



## **Filing Receipt**

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**Control Number - 52632**

**Item Number - 56**

**DOCKET NO. 52632**

|                                      |          |                                  |
|--------------------------------------|----------|----------------------------------|
| <b>APPLICATION OF THE TOWN OF</b>    | <b>§</b> | <b>PUBLIC UTILITY COMMISSION</b> |
| <b>LAKESIDE AND THE CITY OF FORT</b> | <b>§</b> |                                  |
| <b>WORTH FOR SALE, TRANSFER, OR</b>  | <b>§</b> | <b>OF TEXAS</b>                  |
| <b>MERGER OF FACILITIES AND</b>      | <b>§</b> |                                  |
| <b>CERTIFICATE RIGHTS IN TARRANT</b> | <b>§</b> |                                  |
| <b>COUNTY</b>                        | <b>§</b> |                                  |

**ORDER NO. 17**  
**VOIDING APPROVAL OF TRANSACTION AND**  
**ENTERING PROCEDURAL SCHEDULE**

On September 23, 2021, the Town of Lakeside and the City of Fort Worth filed an application for approval of a sale, transfer, or merger of facilities and certificate rights in Tarrant County. Lakeside and Fort Worth were seeking to transfer three remaining parcels (parcels 3, 4, and 5) of their Compromise Settlement Agreement and Release of Claim. Specifically, Lakeside and Fort Worth were seeking to transfer a portion of Lakeside's facilities and certificated service area under certificate of convenience and necessity (CCN) number 10073 to Fort Worth, which included 71 existing customer connections and involved two tracts of land: a 25-acre tract of land and a 44-acre tract of land to be transferred from Lakeside to Fort Worth, and also requested to decertify a 71-acre tract of land from Lakeside's CCN.

In Order No. 11 filed on June 30, 2022, the administrative law judge (ALJ) approved the sale and transaction, as proposed, between Lakeside and Fort Worth and stated that the applicants had 180 days to complete the transaction and required Lakeside and Fort Worth to file proof that the transaction had been consummated and customer deposits had been addressed. The 180 days expired on December 27, 2022.

Since the issuance of Order No. 11, Fort Worth has repeatedly moved for extensions of the deadline for filing closing documents. In Order No. 13 filed on December 29, 2022, Order No. 14 filed on July 10, 2023, and Order No. 15 filed on December 1, 2023, the ALJ granted extensions to Lakeside and Fort Worth. In Order No. 15, the ALJ required Lakeside and Fort Worth to close the transaction by April 1, 2024.

The parties did not close the transaction by April 1, 2024. Rather, on March 26, 2024, Fort Worth filed an update in which it states that, due to construction and other delays, it could not

complete the transaction as proposed in the application, and does not anticipate being able to do so, as least as to one of the tracts of land, until the summer of 2025. Fort Worth states that instead of filing a fourth request for an extension, it is requesting to complete portions of the transaction and requests that the ALJ review and approve an agreement between the parties to complete only part of the transaction for “parcels 3 and 5.” Fort Worth does not explain how “parcels 3 and 5” relate to the transaction at issue in the application. The agreement that Fort Worth attached to its March 26, 2024 filing appears to be a draft, is unsigned by Fort Worth, and references a number of attachments that were not filed.

Commission Staff analyzed the March 26, 2024 filing as if it were closing documents. On April 24, 2024, Commission Staff filed a recommendation on the sufficiency of the closing documentation. Commission Staff recommended the filing is insufficient because it does not include a fully executed contract and does not address customer depositions. Further, Commission Staff states it cannot prospectively provide pre-approval of documentation.

This docket was reassigned to the undersigned ALJ on April 26, 2024.

The ALJ finds there is no reason to evaluate the adequacy of the March 26, 2024 filing as “closing documents.” The Commission’s rule, 16 Texas Administrative Code (TAC) § 24.239(m), specifies that the Commission’s approval of a transaction expires after 180 days from the date of approval, unless the Commission extends the deadline. Three-and-a-half years ago, Lakeside and Fort Worth sought approval of a specific transaction. Two years ago, in Order No. 11, Lakeside and Fort Worth were granted authorization to proceed with closing that specific transaction. By law, Lakeside and Fort Worth were to have closed that transaction within 180 days of the issuance of Order No. 11, unless an extension was granted. Multiple extensions were granted, the latest of which extended the deadline for Lakeside and Fort Worth to close the transaction to April 1, 2024.

Lakeside and Fort Worth did not ask for an extension of the April 1, 2024 deadline and did not close the transaction by that date. Instead, Fort Worth now seeks preapproval of a *different* transaction from the one applied for and approved in this docket. Therefore, consistent with the express requirement of 16 TAC § 24.239(m), the Commission’s approval of the transaction described in the application, is now void.

If the applicants wish to continue pursuing approval of their application, as originally proposed and approved, they must restart the application process. In order to do so, the applicants

must file an amended application by June 3, 2024. The application must use current data, rather than data from the time the original application was filed. If applicable, Commission Staff must file an updated recommendation on the sale by July 12, 2024.

If the applicants are wishing to seek approval of a transaction that is different than what was previously proposed and approved in this docket, they must move for dismissal of this docket and file a new application for approval of a sale, transfer, or merger of facilities and certificate rights in a new docket.

**Signed at Austin, Texas on the 7th day of May 2024.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

A handwritten signature in black ink, appearing to read "Christina Denmark", written over a horizontal line.

**CHRISTINA DENMARK  
ADMINISTRATIVE LAW JUDGE**