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Received - 2022-01-26 02:14:46 PM

Control Number - 52089

ItemNumber - 38

DOCKET NO. 52089

APPLICATION OF ALPHA UTILITY	§	PUBLIC UTILITY COMMISSION
OF CAMP COUNTY, LLC AND CSWR-	§	
TEXAS UTILITY OPERATING	§	OF TEXAS
COMPANY FOR SALE, TRANSFER,	§	
OR MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN CAMP	§	
COUNTY	§	

COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF THE CLOSING DOCUMENTS AND PROPOSED PROCEDURAL SCHEDULE

On May 6, 2021, CSWR-Texas Utility Operating Company, LLC (CSWR) and Alpha Utility of Camp County, LLC (Alpha Utility) (collectively, the Applicants) filed an application for approval of the sale, transfer, or merger (STM) of facilities and certificate rights in Camp County, Texas. Specifically, the Applicants seek approval for CSWR, Certificate of Convenience and Necessity (CCN) No. 13290, to acquire facilities and to transfer all of the water service area from Alpha Utility under water CCN No. 12696.

On January 14, 2022, the administrative law judge (ALJ) filed Order No. 8, 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. The ALJ also required the Staff (Staff) of the Public Utility Commission of Texas (Commission) 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 January 11, 2022 and January 12, 2022, the Applicants filed a notice of the completed transaction and confidential customer deposit information. Fifteen days from January 12, 2022 is January 27, 2022; therefore, this pleading is timely filed.

I. RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the Applicants’ closing documents and documentation regarding customer deposits filed by the Applicants on January 11, 2022 and January 12, 2022, respectively. 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 (k)-(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. Further, 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. Lastly, under 16 TAC § 24.239(l), the closing documents for the transaction must be filed within 30 days after the actual effective date of the transaction. As established in Order No. 5, because the Applicants provided notice on August 12, 2021, the end of the 120 day period occurred on December 20, 2021. Additionally, the Commission's order allowing the transaction to proceed occurred on January 14, 2022, the end of the 180 day period is set to occur on July 13, 2022. The closing documents filed by Applicants on January 11, 2022, indicate that the transaction was executed on December 23, 2021. This filing complies with the Commission rules, which allow the transaction to proceed at the end of the 120 day period.¹

In addition, 16 TAC § 24.239(l) 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 Joe M. Hackler, Managing Member of Alpha Utility and Josiah M. Cox, President of Central States Water Resources, Inc., the managing corporation of CSWR. Finally, in accordance with 16 TAC § 24.239(k) and (l), CSWR filed an affidavit regarding customer deposits on January 11, 2022 and a confidential attachment regarding the same on January 12, 2022. The affidavit was signed on December 9, 2021, prior to the December 23, 2021 effective date of the transaction, by Joe Hackler, Managing Member of Alpha Utility. Additionally, the affidavit indicates that all customer deposits were returned or refunded to customers consistent with Alpha Utility's tariff and Commission Rules. Staff has reviewed the documents and determined that they are sufficient.

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

¹ 16 TAC § 24.239(a).

II. PROPOSED PROCEDURAL SCHEDULE

Staff recommends that the Applicants' closing documents be found sufficient. Therefore, Staff proposes the following procedural schedule for continued processing of this docket:

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable) to Applicants for review and consent	February 28, 2022
Deadline for Applicants to file signed consent forms with the Commission	March 7, 2022
Deadline for parties to file joint proposed findings of fact, conclusions of law, and ordering paragraphs	March 21, 2022

III. CONCLUSION

For the reasons detailed above, Staff recommends that the Applicants' closing documents be found sufficient and that the above proposed procedural schedule be adopted. Staff respectfully requests that an order be issued consistent with the foregoing recommendations.

Dated: January 26, 2022

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 January 26, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Forrest Smith
Forrest Smith