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**APPLICATION OF CSWR-TEXAS UTILITY § PUBLIC UTILITY COMMISSION
OPERATING COMPANY, LLC AND LEON §
SPRINGS UTILITY COMPANY, INC. FOR § OF TEXAS
SALE, TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE RIGHTS §
IN BEXAR COUNTY §**

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

On August 10, 2021, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Leon Springs Utility Company, Inc. (Leon Springs) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Bexar County. Applicants seek approval to sell and transfer all of Leon Springs' wastewater system and service area under Certificate of Convenience and Necessity (CCN) number 20614 to CSWR-Texas. The requested area includes 1,209 customer connections and approximately 1,419 acres. Applicants filed supplemental information on August 25, 26, 30, and 31, September 8, 9, and 30, and October 1, 14, 15, 19, 20, and 28, and December 17 and 20, 2021.

On February 9, 2022, the administrative law judge (ALJ) filed Order No. 9, approving the sales and transfers to proceed and requiring the Applicants to file proof that the transactions had been consummated and to address any customer deposits, if any, no later than 30 days after the effective date of the transaction. Order No. 9 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 March 2, 2022, the Applicants filed notice of the completed transaction and evidence of closing. The fifteenth day after March 2, 2022 is March 17, 2022. Therefore, this pleading is timely filed.

**I. RECOMMENDATION ON THE SUFFICIENCY OF THE CLOSING
DOCUMENTS**

Staff has reviewed the closing documents filed by the Applicants on March 2, 2022. 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 include a signed contract, bill of sale, or other appropriate documents as evidence that the transaction has closed as proposed, be signed by both the transferor and transferee, and be filed within 30 days after the actual effective date of the transaction.

According to Order No. 5, the Applicants completed notice of the applications on October 21, 2021, thereby making February 18, 2022 the end of the 120-day period. Additionally, the Commission filed an order allowing the transaction to proceed on February 9, 2022, thereby making August 8, 2022 the end of the 180-day period. As such and as evidenced by the closing documents, the Applicants properly and timely consummated the transactions on February 28, 2022 and timely filed the closing documents on March 2, 2022. Lastly, the Applicants included in the closing documents, a fully executed General Assignment and Bill of Sale and Assignment and Assumption Agreement that were signed by representatives of the transferor, Leon Springs, and the transferee, CSWR-Texas.

The Applicants also stated that there were no outstanding customer deposits associated with the wastewater system. As such, Staff recommends that Applicants not be required to file any further customer deposit information in accordance with 16 TAC § 24.239(k) and (l), as there were no outstanding customer deposits as of the effective date of the transaction. For these reasons, Staff recommends that the Applicants have complied with the applicable requirements of 16 TAC § 24.239. Staff therefore recommends that the closing documents and customer deposit information be found sufficient.

II. PROPOSED PROCEDURAL SCHEDULE

In accordance with Staff's sufficiency recommendation, Staff proposes the following procedural schedule:

Events	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to the Applicants for review and consent	April 21, 2022
Deadline for the Applicants to file signed consent forms with the Commission	May 2, 2022
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	May 17, 2022

III. CONCLUSION

For the reasons detailed above, Staff recommends that the closing documents and customer deposit information be found sufficient and that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with the foregoing recommendations.

Dated: 2022-03-17

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 on March 17, 2022 in accordance with the Second Order Suspending Rules filed in Project No. 50664.

/s/ R. Floyd Walker
R. Floyd Walker