



Filing Receipt

Filing Date - 2024-02-05 02:48:32 PM

Control Number - 52700

Item Number - 95

DOCKET NO. 52700

**APPLICATION OF RJR WATER §
COMPANY, INC. AND CSWR-TEXAS § PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY, LLC §
FOR SALE, TRANSFER, OR MERGER § OF TEXAS
OF FACILITIES AND CERTIFICATE §
RIGHTS IN PARKER AND PALO PINTO §
COUNTIES**

**SUPPLEMENTAL JOINT MOTION TO ADMIT EVIDENCE
AND PROPOSED NOTICE OF APPROVAL**

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ATTACHMENT: Revised Certificate and Tariff Pages
Revised Proposed Notice of Approval

DOCKET NO. 52700

**APPLICATION OF RJR WATER §
COMPANY, INC. AND CSWR-TEXAS §
UTILITY OPERATING COMPANY, LLC § PUBLIC UTILITY COMMISSION
FOR SALE, TRANSFER, OR MERGER §
OF FACILITIES AND CERTIFICATE § OF TEXAS
RIGHTS IN PARKER AND PALO PINTO §
COUNTIES**

**SECOND SUPPLEMENTAL JOINT MOTION TO ADMIT EVIDENCE
AND REVISED PROPOSED NOTICE OF APPROVAL**

COME NOW RJR Water Company, Inc. (“RJR”) and CSWR-Texas Utility Operating Company, LLC (“CSWR Texas”) (collectively, the “Applicants”), together with the Staff of the Public Utility Commission of Texas (“Commission Staff”) (collectively, the “Parties”), and file this Second Supplemental Joint Motion to Admit Evidence and Revised Proposed Notice of Approval. In support thereof, the parties show the following:

I. MOTION TO ADMIT EVIDENCE

On January 19, 2024, the Parties filed a Supplemental Joint Motion to Admit Evidence and Proposed Notice of Approval. Subsequent to that filing, the Parties determined that there was an error in the certificate and tariff pages. Therefore, the Parties file this pleading to move to admit the attached revised certificate and tariff pages in the record in lieu of the certificate and tariff pages included with the Supplemental Joint Motion to Admit Evidence. Specifically, the revisions include 1) adding Medina County to the list of Counties on the certificate and tariff; 2) correcting the spelling to Robertson County on the list of counties in the tariff; 3) adding Aransas Bay to the list of systems; 4) adding clarifying language to denote the systems and subdivisions to which the rate schedules approved in the interim rates in Docket No. 54565 do not apply; and 4) reorganizing the miscellaneous fees in the rate schedule.

II. REVISED PROPOSED NOTICE OF APPROVAL

In accordance with this Second Supplemental Joint Motion to Admit Evidence, the Parties also move for adoption of the attached Revised Proposed Notice of Approval. The Parties also respectfully reiterate that CSWR-Texas has numerous pending dockets in which Commission Staff is required to send proposed final tariffs to applicants for review and consent. Each of these dockets is in a different stage of review and approval. As a result, a docket may produce an approved final tariff that includes systems that are still being addressed in another docket. This has caused significant confusion in the past and has necessitated numerous delays and tariff corrections across CSWR-Texas's dockets.

In an effort to address potential discrepancies and issues moving forward, CSWR-Texas and Commission Staff respectfully recommend that the Commission approve the relevant tariff pages in a given docket and, after issuance of the Notice of Approval, require Commission Staff to file the most current comprehensive tariff with Central Records. In addition to this Second Supplemental Joint Motion to Admit Evidence and Revised Proposed Notice of Approval, CSWR-Texas and Commission Staff have various recent or upcoming tariff-related deadlines in which new counties, subdivisions, and tariff pages are being added to CSWR-Texas's comprehensive tariffs.

However, because CSWR-Texas and Commission Staff are uncertain as to when the Notices of Approval will be filed in each docket, it is administratively simpler and more efficient to seek approval of the relevant tariff pages for each docket and to then include the relevant information—added counties, if any, added subdivisions, and added rate schedules for the added subdivisions—in the comprehensive tariffs to be filed as clean copies with Central Records in each docket. Furthermore, CSWR-Texas also has a pending rate case in Docket No. 54565 for which a proposal

for decision will be considered at the open meeting currently scheduled for March 7, 2024.¹ As such, CSWR-Texas and Commission Staff propose that such clean comprehensive tariff filings be made in each docket within ten days of the Notices of Approval or the final order in Docket No. 54565, whichever is later.

