



## Filing Receipt

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<b>APPLICATION OF WALNUT BEND</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER SUPPLY 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 ANGELINA</b>	<b>§</b>	
<b>COUNTY</b>	<b>§</b>	

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

On March 25, 2021, Walnut Bend Water Supply aka Walnut Bend Water System (Walnut Bend) and CSWR-Texas Utility Operating Company, LLC (CSWR Texas) (collectively, the Applicants) filed an application for approval of the sale and transfer of certificate of convenience and necessity (CCN) rights in Angelina County. CSWR seeks approval to transfer all of the water service area from Walnut Bend under water CCN No. 12115.

On August 20, 2021, the administrative law judge (ALJ) issued Order No. 7 allowing the transaction to proceed and requiring 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. Order No. 7 further required the Staff (Staff) of the Public Utility Commission (Commission) to file a recommendation regarding the sufficiency of Applicants’ closing documents within 15 days of their filing by Applicants. Applicants filed their proof of closing documents on December 29, 2021, making January 13, 2022 Staff’s deadline to file its recommendation. Therefore, this pleading is timely filed.

**I. SUFFICIENCY OF CLOSING DOCUMENTS**

Staff has reviewed the closing documents filed by Applicants on December 29, 2021. 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

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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,

application on March 25, 2021, and notice was completed on May 7, 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 4, 2021. The closing documents provided by the Applicants indicate that the sale, transfer, or merger requested in their application was executed and effective on December 21, 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 Josiah M. Cox, CSWR-Texas Utility Company, LLC’s President, and Angela G. Hardin and Colby L. Brooks of Walnut Bend Water Supply. Finally, the proof of closing provided by Applicants states that there are no outstanding customer deposits associate with the water system at issue in this matter.

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 be found sufficient.

## II. PROCEDURAL SCHEDULE

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

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent.	<i>February 17 2022</i>
Deadline for Applicants to file signed consent forms with the Commission.	<i>March 3, 2022</i>
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs.	<i>March 10, 2022</i>

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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.”

### **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: January 13, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

*/s/ Kevin R. Bartz* \_\_\_\_\_

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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 January 13, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Kevin R. Bartz  
Kevin R. Bartz