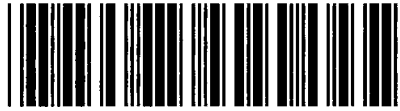




Control Number: 51003



Item Number: 52

Addendum StartPage: 0

DOCKET NO. 51003

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APPLICATION OF OAK HILL RANCH §  
ESTATES WATER AND CSWR-TEXAS §  
UTILITY OPERATING COMPANY, §  
LLC FOR SALE, TRANSFER, OR §  
MERGER OF FACILITIES AND §  
CERTIFICATE RIGHTS IN §  
GUADALUPE AND WILSON §  
COUNTIES §

BEFORE THE PUBLIC UTILITY COMMISSION  
FILING CLERK

PUBLIC UTILITY COMMISSION

OF TEXAS

**JOINT MOTION TO ADMIT EVIDENCE  
AND PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED**

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V. CONCLUSION..... 5

ATTACHMENT: Proposed Order Approving the Sale and Transfer to Proceed

**DOCKET NO. 51003**

<b>APPLICATION OF OAK HILL RANCH</b>	<b>§</b>	
<b>ESTATES WATER AND CSWR-TEXAS</b>	<b>§</b>	<b>BEFORE THE</b>
<b>UTILITY OPERATING COMPANY,</b>	<b>§</b>	
<b>LLC FOR SALE, TRANSFER, OR</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>MERGER OF FACILITIES AND</b>	<b>§</b>	
<b>CERTIFICATE RIGHTS IN</b>	<b>§</b>	<b>OF TEXAS</b>
<b>GUADALUPE AND WILSON</b>	<b>§</b>	
<b>COUNTIES</b>	<b>§</b>	

**JOINT MOTION TO ADMIT EVIDENCE  
AND PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED**

COME NOW Richard Billings dba Oak Hill Ranch Estates Water Company (Oak Hill Ranch) and CSWR-Texas Utility Operating Company, LLC (“CSWR Texas”), together with the Staff of the Public Utility Commission of Texas (“Commission Staff”) (collectively, “the Parties”), and file this Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Transfer to Proceed. Regarding the lone intervenor in this proceeding, Kenneth Aplon, CSWR Texas has attempted to contact Mr. Aplon several times during this proceeding, and it has left him multiple voicemails regarding this specific motion; however, it has been unable to reach him to determine if he supports or opposes the motion. In support thereof, the Parties show the following:

**I. BACKGROUND**

On July 1, 2020, Oak Hill Ranch and CSWR Texas filed an application with the Public Utility Commission of Texas (“Commission”) for approval of the sale, transfer, or merger of facilities and certificate rights in Guadalupe and Wilson counties (“Application”). The Applicants seek to cancel Oak Hill Ranch’s water certificate of convenience and necessity (“CCN”) number 12051 and transfer all facilities and the service area held under that number to CSWR Texas under water CCN number 13290.<sup>1</sup> The requested sale transfer includes approximately 990 acres and

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<sup>1</sup> The Parties anticipate that CSWR Texas will receive final approval to obtain water CCN number 13290 in pending Docket Nos. 50251, 50276, 50311, 51118, or 51065, whichever is approved first.

196 connections. The total requested area includes 1,857 acres, comprised of existing service area that will be transferred, existing service area that will be decertified, and uncertificated area.

Pursuant to Order No. 8, the Parties timely file this Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Transfer to Proceed.

