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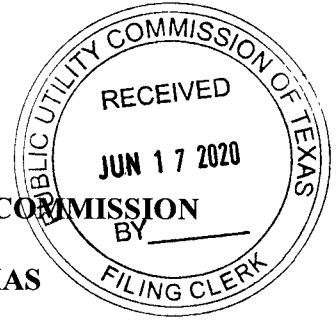
Item Number: 47

Addendum StartPage: 0

DOCKET NO. 50251

**APPLICATION OF JRM WATER LLC §
AND CSWR-TEXAS UTILITY §
OPERATING COMPANY, LLC FOR §
SALE, TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN VICTORIA COUNTY §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**



COMMISSION STAFF’S RESPONSE TO ORDER NO. 7

COMES NOW the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Order No. 7. In support thereof, Staff shows the following:

I. BACKGROUND

On November 18, 2019, CSWR-Texas Utility Operating Company (CSWR or Purchaser) and JRM Water LLC (JRM or Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Victoria County, Texas, under Texas Water Code § 13.301 and the 16 Texas Administrative Code (TAC) § 24.239. Specifically, the Purchaser seeks approval to acquire facilities, transfer water service area, obtain a new water Certificate of Convenience and Necessity (CCN), and cancel JRM’s Water CCN No. 11548.

On May 26, 2020, Staff requested referral to the State Office of Administrative Hearings (SOAH). In that request, Staff also requested that referral be delayed to allow additional time for Staff to conduct discovery. On May 29, 2020, CSWR filed its response to Staff’s Request for Hearing indicating that it agreed with Staff’s request to delay referral.

On June 16, 2020, Order No. 7 was issued, requiring that Staff indicate if this docket should be referred to SOAH immediately. Order No. 7 did not establish a deadline for Staff to file its response. Therefore, this pleading is timely filed.

II. RESPONSE TO ORDER NO. 7

Staff’s request for referral to SOAH was prompted by the impending 120-day statutory deadline by which the Commission is required approve the transaction to proceed or request a

47

hearing.¹ That deadline is June 25, 2020. At the time the request was made, Staff did not have all of the information necessary to support a recommendation that the transaction be allowed to proceed.

Staff is continuing to work with CSWR to resolve the outstanding issues with the application. To that end, Staff filed a third set of discovery on June 2, 2020, and is awaiting CSWR's responses, which are due to be filed on June 22, 2020. Based on communications between Staff and CSWR, Staff anticipates that the outstanding discovery responses will provide the documentation necessary to allow the parties to move forward without the need for a contested hearing on the merits.

Staff acknowledges the sense of urgency conveyed in Order No. 7 and understands that a request for referral cannot be delayed indefinitely. In light of the foregoing explanation, and in the interest of conserving administrative resources, Staff respectfully requests that Staff be given until June 29, 2020 to file a status report either withdrawing its hearing request or requesting immediate referral to SOAH. If the ALJ determines that a status update is not acceptable and that this docket needs to be referred to SOAH immediately, Staff defers to the ALJ's discretion regarding this issue.

III. CONCLUSION

For the reasons discussed above, Staff respectfully requests an order consistent with the above discussion.

¹ TWC § 13.301(e) ("Before the expiration of the 120-day notification period, the utility commission shall notify all known parties to the transaction and the Office of Public Utility Counsel whether the utility commission will hold a public hearing to determine if the transaction will serve the public interest.").

Dated: June 17, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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s/ Rustin Tawater
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DOCKET NO. 50251

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on June 17, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Rustin Tawater
Rustin Tawater