



## Filing Receipt

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<b>APPLICATION OF FRANKLIN WATER</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SERVICE CO. LLC AND CSWR-TEXAS</b>	<b>§</b>	
<b>UTILITY OPERATING COMPANY, LLC</b>	<b>§</b>	<b>OF TEXAS</b>
<b>FOR SALE, TRANSFER OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN LUBBOCK COUNTY</b>	<b>§</b>	

**COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS AND PROPOSED PROCEDURAL SCHEDULE AND NOTICE OF CHANGE OF COUNSEL**

On November 20, 2020, Franklin Water Service Co. LLC (Franklin Water) and CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) (collectively, the Applicants) filed an application with the Public Utility Commission of Texas (Commission) seeking approval for the sale, transfer, or merger (STM) of facilities and certificate rights in Lubbock County. The Applicants request to sell and transfer all of the facilities and certificated service area held by Franklin Water under Certificate of Convenience and Necessity (CCN) No. 12374 to CSWR-Texas and to subsequently cancel Franklin Water's CCN and amend CSWR-Texas’ CCN No. 13290 to add the area previously included in Franklin Water’s CCN.

On September 9, 2021, the administrative law judge (ALJ) filed Order No. 10, approving the sale and transfer to proceed and requiring the Applicants to file proof that the transaction had been consummated and to address any customer deposits, if any, no later than 30 days after the effective date of the transaction. Order No. 10 also required Commission Staff (Staff) to file a recommendation regarding the sufficiency of the Applicants’ closing documents and to propose a procedural schedule within 15 days of the closing documents being filed. On November 30, 2021, the Applicants filed notice of the completed transaction. Fifteen days from November 30, 2021 is December 15, 2021. Therefore, this pleading is timely filed.

**I. RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS**

Staff has reviewed the closing documents and customer deposit information filed by the Applicants on November 30, 2021, as well as the supplemental customer deposit information filed on December 13, 2021. Based on its review, Staff has determined that the Applicants' filing meets the requirements of 16 Texas Administrative Code (TAC) § 24.239(a), (i), and (l)-(n).

Specifically, 16 TAC § 24.239(a) requires the filing of an STM application and the provision of public notice at least 120 days before the effective date of a proposed transaction. Additionally, under 16 TAC § 24.239(i), the proposed transaction may be completed at the end of the 120 day period or at any time after the transferee receives notice from the Commission that a hearing will not be required. Lastly, under 16 TAC § 24.239(m), the proposed transaction must be completed within 180 days following the date of the Commission order allowing the transaction to proceed.

As indicated by the proof of notice filed on May 20, 2021, the Applicants provided notice on May 20, 2021. Thus, the end of the 120 day period occurred on September 17, 2021. Additionally, the Commission's order allowing the transaction to proceed occurred on September 9, 2021. Thus, the end of the 180 day period is set to occur on March 8, 2022. As such and as evidenced by the closing documents, the Applicants properly and timely consummated the transaction on November 16, 2021. Further, the Applicants timely filed the closing documents on November 30, 2021 in accordance with 16 TAC § 24.239(l). Lastly, the Applicants included in the closing documents, a fully executed and notarized Bill of Sale and Assignment that was signed by representatives of the transferor, Franklin Water, and the transferee, CSWR-Texas.

The Applicants also provided customer deposit information in the closing documents in accordance with 16 TAC § 24.239(k) and (l). Specifically, the Applicants included an affidavit of George Fuller, the Managing Member of Franklin Water, confirming that all customer deposits held by Franklin Water had been returned or refunded consistent with Franklin Water's tariff and Commission rules. Additionally, the Applicants included a confidential list of the customer deposit information, indicating the names of the customers who had a deposit on record, as well as the dates and amounts for each deposit. Staff notes that the confidential list displayed Franklin Water's address instead of the address for each customer. The Applicants, however, filed supplemental information on December 13, 2021 to reflect the correct address for each customer listed that had an outstanding deposit on record after the transaction was closed. The Applicants also reaffirmed that all outstanding customer deposits were returned or refunded and that there are no customer deposits outstanding at this time.

For these reasons, Staff recommends that the Applicants have complied with the applicable requirements of 16 TAC § 24.239. Staff therefore recommends that the closing documents and customer deposit information be found sufficient.

## **II. PROPOSED PROCEDURAL SCHEDULE**

In accordance with Staff's sufficiency recommendation, Staff proposes the following procedural schedule.

<b>Events</b>	<b>Date</b>
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to the Applicants for review and consent	January 14, 2022
Deadline for the Applicants to file signed consent forms with the Commission	January 24, 2022
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	February 7, 2022

## **III. NOTICE OF CHANGE OF COUNSEL**

Scott Miles has replaced Courtney N. Dean as Staff's attorney of record in this proceeding. Please direct all correspondence and communication to the undersigned attorney.

## **IV. CONCLUSION**

Staff recommends that the closing documents and customer deposit information be found sufficient and that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with the foregoing recommendations.

Dated: December 14, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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**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 December 14, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Scott Miles  
Scott Miles