## **II. JOINT MOTION TO ADMIT EVIDENCE**

The Parties move to admit the following items into the record evidence of this proceeding:

1. The application and confidential attachments filed on July 1, 2020 and July 8, 2020 (Interchange Item Nos. 1 through 6);
2. CSWR Texas's first and second supplements to the application filed on July 10 and 14, 2020 and August 24, 2020 (Interchange Item Nos. 7, 8, and 18);
3. CSWR Texas's responses to Commission Staff's first request for information and confidential attachments filed on September 8, 2020, September 10, 2020, and September 21, 2020 (Interchange Item Nos. 22 through 27, 29, and 30);
4. CSWR Texas's supplemental response to Commission Staff's first request for information and confidential attachments filed on December 7, 2020 and December 8, 2020 (Interchange Item Nos. 35 and 37);
5. CSWR Texas's second supplemental response to Commission Staff's first request for information and confidential attachments filed on December 16, 2020 (Interchange Item Nos. 39 and 40);
6. CSWR Texas's third supplemental response to Commission Staff's first request for information and confidential attachments filed on January 8, 2021 and January 11, 2021 (Interchange Item Nos. 47, 49, and 50);
7. CSWR Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential Exhibit B, filed on December 16, 2020 and December 18, 2020 (Interchange Item Nos. 41 and 42);
8. Commission Staff's recommendation on sufficiency of notice filed on December 31, 2020 (Interchange Item No. 44); and

9. Commission Staff's recommendation on the transaction filed on February 11, 2021 (Interchange Item No. 51).

### **III. RESPONSE TO ORDER DIRECTING ADMINISTRATIVE PROCESS**

On August 20, 2020, the administrative law judge ("ALJ") filed an Order Directing Administrative Process ("Processing Order") in this and each of the following dockets: Docket Nos. 50276, 50311, 50989, 51003, 51026, 51031, 51036, 51047, 51065, 51089, 51118, 51126, 51130 and 51146.<sup>2</sup> As demonstrated in its recommendation in this proceeding, Commission Staff has performed a cumulative review to assess CSWR Texas's technical and managerial capability to provide service to the requested areas and customers affected in all prior CSWR Texas STM

---

<sup>2</sup> *Application of North Victoria Utilities, Inc. and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County*, Docket No. 50276, Order No. 8 (Aug. 20, 2020); *Application of Copano Heights Water Company and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Aransas County*, Docket No. 50311, Order No. 8 (Aug. 20, 2020); *Application of Ranch Country of Texas Water Systems, Inc. and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Auston County*, Docket No. 50989, Order No. 2 (Aug. 20, 2020); *Application of Oak Hill Ranch Estates Water and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Guadalupe and Wilson Counties*, Docket No. 51003, Order No. 3 (Aug. 20, 2020); *Application of Tall Pines Utility, Inc. and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County*, Docket No. 51026, Order No. 2 (Aug. 20, 2020); *Application of Council Creek Village, Inc dba Council Creek Village dba South Council Creek 2 and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County*, Docket No. 51031, Order No. 3 (Aug. 20, 2020); *Application of Kathie Lou Daniels dba Woodlands West and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burlinson County*, Docket No. 51036, Order No. 2 (Aug. 20, 2020); *Application of Jones-Owen Company dba South Silver Creek I, II, and III and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Travis County*, Docket No. 51047, Order No. 2 (Aug. 20, 2020); *Application of Treetop Utilities, Inc. and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County*, Docket No. 51065, Order No. 4 (Aug. 20, 2020); *Application of Donald E. Wilson dba Quiet Village II dba QV Utility and CSWR Texas Utility Operating Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hidalgo County*, Docket No. 51089, Order No. 2 (Aug. 20, 2020); *Application of Shady Oaks Water Supply Company, LLC and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wilson County*, Docket No. 51118, Order No. 5 (Aug. 20, 2020); *Application of Shawn M Horvath dba Aero Valley Water Service and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Denton County*, Docket No. 51126, Order No. 4 (Aug. 20, 2020); *Application of Laguna Vista Limited and Laguna Tres, Inc and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hood County*, Docket No. 51130, Order No. 2 (Aug. 20, 2020); *Application of Abraxas Corporation and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County*, Docket No. 51146, Order No. 3 (Aug. 20, 2020). In addition, CSWR Texas subsequently filed one additional STM application that was not addressed in the Processing Order. *Application of the Estate of Patetreen Petty McCoy dba Big Wood Springs Water Company and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wood County*, Docket No. 51222 (pending).

dockets in which Commission Staff has recommended the transaction to proceed, and it has determined that CSWR Texas has demonstrated its ability to provide continuous and adequate service to each of the requested areas, both individually and as a whole. In addition, Commission Staff determined that CSWR Texas has the financial ability to pay for facilities necessary to provide service in each of the requested areas, both individually and as a whole.

