



Filing Receipt

Filed Date - 2025-06-11 11:52:09 AM

Control Number - 58098

Item Number - 7

DOCKET NO. 58098

APPLICATION OF T&W WATER	§	PUBLIC UTILITY COMMISSION
SERVICE COMPANY DBA BLUE	§	
TOPAZ UTILITIES AND INLINE	§	OF TEXAS
UTILITIES, LLC FOR SALE,	§	
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN HARRIS COUNTY	§	

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

On May 12, 2025, T & W Water Service Company dba Blue Topaz Utilities and Inline Utilities, LLC (Applicant) filed an application for the sale, transfer, or merger of facilities and certificate of convenience and necessity (CNN) rights in Harris County. On June 2, 2025, the Applicant filed supplemental information.

On May 16, 2025, the administrative law judge filed Order No. 1, 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 both Applicants and Commission Staff to file a recommendation regarding how to proceed with the application and propose a procedural schedule by June 11, 2025. Therefore, this pleading is timely filed.

I. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and, as detailed in the attached memoranda from James Harville of the Infrastructure Division and Fred Bednarski III and David Lopez of the Rate Regulation Division, recommends that the application is administratively complete and sufficient for further review. Staff’s recommendation on administrative completeness is not a comment on the merits of the application.

II. RECOMMENDATION ON 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 Mr. Harville's 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. PROPOSED 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 with the Commission signed affidavits that the notice was given along with a copy of the notice and map sent to the affected parties	July 9, 2025
Deadline for Staff to file a recommendation on sufficiency of notice	July 16, 2025
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 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: June 11, 2025

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Wagley Lopez
Division Director

Andy Aus
Managing Attorney

/s/ Anthony Kanalas
Anthony Kanalas
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DOCKET NO. 58098

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 June 11, 2025, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Anthony Kanalas
Anthony Kanalas

Public Utility Commission of Texas

Memorandum

TO: Anthony Kanalas, Attorney
Legal Division

FROM: James Harville, Infrastructure Analyst
Infrastructure Division

DATE: June 11, 2025

RE: Docket No. 58098 – *Application of T&W Water Service Company dba Blue Topaz Utilities and Inline Utilities, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County*

On May 12, 2025, T & W Water Service Company dba Blue Topaz Utilities (Blue Topaz) and the Inline Utilities, LLC (Inline Utilities) (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, Blue Topaz, Certificate of Convenience and Necessity (CCN) Nos. 12892 and 21127, seeks approval to acquire facilities and to transfer all of the water and sewer certificated service area from Inline Utilities under water CCN No. 13313 and sewer CCN No. 21142.

Based on the mapping review by Dave Babicki, Infrastructure Division, the maps and digital mapping data filed with Item 2 on May 12, 2025, are sufficient.

Requested Water Area:

The *requested water area* includes 557 customer connections and approximately 372 acres to transfer from CCN No. 13313 to CCN No. 12892. The application proposes the subtraction of approximately 372 acres from CCN No. 13313 and the addition of approximately 372 acres to CCN No. 12892.

The application indicates that the total acreage being requested is approximately 370.6 acres, however, the mapping review determined the requested area is approximately 372 acres.

Requested Sewer Area:

The *requested sewer area* includes 956 customer connections and approximately 372.8 acres to transfer from CCN No. 21142 to CCN No. 21127. The application proposes the subtraction

of approximately 372.8 acres from CCN No. 21142 and the addition of approximately 372.8 acres to CCN No. 21127.

The application indicates that the total acreage being requested is approximately 371.4 acres, however, the mapping review determined the requested area is approximately 372.8 acres.

Based on the mapping review and my technical and managerial review of the information filed, 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)*
 - *City of Houston*
 - *City of Tomball (CCN Nos. 13257 and 21103)*
 - *Coastal Water Authority*
 - *Dowdell Public Utility District (PUD)*
 - *H-M-W Special Utility District (SUD) (CCN No. 10342)*
 - *Harris County Flood Control District (FCD)*
 - *Harris County Municipal Utility District (MUD) 24*
 - *Harris County MUD 273*
 - *Harris County MUD 280*
 - *Harris County MUD 367*
 - *Harris County MUD 368*
 - *Harris County MUD 383*
 - *Harris County MUD 401*
 - *Harris County MUD 480*
 - *Harris County MUD 530*
 - *Harris County Water Control & Improvement District (WCID) 119*
 - *Harris-Galveston Subsidence District*
 - *Midway Water Utilities, Inc. (CCN Nos. 12087 and 20705)*
 - *Nextera Water Texas, LLC (CCN No. 13302)*
 - *North Harris County Regional Water Authority*
 - *Northpointe WCID*
 - *Northwest Harris County MUD 15*
 - *Northwest Harris County MUD 32*
 - *Pinewood Community, LP (CCN Nos. 13158 and 21030)*
 - *Port of Houston Authority*
 - *SP Utility Company, Inc. (CCN No. 12978)*
 - *Texas Water Utilities, L.P. (CCN No. 12983)*

- 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 existing 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 (general location and detailed maps) 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, Blue Topaz must file the following as proof of notice 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 Blue Topaz and Inline Utilities. Blue Topaz and Inline Utilities will have 20 days from the receipt of the RFI to respond.

