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DOCKET NO. 52317

APPLICATION OF BASTROP WEST	§	PUBLIC UTILITY COMMISSION
WATER SUPPLY AND K & K WATER	§	
COMPANY FOR SALE, TRANSFER, OR	§	OF TEXAS
MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN BASTROP	§	
COUNTY	§	

COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS

On July 14, 2021, Bastrop West Water Supply (Bastrop West) and K & K Water Company (K & K Water) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Bastrop County. The Applicants seek approval to sell and transfer all of Bastrop West’s facilities and certificated service area under water Certificate of Convenience and Necessity (CCN) No. 12050 to K & K Water’s water CCN No. 11836.

On September 21, 2022, the administrative law judge (ALJ) filed Order No. 13, which required the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of Applicants’ closing documents by September 28, 2022. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by Applicants on June 15, 2022 and recommends that they are sufficient. Based on its review, Staff has determined that the Applicants’ filing meets the requirements of 16 Texas Administrative Code (TAC) § 24.239(a), which requires the filing of a sale, transfer, or merger (STM) application and the provision of public notice at least 120 days before the effective date of a proposed transaction. Under 16 TAC § 24.239(i), the proposed transaction may be completed at the end of the 120-day period of at any time after the transferee receives notice that a hearing will not be required.

Applicants filed notice of the completed transaction on October 29, 2022, which included a bill of sale signed by both the transferor and the transferee and assigning Bastrop West’s water system to K & K Water. Although the effective date of the transaction is listed on the bill of sale as September 18, 2013, the bill of sale was signed by the transferor and transferee on

October 29, 2022. Notice was completed on February 1 and February 17, 2022, which is more than 120 days before the bill of sale was signed on October 29, 2022. Therefore, Staff recommends a finding that Applicants' closing documents are sufficient and satisfy 16 TAC § 24.239(a), (i), and (I).

With regard to customer deposits, the original application states that there are 0 customers with deposits held by the transferee in the transferred service area.¹ Staff therefore recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (I).

II. PROCEDURAL SCHEDULE

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

Events	Date
Deadline for Commission Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent	October 26, 2022
Deadline for applicants to file signed consent forms with the Commission	November 7, 2022
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	November 17, 2022

III. CONCLUSION

For the reasons discussed above, Staff respectfully requests that an order be issued finding Applicants' closing documents sufficient and adopting the proposed procedural schedule.

¹ Applicants' Application for Sale, Transfer, or Merger of a Retail Public Utility at 4 (Jul. 4, 2021).

Dated: September 28, 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 September 28, 2022, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Margaux Fox
Margaux Fox