



Filing Receipt

Received - 2022-12-15 10:05:19 AM
Control Number - 51877
ItemNumber - 64

DOCKET NO. 51877

APPLICATION OF L AND T	§	PUBLIC UTILITY COMMISSION
WATERWORKS LLC AND TEXAS WATER	§	
UTILITIES LP FOR SALE, TRANSFER, OR	§	
MERGER OF FACILITIES AND	§	OF TEXAS
CERTIFICATE RIGHTS IN FREESTONE	§	
AND HENDERSON COUNTIES	§	

COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS

On March 8, 2021, Monarch Utilities I, L.P. (Monarch) and L and T Waterworks LLC (L and T) (collectively, the Applicants) filed an application for the sale, transfer, or merger of certificate rights in Freestone and Henderson Counties. The Applicants seek approval to sell and transfer all of L and T’s facilities and certificated service area under water certificate of convenience and necessity (CCN) numbers 12919 and 12993 to Monarch’s water CCN number 12983, and the cancellation of L and T’s water CCN numbers 12919 and 12993. The Applicants also request that a portion of the area requested be dually certificated with CCN number 10793, held by Turlington WSC, and a second portion be decertified from CCN number 10791, held by South Freestone County WSC. The Applicants filed closing documents on November 7, 2022. On November 11, 2023, Monarch filed a letter requesting to restyle the docket in accordance with the name change approved in Docket No. 53636. In that docket, the ALJ approved Monarch’s request for a name change to Texas Water Utilities L.P.¹ On December 13, 2022, Texas Water Utilities L.P. (formally Monarch) filed a revised Bill of Sale.

On August 15, 2022, the administrative law judge (ALJ) issued Order No. 20, approving the sale and transfer to proceed, requiring the Applicants to complete the transaction within 180 days from the date of the order,² February 11, 2023. On November 28, 2022, the ALJ filed Order No. 21, requiring the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of the documents by December 19, 2022. Therefore, this pleading is timely filed.

¹ *Application of Monarch Utilities I L.P. for a Certificate of Convenience and Necessity Name Change*, Docket No. 53636, Notice of Approval at Ordering Paragraph No. 1 (Nov. 15, 2022).

² 180 days after August 15, 2022, is February 11, 2023.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed on November 7 and December 13, 2022. The bill of sale and assignment filed on November 7, 2022 was not sufficient because it was not signed by both the transferor and the transferee. However, Staff has determined that the revised bill of sale and assignment filed on December 13, 2022 meets the requirements of 16 Texas Administrative Code (TAC) §§ 24.239(k)-(n). The Applicants filed a fully executed bill of sale and assignment, signed by both the transferor and transferee, showing consummation of the sale on November 15, 2022. As there are no outstanding customer deposits associated with this water system, no proof of customer deposits is necessary.³ Accordingly, based upon the Applicants' satisfaction of the requirements, Staff recommends that the closing documents be found sufficient and that there be no outstanding issues found concerning customer deposits.

II. PROPOSED PROCEDURAL SCHEDULE

In accordance with Staff's recommendation that Applicants' closing documents be found sufficient, Staff proposes the following procedural schedule:

Events	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to Applicants for review and consent	January 17, 2023
Deadline for Applicants to file signed consent forms with the Commission	January 24, 2023
Deadline for parties to jointly file a proposed Notice of Approval, including proposed findings of fact, conclusions of law, and ordering paragraphs	February 15, 2023

III. CONCLUSION

For the reasons discussed above, Staff respectfully requests that an order be issued finding the closing documents filed by the Applicants sufficient. Staff further requests that the procedural schedule above be adopted for continued processing of this docket.

³ Proof of Closing in Compliance with Ordering Paragraph 2 of Order No. 20 (Nov. 7, 2022).

Dated: December 15, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

Marisa Lopez Wagley
Managing Attorney

/s/ Phillip Lehmann
Phillip Lehmann
State Bar No. 24100140
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711
(512) 936-7385
(512) 936-7268 (facsimile)
phillip.lehmann@puc.texas.gov

DOCKET NO. 51877

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 15, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Phillip Lehmann
Phillip Lehmann