**IV. PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED**

The Parties move for adoption of the attached Proposed Order Approving the Sale and Transfer to Proceed.

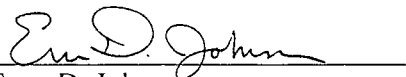
**V. CONCLUSION**

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the attached Proposed Order Approving the Sale and Transfer for Proceed be adopted.

Respectfully submitted,

**ATTORNEYS FOR CSWR TEXAS  
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**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

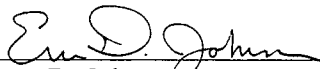
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**CERTIFICATE OF SERVICE**

I hereby certify that on this 10<sup>th</sup> day of March 2021, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Order Suspending Rules issued in Project No. 50664.

  
Evan D. Johnson



**DOCKET NO. 51003**

<b>APPLICATION OF OAK HILL RANCH</b>	<b>§</b>	
<b>ESTATES WATER AND CSWR-TEXAS</b>	<b>§</b>	<b>BEFORE THE</b>
<b>UTILITY OPERATING COMPANY,</b>	<b>§</b>	
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<b>MERGER OF FACILITIES AND</b>	<b>§</b>	
<b>CERTIFICATE RIGHTS IN</b>	<b>§</b>	<b>OF TEXAS</b>
<b>GUADALUPE AND WILSON</b>	<b>§</b>	
<b>COUNTIES</b>	<b>§</b>	

**PROPOSED ORDER APPROVING SALE AND TRANSFER TO PROCEED**

This Order addresses the application of Richard Billings dba Oak Hill Ranch Estates Water (Oak Hill Ranch) and CSWR-Texas Utility Operating Company, LLC (CSWR Texas) for the sale, transfer, or merger of facilities and certificate rights in Guadalupe and Wilson Counties. Oak Hill Ranch and CSWR Texas seek to transfer of all facilities and service areas held under Oak Hill Ranch’s water certificate of convenience and necessity (CCN) number 12051 to CSWR Texas under water CCN number 13290, to cancel Oak Hill Ranch’s water CCN number 12051, to decertify a portion of the certificated area transferred from Oak Hill Ranch, and to amend CSWR Texas’s water CCN number 13290 to add previously uncertificated water service area. The administrative law judge (ALJ) grants that the sale is approved and the transaction between Oak Hill Ranch and CSWR Texas may proceed and be consummated.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicants**

1. Oak Hill Ranch is the assumed name of an individual Richard Billings and a utility that operates, maintains, and controls facilities for providing water service under CCN number 12051 in Guadalupe and Wilson counties.

2.

**DOCKET NO. 51003**

**APPLICATION OF OAK HILL RANCH §  
ESTATES WATER AND CSWR-TEXAS §  
UTILITY OPERATING COMPANY, §  
LLC FOR SALE, TRANSFER, OR §  
MERGER OF FACILITIES AND §  
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GUADALUPE AND WILSON §  
COUNTIES §**

**BEFORE THE  
PUBLIC UTILITY COMMISSION  
OF TEXAS**

**JOINT MOTION TO ADMIT EVIDENCE  
AND PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED**

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ATTACHMENT: Proposed Order Approving the Sale and Transfer to Proceed

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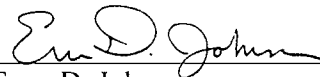
**V. CONCLUSION**

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the attached Proposed Order Approving the Sale and Transfer for Proceed be adopted.

