



Control Number: 51981



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DOCKET NO. 51981

RECEIVED

**APPLICATION OF LIVE OAK HILLS
AND FLAG CREEK RANCH WATER
SYSTEMS AND CSWR-TEXAS
UTILITY OPERATING COMPANY,
LLC FOR SALE, TRANSFER, OR
MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN LLANO
AND MCCULLOCH COUNTIES** §
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**PUBLIC UTILITY COMMISSION
OF TEXAS**

2021 MAY -5 PM 12:17

FILED ELECTRONICALLY
BY [unclear]

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND PROPOSED NOTICE**

On April 5, 2021, Live Oak Hills and Flag Creek Ranch Water Systems (Live Oak and Flag Creek) and CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) (collectively, Applicants) filed an application for approval of a sale and transfer in Llano and McCulloch Counties. The Applicants seek approval to sell and transfer all of Live Oak and Flag Creek’s facilities and service area under water certificate of convenience and necessity (CCN) number 12463 to CSWR-Texas’s water CCN number 13290, the cancellation of CCN number 12463, and the amendment of CSWR-Texas’s water CCN number 13290 to include the service area previously included in water CCN number 12463. The requested area consists of 425 acres and 74 customer connections. CSWR-Texas filed supplemental information on May 5, 2021.

On April 7, 2021, the administrative law judge filed Order No. 1, establishing a deadline of May 5, 2021, for the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation on administrative completeness and proposed notice. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum of Jolie Mathis of the Commission’s Infrastructure Division, Staff has reviewed the application and recommends that it be found administratively complete. Staff’s recommendation is not a comment on the merits of the application.

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II. NOTICE

At this time, Staff recommends that the Applicants proceed with providing public notice to all current customers, persons, political subdivisions, and other entities listed in the attached memorandum using the notice provided by Ms. Mathis. Along with each individual notice, Staff recommends that the Applicants provide an accurate map delineating the requested service area.

Within 30 days of the provision of notice, Staff recommends that the Applicants file proof of notice as described in the attached memorandum, including an affidavit specifying the name and address of every person and entity to whom notice was provided, the date that the notice was provided, and a copy of the map and notice provided. Finally, Staff recommends that the Applicants use the attached notice and affidavit to meet these requirements.

III. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule for the continued processing of this application:

Event	Date
Deadline for the Applicants to file with the Commission a signed affidavit that the notice was given along with a copy of the notice and map sent to the affected parties	June 7, 2021
Deadline for Staff to file a recommendation on sufficiency of notice	June 17, 2021
Deadline to intervene	Thirty days after notice is issued

IV. CONCLUSION

For the reasons discussed above, Staff respectfully requests that the application be deemed administratively complete, that the Applicants be directed to provide notice as described in the attached memorandum, and that the proposed procedural schedule be adopted for further processing of the application.

Dated: May 5, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Eleanor D' Ambrosio
Managing Attorney

/s/ Merritt Lander
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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 on May 5, 2021 in accordance with the Order Suspending Rules filed in Project No. 50664.

/s/ Merritt Lander
Merritt Lander

Public Utility Commission of Texas

Memorandum

TO: Merritt Lander, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: May 5, 2021

RE: Docket No. 51981 – *Application of Live Oak Hills and Flag Creek Ranch Water Systems and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Llano and McCulloch Counties*

On April 5, 2021, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Live Oak Hills and Flag Creek Ranch Water Systems (Live Oak and Flag Creek) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Llano and McCulloch Counties, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, CSWR-Texas, which holds certificate of convenience and necessity (CCN) No. 13290, seeks approval to acquire facilities and to transfer all of the water service area from Live Oak and Flag Creek under water CCN No. 12463.

For the Flag Creek Ranch Subdivision, located in Llano County, the requested area includes approximately 242 acres and 43 customers.

For the Live Oak Hills Subdivision, located in McCulloch County, the requested area includes approximately 183 acres and 31 customers.

The result of the application will be the addition of approximately 425 acres to CCN No. 13290 and the cancellation of CCN No. 12463.