Public Utility Commission of Texas

Memorandum

TO: Anthony Kanalas, Attorney
Legal Division

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

DATE: June 11, 2025

RE: Docket No. 58098 – *Application of T&W Water Service Company dba Blue Topaz Utilities and Inline Utilities, LLC for Sale, Transfer, or Merger of Facilities and Certificates Rights in Harris County*

On May 12, 2025, T & W Water Service Company dba Blue Topaz Utilities (Blue Topaz) and Inline Utilities, LLC filed an application for the sale, transfer, or merger of facilities and certificates rights in Harris County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code §§ 24.238 and 24.239.

We reviewed the answers provided to questions 4, 10, 11, 12, and 14 of the application and supplemental information. 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

T & W WATER SERVICE COMPANY DBA BLUE TOPAZ UTILITIES CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NOS. 12892 AND 21127, NOTICE OF INTENT TO PURCHASE WATER AND SEWER FACILITIES AND TO TRANSFER WATER AND SEWER SERVICE AREA UNDER CCN NO. 13313 AND 21142 FROM INLINE UTILITIES, LLC IN HARRIS COUNTY, TEXAS

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

(Address)

(City State Zip)

T & W Water Service Company dba Blue Topaz Utilities 12284 FM 3083
(Purchaser's Name) (Address)

Conroe, TX 77301
(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. 13313 and all of the sewer facilities and to transfer sewer certificated service area under CCN No. 21142 in Harris County, TX from:

Inline Utilities, LLC 10100 Boudreaux Road
(Seller's Name) (Address)

Tomball, TX 77375
(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: Sugarberry Place, Cottage Gardens.

Requested Water Area:

The **requested water area** is located approximately 3 miles southeast of downtown Tomball, Texas, and is generally bounded on the north by Spell Road; on the east by the intersection of Glen Willow and State Highway 99; on the south by Boudreaux Road; and on the west by Huffsmiester Road and Willow Creek.

The **requested water area** includes 557 customer connections and approximately 372 acres to transfer from CCN No. 13313 to CCN No. 12892. The application proposes the subtraction of approximately 372 acres from CCN No. 13313 and the addition of approximately 372 acres to CCN No. 12892.

Requested Sewer Area:

The **requested sewer area** is located approximately 3 miles southeast of downtown Tomball, Texas, and is generally bounded on the north by Spell Road; on the east by the intersection of Glen Willow and State Highway 99; on the south by Boudreaux Road; and on the west by Huffsmiester Road and Willow Creek.

The **requested sewer area** includes 956 customer connections and approximately 372.8 acres to transfer from CCN No. 21142 to CCN No. 21127. The application proposes the subtraction of approximately 372.8 acres from CCN No. 21127 and the addition of approximately 372.8 acres to CCN No. 21127.

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 may contact the commission through Relay Texas at 1-800-735-2989. 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.

**Hearing- and speech-impaired individuals with text telephones (TTY) may alternatively contact the commission directly at (512) 936-7136.*

If a valid public hearing is requested, the Commission will refer 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 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.

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

PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND AFFECTED PARTIES DOCKET NO. 58098

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

T & W WATER SERVICE COMPANY DBA BLUE TOPAZ UTILITIES CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NOS. 12892 AND 21127, NOTICE OF INTENT TO PURCHASE WATER AND SEWER FACILITIES AND TO TRANSFER WATER AND SEWER SERVICE AREA UNDER CCN NO. 13313 AND 21142 FROM INLINE UTILITIES, LLC IN HARRIS COUNTY, TEXAS

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

 (Address)

 (City) State Zip)

T & W Water Service Company dba Blue Topaz Utilities 12284 FM 3083
 (Purchaser's Name) (Address)

Conroe, TX 77301
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Public Utility Commission of Texas
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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

PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO LANDOWNERS DOCKET NO. 58098

STATE OF TEXAS

COUNTY OF _____

_____ has

- ☐ Determined that there are no landowners owning tracts of land at least 25 acres or more wholly or partly inside the requested area to be added:
- ☐ Provided individual notice via first-class mail to the following landowners owning tracts of land at least 25 acres or more wholly or partly inside the requested area to be added:

LANDOWNER NAME

OF ACRES

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 _____