Respectfully submitted,

**ATTORNEYS FOR CSWR TEXAS  
UTILITY OPERATING COMPANY, LLC**

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TEXAS LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Eleanor D'Ambrosio  
Managing Attorney

/s/ Creighton R. McMurray

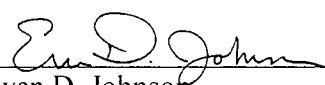
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Creighton.McMurray@puc.texas.gov



**CERTIFICATE OF SERVICE**

I hereby certify that on this 10<sup>th</sup> day of March 2021, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Order Suspending Rules issued in Project No. 50664.

  
\_\_\_\_\_  
Evan D. Johnson

**DOCKET NO. 51003**

<b>APPLICATION OF OAK HILL RANCH</b>	<b>§</b>	
<b>ESTATES WATER AND CSWR-TEXAS</b>	<b>§</b>	<b>BEFORE THE</b>
<b>UTILITY OPERATING COMPANY,</b>	<b>§</b>	
<b>LLC FOR SALE, TRANSFER, OR</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>MERGER OF FACILITIES AND</b>	<b>§</b>	
<b>CERTIFICATE RIGHTS IN</b>	<b>§</b>	<b>OF TEXAS</b>
<b>GUADALUPE AND WILSON</b>	<b>§</b>	
<b>COUNTIES</b>	<b>§</b>	

**PROPOSED ORDER APPROVING SALE AND TRANSFER TO PROCEED**

This Order addresses the application of Richard Billings dba Oak Hill Ranch Estates Water (Oak Hill Ranch) and CSWR-Texas Utility Operating Company, LLC (CSWR Texas) for the sale, transfer, or merger of facilities and certificate rights in Guadalupe and Wilson Counties. Oak Hill Ranch and CSWR Texas seek to transfer of all facilities and service areas held under Oak Hill Ranch’s water certificate of convenience and necessity (CCN) number 12051 to CSWR Texas under water CCN number 13290, to cancel Oak Hill Ranch’s water CCN number 12051, to decertify a portion of the certificated area transferred from Oak Hill Ranch, and to amend CSWR Texas’s water CCN number 13290 to add previously uncertificated water service area. The administrative law judge (ALJ) grants that the sale is approved and the transaction between Oak Hill Ranch and CSWR Texas may proceed and be consummated.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicants**

1. Oak Hill Ranch is the assumed name of an individual Richard Billings and a utility that operates, maintains, and controls facilities for providing water service under CCN number 12051 in Guadalupe and Wilson counties.

2. Oak Hill Ranch owns and operates one public water system (PWS) registered with the Texas Commission on Environmental Quality (TCEQ) under the following number: Oak Hill Ranch Water, public water system number 0940085.
3. CSWR Texas is a Texas limited liability company registered with the Texas secretary of state under file number 0803367893.

**Application**

4. On July 1, 2020, Oak Hill Ranch and CSWR Texas filed the application at issue in this proceeding.
5. Oak Hill Ranch and CSWR Texas filed supplements to the application on July 10 and 14, 2020, and August 24, 2020.
6. In the application, Oak Hill Ranch and CSWR Texas seek approval of the following transaction: (a) Oak Hill Ranch will sell and transfer all of the facilities and water service area under water CCN number 12051 to CSWR Texas under CCN number 13290; (b) Oak Hill Ranch's water CCN number 12051 will be cancelled; (c) a portion of the certificated area transferred from Oak Hill Ranch will be decertified; and (d) CSWR Texas's water CCN number 13290 will be amended to add previously uncertificated water service area.
7. The total requested area comprises approximately 1,857 acres and 196 current connections., including approximately 903 acres to be transferred, 88 acres to be decertified, and 866 acres to be newly certificated. After removing the area to be decertified, the total requested area certificated to CSWR Texas will be approximately 1,769 acres.
8. The requested area is located approximately 8 miles east of downtown La Vernia, Texas and is generally bounded on the north by a line approximately 1.5 miles north of Hargett

Lane; on the east by South State Highway 123; on the south by Longhorn Road; and on the west by a line approximately 2 miles west of State Highway 123.