Based on the mapping review by Gary Horton, Infrastructure Division, the financial and managerial review by Fred Bednarski, Rate Regulation Division, and my technical and managerial review of the information filed, I recommend that the application be deemed administratively complete. I further recommend that the Applicants be ordered to do the following:

- 1) Provide notice of the application by first-class mail to the following:
 - a. Cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area:
 - *City of Llano (CCN No. 10458)*
 - *Lower Colorado River Authority*
 - b. The county judge of each county that is wholly or partially included in the requested area:
 - *Llano County Judge*
 - *McCulloch County Judge*
 - c. Each groundwater conservation district that is wholly or partially included in the requested area:
 - *Hickory Underground Water Conservation District No. 1*
 - d. Any affected customers, and other affected parties in the requested area.

Addresses can be obtained from the Water Utility Database at <http://www.puc.texas.gov/watersearch>. District information and addresses can be obtained from the Texas Commission on Environmental Quality's (TCEQ) web site located at <http://www14.tceq.texas.gov/iwud/>.

- 2) Provide notice using the attached notice form(s).
- 3) Provide a copy of the map(s) deemed sufficient during administrative review delineating the requested area with each individual notice to neighboring utilities, other affected parties and customers.
- 4) File in the docket copy of notice and the map(s) deemed sufficient during administrative review along with the signed affidavit specifying every person and entity to whom notice was provided, the date that the notice was provided.

Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed, Staff may send requests for information (RFI) to CSWR-Texas and Live Oak and Flag Creek. Live Oak and Flag Creek and CSWR-Texas will have 20 days from the receipt of the RFI to respond.

Notice to Current Customers, Neighboring Systems, and Cities

CSWR-TEXAS UTILITY OPERATING COMPANY, LLC, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 13290, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 12463 FROM LIVE OAK HILLS AND FLAG CREEK RANCH WATER SYSTEMS IN LLANO AND MCCULLOCH COUNTIES, TEXAS

To: _____ Date Notice Mailed: _____, 20____
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

CSWR-Texas Utility Operating Company, LLC 1650 Des Peres Rd. St. Louis, MO 63131
(Purchaser's Name) (Address) (City), (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase all of the water facilities and to transfer water certificated service area under CCN No. 12463, in Llano and McCulloch Counties, TX from:

Live Oak Hills and Flag Creek Ranch Water Systems P.O. Box 927 Llano, TX 78643-0927
(Seller's Name) (Address) (City), (State) (Zip Code)

The sale is scheduled to take place if approved by the Commission (Texas Water Code § 13.301). The transaction and the transfer of the CCN includes the following subdivisions:
Flag Creek Ranch and Live Oak Hills.

Flag Creek Ranch Subdivision (Llano County):

The requested area includes 43 current customers, is located approximately 2 mile(s) southwest of downtown Llano, Texas, and is generally bounded on the north by W. Ranch Road 152; on the east by Ranch Road 2323; on the south by Ranch Road 2323; and on the west by County Road 116.

The requested area includes approximately 242 acres, comprised of 242 acres of transferred area (from CCN No. 12463).

Live Oak Hills Subdivision (McCulloch County)

The requested area includes 31 current customers, is located approximately 6 mile(s) south-southeast of downtown Brady, Texas, and is generally bounded on the north by Private Road 652; on the east by US 377; on the south by Private Road 670; and on the west by Private Road 650.

The requested area includes approximately 183 acres, comprised of 183 acres of transferred area (from CCN No. 12463).

The result of the application will be the addition of approximately 425 acres to CCN No. 13290.

The result of the application will be the subtraction of approximately 425 acres from CCN No. 12463.

See enclosed map showing the requested area.

This transaction will not have an effect on the current customer's rates and services.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date. The letter must include the person's name, address, email address and fax number if applicable.

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

Si desea información en español, puede llamar al 1-888-782-8477.

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND
AFFECTED PARTIES
DOCKET NO. 51981

STATE OF TEXAS
COUNTY OF _____

_____ has provided individual
notice to the following entities and customers:

DATE OF NOTICE

OATH

I, _____, being duly sworn, file this form as
_____ (indicate relationship to applicant, that is,
owner, member of partnership, title of officer of corporation, or other authorized representative
of applicant); that in such capacity, I am qualified and authorized to file and verify such form,
am personally familiar with the notices given with this application, and have complied with all
notice requirements in the application and application acceptance letter; and that all such
statements made and matters set for therein are true and correct.

Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the
applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this _____ day of _____, 20____,
to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____