



## Filing Receipt

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| <b>APPLICATION OF ROCKET WATER</b>  | <b>§</b> | <b>PUBLIC UTILITY COMMISSION</b> |
| <b>COMPANY, INC. AND CSWR-TEXAS</b> | <b>§</b> |                                  |
| <b>UTILITY OPERATING COMPANY,</b>   | <b>§</b> | <b>OF TEXAS</b>                  |
| <b>LLC FOR SALE, TRANSFER, OR</b>   | <b>§</b> |                                  |
| <b>MERGER OF FACILITIES AND</b>     | <b>§</b> |                                  |
| <b>CERTIFICATE RIGHTS IN HAYS</b>   | <b>§</b> |                                  |
| <b>COUNTY</b>                       | <b>§</b> |                                  |

**COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS**

On March 19, 2021, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Rocket Water Company, Inc. (Rocket Water) (collectively, Applicants) filed an application for the sale, transfer, or merger (STM) of facilities and certificate rights in Hays County, Texas under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. CSWR-Texas seeks approval to acquire facilities and transfer the entire water service area from Rocket Water under its certificate of convenience and necessity (CCN) No. 12776, to its respective CCN No. 13290.

On September 17, 2021, the administrative law judge (ALJ) issued Order No. 5 allowing the transaction to proceed and requiring the Applicants to file proof that the transaction has been consummated and to address any customer deposits no later than 30 days after the effective date of the transaction. Applicants filed their proof of closing documentation on November 1, 2021 and documentation concerning customer deposits on November 3 and 4, 2021.

Order No. 5 further required the Staff (Staff) of the Public Utility Commission (Commission) to file a recommendation on the adequacy of the documents within 15 days following their filing by the applicants. The applicants filed their last documentation in response to Order No. 5 on November 4, 2021, making Staff’s 15-day deadline for its recommendation November 19, 2021. Therefore, this pleading is timely filed.

**I. SUFFICIENCY OF CLOSING DOCUMENTS**

Staff has reviewed the closing documents and documentation regarding customer deposits filed by Applicants on November 1 and November 3 and 4, 2021, respectively. Based on its review, Staff has determined that Applicants’ filing meet the requirements of 16 Texas Administrative

Code (TAC) § 24.239(k)-(n). Specifically, TAC § 24.239(i) provides that if the commission does not require a hearing, the sale, transfer, or merger may be completed “at the end of the 120-day period described in subsection (a) of this section”.<sup>1</sup> Applicants filed their application on March 19, 2021, and notice was completed on May 26, 2021, as indicated in Staff’s previously filed recommendation on notice sufficiency (AIS Item No. 19). Therefore, 120 days after the later of these two dates, which is the date notice was completed, is September 23, 2021. The closing documents provided by the Applicants indicate that the sale, transfer, or merger requested in their application was executed on November 1, 2021. This complies with the Commission rules.

In addition, 16 TAC § 24.239 requires that “[t]he signed contract, bill of sale, or other documents, must be signed by both the transferor and the transferee.” The documents provided include a signature from Stan M. Putman, Jr., Receiver of Rocket Water and Josiah M. Cox, President of Central States Water Resources, Inc., the managing corporation of CSWR-Texas. Finally, CSWR-Texas filed an affidavit regarding customer deposits on November 3, 2021 and a confidential attachment regarding the same on November 4, 2021. The affidavit signed by Stan M. Putman, court-appointed receiver of Rocket Water, indicates that all customer deposits were returned or refunded to customers consistent with Rocket Water’s tariff and Commission Rules. Staff has reviewed the documents and determined they are sufficient.

For these reasons, Staff recommends that the Applicants have complied with the requirements provided by 16 TAC § 24.239. Staff recommends a finding that the closing documents and documentation regarding customer deposits be found sufficient.

## **II. PROCEDURAL SCHEDULE**

Staff recommends the closing documents be deemed sufficient. Staff therefore proposes the following procedural schedule:

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<sup>1</sup> TAC § 24.239(a) provides that the “[a]ny water supply or sewer service corporation, or water and sewer utility, owned by an entity required to possess a certificate of convenience and necessity (CCN) must[...] file a written application with the commission and give public notice of any sale, transfer, consolidation, acquisition, lease, or rental at least 120 days before the effective date of the transaction. The 120-day period begins on the most recent of[...] the last date the applicant mailed the required notice as stated in the applicant’s affidavit of notice; or[...] the last date of the publication of the notice in the newspaper as state in the affidavit of publication, if required.”

| Event  | Date                    |
|--|-------------------------|
| Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent.                 | <i>January 4, 2021</i>  |
| Deadline for Applicants to file signed consent forms with the Commission.  | <i>January 18, 2021</i> |
| Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs. | <i>January 25, 2021</i> |

### III. CONCLUSION

For the reasons detailed above, Staff respectfully recommends that the notice provided by the Applicant be deemed sufficient and that the ALJ issue an order incorporating the proposed procedural schedule consistent with the above recommendations.

Dated: November 18, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

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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 November 18, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Kevin R. Bartz  
Kevin R. Bartz