9. In Order No. 7 filed on November 6, 2020, the ALJ found the application administratively complete.

**Notice**

10. On December 18, 2020, CSWR Texas filed the affidavit of Josiah Cox, president and manager of CSWR Texas, attesting that notice was provided to all current customers of Oak Hill Ranch, neighboring utilities, and affected parties on December 18, 2020.
11. On December 18, 2020, CSWR Texas filed publishers' affidavit attesting to the publication of notice as follows: in the *Seguin Gazette*, a newspaper of general circulation in Guadalupe County on December 6 and 13, 2020; ad (b) in the *Wilson County News*, a newspaper of general circulation in Wilson County, on December 2 and 9, 2020.
12. In Order No. 8 filed on January 4, 2021, the ALJ found the notice sufficient.

**Intervention**

13. On December 21, 2020, Kenneth Aplon filed a motion to intervene.
14. In Order No. 9 filed on January 4, 2021, the ALJ granted Kenneth Aplon's intervention.

**Evidentiary Record**

15. On March 10, 2021, the parties filed a joint motion to admit evidence.
16. In Order No. \_\_\_ filed on \_\_\_\_\_, 2021, the ALJ admitted the following evidence into the record: (a) the application and confidential attachments filed on July 1, 2020 and July 8, 2020; (b) CSWR Texas's first and second supplements to the application filed on July 10 and 14, 2020 and August 24, 2020; (c) CSWR Texas's responses to Commission Staff's first request for information and confidential attachments filed on September 8,

2020, September 10, 2020, and September 21, 2020; (d) CSWR Texas's supplemental response to Commission Staff's first request for information and confidential attachments filed on December 7, 2020 and December 8, 2020; (e) CSWR Texas's second supplemental response to Commission Staff's first request for information and confidential attachments filed on December 16, 2020; (f) CSWR Texas's third supplemental response to Commission Staff's first request for information and confidential attachments filed on January 8, 2021 and January 11, 2021; (g) CSWR Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential Exhibit B, filed on December 16, 2020 and December 18, 2020; (h) Commission Staff's recommendation on sufficiency of notice filed on December 31, 2020; and (i) Commission Staff's recommendation on the transaction filed on February 11, 2021.

**Cumulative Recommendation**

17. In Order No. 3 filed on August 20, 2020, the ALJ directed Commission Staff to cumulatively consider all CSWR Texas related dockets involving the sale, transfer, or merger of public water systems. When formulating its recommendation, the ALJ specifically required Commission Staff to consider whether CSWR Texas had adequate, financial, managerial, and technical capability for providing continuous and adequate service to the systems being transferred as a whole rather than on an individual basis.
18. On February 11, 2021, Commission Staff filed its recommendation on the transaction in this docket recommending that CSWR Texas has the financial, managerial, and technical capability to provide continuous and adequate service to all areas included in this docket

and in Docket Nos. 50251,<sup>1</sup> 50276,<sup>2</sup> 50311,<sup>3</sup> 50989,<sup>4</sup> 51026,<sup>5</sup> 51065,<sup>6</sup> 51118,<sup>7</sup> 51031,<sup>8</sup> 51047,<sup>9</sup> 51130,<sup>10</sup> 51146,<sup>11</sup> and 51089.<sup>12</sup>

**System Compliance—Texas Water Code (TWC) § 13.301(e)(3)(A); 16 Texas Administrative Code (TAC) §§ 24.227(a), 24.239(h)(3)(A), (h)(5)(I)**

19. Oak Hill Ranch’s public water system number 0940085 is not currently in compliance with the drinking water rules of the TCEQ.
20. CSWR Texas intends to invest the capital required to make the upgrades, renovations, and repairs necessary to bring the water system into compliance with TCEQ regulations and to ensure customers receive safe and reliable service within a reasonable time upon

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<sup>1</sup> 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, Docket No. 50251 (pending).

<sup>2</sup> Application of North Victoria Utilities, Inc. and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County, Docket No. 50276 (pending).

<sup>3</sup> Application of Copano Heights Water Company and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Aransas County, Docket No. 50311 (pending).

