerial review of the application, as well as the additional information filed by the Applicants on September 11, 2023, I recommend that the application be deemed administratively incomplete and not accepted for filing due to the deficiencies detailed below:

Application Content:

The following deficiencies must be remedied:

- Please provide a signed Oath for the Transferee (Purchaser).
- Please confirm that the response to question number five in the application regarding the number of customers without deposits held by Albury Manor Utility corresponds with the response to question number 30 provided in the additional information on September 11, 2023, regarding the number of customer connections in the requested area.

Additional Documentation:

The items listed below stem from statutory requirements and must be filed before Staff files a final recommendation for this application. Items in response to these requests may be filed confidentially as requested below:

- Under TWC § 13.1396(b), “An affected utility shall submit to the office of emergency management of each county in which the utility has more than one customer, the utility commission, and the office of emergency management of the governor a copy of:
 - (1) the affected utility's emergency preparedness plan approved under Section 13.1395; and
 - (2) the utility commission's notification to the affected utility that the plan is accepted.”

Please see new emergency preparedness plan (EPP) requirements on the TCEQ website at: https://www.tceq.texas.gov/drinkingwater/homeland_security/disasterprep/epp.

Please file a copy of SP Utility's approved EPP in Docket No. 52272.

- Under TWC § 13.1396(c), “Each affected utility shall submit to the utility commission, each electric utility that provides transmission and distribution service to the affected utility, each retail electric provider that sells electric power to the affected utility, the office of emergency management of each county in which the utility has water and wastewater facilities that qualify for critical load status under rules adopted by the utility commission, and the division of emergency management of the governor:
 - (1) information identifying the location and providing a general description of all water and wastewater facilities that qualify for critical load status; and
 - (2) emergency contact information for the affected utility, including:
 - (A) the person who will serve as a point of contact and the person's telephone number; 47
 - (B) the person who will serve as an alternative point of contact and the person's telephone number; and
 - (C) the affected utility's mailing address.”

Please file a list of the information requested in TWC § 13.1396(c) for SP Utility in Docket No. 53938.

Public Utility Commission of Texas

Memorandum

TO: Scott Miles, Attorney
Legal Division

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

DATE: October 26, 2023

RE: Docket No. 55336 – *Application of SP Utility Company, Inc. and Albury Manor Utility Company, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County*

On August 8, 2023, SP Utility Company, Inc. (SP Utility) and Albury Manor Utility Company, Inc. (Albury Manor Utility) 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 recommend the application be deemed administratively incomplete and that SP Utility and Albury be required to provide the following information to cure the deficiencies:

1. List and proof of SP Utility's affiliated interest,
2. Albury's yearend financial statements for the most recent 2 years,
3. SP Utility's yearend financial statement for the most recent 2 years,
4. An unredacted copy of the sales agreement,
5. 5 Year projections to provide water service to the requested area, and
6. SP Utility's or its affiliates financial statements indicating how they pass one of the leverage tests pursuant to 16 TAC § 24.11(e)(2).