<sup>4</sup> Application of Ranch Country of Texas Water Systems, Inc and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Austin County, Docket No. 50989 (pending).

<sup>5</sup> Application of Tall Pines utility, Inc. and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County, Docket No. 51026 (pending).

<sup>6</sup> Application of Treetop Utilities, Inc and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County, Docket No. 51065 (pending).

<sup>7</sup> Application of Shady Oaks Water Supply Company, LLC and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wilson County, Docket No. 51118 (pending).

<sup>8</sup> Application of Council Creek Village, Inc dba Council Creek Village dba South Council Creek 2 and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 51031 (pending).

<sup>9</sup> Application of Jones-Owen Company dba South Silver Creek I, II, and III and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Travis County, Docket No. 51047 (pending).

<sup>10</sup> Application of Laguna Vista Limited and Laguna Tres, Inc and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hood County, Docket No. 51130 (pending).

<sup>11</sup> Application of Abraxas Corporation and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County, Docket No. 51146 (pending).

<sup>12</sup> Application of Donald E Wilson dba Quiet Village II dba Qv Utility and CSWR Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hidalgo County, Docket No. 51089 (pending).

consummation of the transaction. CSWR Texas provided a copy of its correspondence with the TCEQ indicating that it has agreed to work with the TCEQ to address the outstanding compliance issues upon consummation of the transaction.

21. CSWR Texas has demonstrated a compliance history that is adequate for approval of the sale to proceed.

**Adequacy of Existing Service—TWC § 13.246(c)(1); 16 TAC §§ 24.227(e)(1), 24.239(h)(5)(A)**

22. There are currently 196 connections in the requested area that are being served by Oak Hill Ranch through public water system number 0940085, and such service has been continuous and adequate.

**Need for Additional Service—TWC § 13.246(c)(2); 16 TAC §§ 24.227(e)(2), 24.239(h)(5)(B)**

23. There is a continuing need for service because Oak Hill Ranch is currently serving 196 existing customers in the requested area.
24. There have been no specific requests for additional service within the requested area.

**Effect of Approving the Transaction and Granting the Amendment—TWC § 13.246(c)(3); 16 TAC §§ 24.227(e)(3), 24.239(h)(5)(C)**

25. Approving the sale and transfer to proceed and granting the CCN amendment will obligate CSWR Texas to provide service to current and future customers in the requested area.
26. Retail public utilities within a two-mile radius were given proper notice of the proposed transaction and CCN amendment for uncertificated area.
27. There will be no effect on landowners in the areas that are currently certificated and landowners in the uncertificated area will benefit because they will not have to drill individual wells.
28. CSWR Texas will adopt Oak Hill Ranch's current rates upon the consummation of the transaction.

**Ability to Serve: Managerial and Technical—TWC §§ 13.241(a), 13.246(c)(4), 13.301(b), (e)(2); 16 TAC §§ 24.227(a), (e)(4), 24.239(g), (h)(5)(D)**

29. Oak Hill Ranch's public water system number 0940085 is currently providing service to 196 connections in the requested area with adequate capacity to meet the demands in the requested area.
30. CSWR Texas employs TCEQ-licensed water operators who will operate the public water system.
31. CSWR Texas has access to an adequate supply of water and is capable of providing water that meets the requirements of chapter 341 of the Texas Health and Safety Code, chapter 13 of the TWC, and the TCEQ's rules.
32. CSWR Texas has the technical and managerial capability to provide adequate and continuous service to the requested area.

**Ability to Serve: Financial Ability and Stability—TWC §§ 13.241(a), 13.246(c)(6), 13.301(b); 16 TAC §§ 24.11(e), 24.227(a), (e)(6), 24.239(g), (h)(5)(F)**

33. CSWR, LLC, the immediate parent company of CSWR Texas, is capable, available, and willing to cover temporary cash shortages, and has a debt-to-equity ratio of less than one, satisfying the leverage test.
34. CSWR, LLC provided a written guarantee of coverage of temporary cash shortages and demonstrated it has sufficient cash available to cover any projected operations and maintenance shortages in the first year five years of operations after completion of the transaction and possesses the cash and leverage ability to pay for capital improvements and necessary equity investments—satisfying the operations test.
35. CSWR Texas demonstrated the financial ability and stability to provide continuous and adequate service to the requested area.



**Financial Assurance—TWC §§ 13.246(d), 13.301(c); 16 TAC §§ 24.227(f), 24.239(f)**

36. There is no need to require CSWR Texas to provide a bond or other financial assurance to ensure continuous and adequate service.

**Feasibility of Obtaining Service from Adjacent Retail Public Utility—TWC §§ 13.246(c)(5); 16 TAC §§ 24.227(e)(5), 24.239(h)(5)(E)**

37. The requested area is currently being served by Oak Hill Ranch and there will be no changes to land uses or existing CCN boundaries. Therefore, it is not feasible to obtain service from another utility.
38. Retail public utilities within a two-mile radius were given proper notice of the proposed transaction and CCN amendment for uncertificated area and no protests or motions to intervene were filed.

**Environmental Integrity and Effect on the Land—TWC §§ 13.246(c)(7), (c)(9); 16 TAC §§ 24.227(e)(7), (e)(9), 24.239(h)(5)(G)**

39. The requested area will continue to be served with existing infrastructure.
40. There will be minimal effects on the environmental integrity and on the land as a result of CSWR Texas's planned upgrades, renovations, and repairs to the water system.

**Improvement in Service or Lowering Cost to Consumers—TWC § 13.246(c)(8); 16 TAC §§ 24.227(e)(8), 24.239(h)(5)(H)**

41. CSWR Texas will continue to provide water service to the existing customers in the requested area and the rates charged will not change as a result of the proposed transaction.

**Regionalization or Consolidation—TWC §§ 13.241(d); 16 TAC § 24.227(b)**

42. CSWR Texas will not need to construct a physically separate water system to continue serving the requested area; therefore, concerns of regionalization or consolidation do not apply.

## **II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. Oak Hill Ranch and CSWR Texas provided notice of the application that complies with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.239.
2. After consideration of the factors in TWC § 13.246(c), CSWR Texas has demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area as required by TWC § 13.301(b).
3. Oak Hill Ranch and CSWR Texas demonstrated that the sale and transfer of Oak Hill Ranch's water facilities and service area held under water CCN number 12051 to CSWR Texas under CCN number 13290 will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public as required by TWC § 13.301(d) and (e).

## **III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The sale is approved and the transaction between Oak Hill Ranch and CSWR Texas may proceed and be consummated.
2. As soon as possible after the effective date of the transaction, but not later than 30 days after the effective date, Oak Hill Ranch and CSWR Texas must file proof that the transaction has been consummated and customer deposits, if any, have been addressed.
3. Oak Hill Ranch and CSWR Texas have 180 days to complete the transaction.
4. Under 16 TAC § 24.239(m), if the transaction is not consummated within this 180-day period, or an extension is not granted, this approval is void and Oak Hill Ranch and CSWR Texas will have to reapply for approval.

5. Oak Hill Ranch and CSWR Texas are advised that the 991-acre requested area and associated facilities, currently held under water CCN number 12051, will remain under water CCN number 12051 and be held by Oak Hill Ranch until the sale and transfer transaction is complete, in accordance with Commission rules.
6. In an effort to finalize this case as soon as possible, the applicants must continue to file monthly updates regarding the status of the closing and submit documents evidencing that the transaction was consummated.
7. Within 15 days following the filing of the applicants' proof that the transaction has been consummated and customer deposits, if any, have been addressed, Commission Staff must file a recommendation regarding the sufficiency of the documents and propose a schedule for continued processing of this docket.

**Signed at Austin, Texas the \_\_\_\_ day of \_\_\_\_\_ 2021.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**KATIE MOORE**  
**ADMINISTRATIVE LAW JUDGE**