III. CONCLUSION

The Parties respectfully request that the revised certificate and tariff pages be admitted into the record of this proceeding as evidence and that the attached Revised Proposed Notice of Approval be adopted. For convenience purposes, a copy is attached in its native format.

¹ *Application of CSWR-Texas Utility Operating Company, LLC for Authority to Change Rates*, Docket No. 54565, Revised Exceptions and Replies Memorandum (Dec. 7, 2023).

Respectfully submitted,

**ATTORNEYS FOR CSWR-TEXAS
UTILITY OPERATING COMPANY, LLC**

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CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of February 2024, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Order Suspending Rules issued in Project No. 50664.

/s/ Scott Miles
Scott Miles



Public Utility Commission of Texas

By These Presents Be It Known To All That

CSWR-Texas Utility Operating Company, LLC

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, CSWR-Texas Utility Operating Company, LLC is entitled to this

Certificate of Convenience and Necessity No. 13290

to provide continuous and adequate water utility service to that service area or those service areas in Angelina, Aransas, Austin, Burlason, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Palo Pinto, Parker, Polk, Robertson, Sabine, San Augustine, Victoria, Wilson, and Wood Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 52700 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the CSWR-Texas Utility Operating Company, LLC to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.



WATER UTILITY TARIFF

Docket Number: 52700

CSWR – Texas Utility Operating Company, LLC
(Utility Name)

1630 Des Peres Rd Suite 140
(Business Address)

St. Louis, MO 63131
(City, State, Zip Code)

(314) 380-8595
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

13290

This tariff is effective in the following counties:

Angelina, Aransas, Austin, Burleson, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Palo Pinto, Parker, Polk, Robertson, Sabine, San Augustine, Victoria, Wilson, and Wood

The following is a list of cities where CSWR-Texas Utility Operating Company, LLC provides service:

City of Red Oak

Rates for the Red Oak Community Water Service subdivision (PWS #0700056), which is located within the City of Red Oak, are not included in this tariff and should be obtained from the City of Red Oak. (Docket No. 43175)

City of Granbury, City of Lubbock, and City of Rockport

The rates set or approved by a city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.

This tariff is effective in the following subdivisions or public water systems:

See List

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The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND REGULATIONS	XX
SECTION 3.0 -- EXTENSION POLICY	XX
APPENDIX A -- DROUGHT CONTINGENCY PLAN	
APPENDIX B -- SERVICE AGREEMENT	

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
Aero Valley Water Service	0610243	Denton	2
Amberwood Subdivision	1011920	Harris	2
Aransas Bay	0040018	Aransas	2
Arrowhead Water System	2470025	Wilson	2
Big Wood Springs Subdivision	2500019	Wood	2
Bois D'Arc	0040018	Aransas	2
Chaparral Water System Gillespie	0860010	Gillispie	2
Coleto Water Company	2350036	Victoria	2
Copano Cove Subdivision	0040003	Aransas	2
Copano Heights Unit 1 & 2, Water System	0040017	Aransas	2
Copano Ridge Subdivision	0040029	Aransas	2
Council Creek Village	0270014	Burnet	2
Country Squire Water & Sewer	1810060	Orange	2
Crystal Land Water System	1330153	Kerr	2
El Pinon Estates Water System	2030013	San Augustine	2
Emerald Forest	0700058	Ellis	2
Flag Creek Ranch	1500112	Llano	2
Forest Oak Unit 1 and 2	0940085	Guadalupe	2
Franklin Water Systems 1	1520224	Lubbock	2
Franklin Water Systems 3	1520080	Lubbock	2
Goose Island State Park	0040018	Aransas	2
Grande Casa Ranchitos	0700063	Ellis	2
Hickory Hill Water	2470018	Victoria	2
Hillside Estates Water System	0080049	Austin	2
Hilltop Home Addition	1840034	Parker	2
Hilltop Estates	1840034	Parker	2
Homestead @ Turtle Creek	1330153	Kerr	2
Indian Cove	0040018	Aransas	2
Laguna Tres	1110019	Hood	2

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
Laguna Vista	1110095	Hood	2
Lake Limestone Coves	1980020	Limestone & Robertson	2
Lakeview Ranchettes Estates	0700057	Ellis	2
La Playa Subdivision Water System	2030015	San Augustine	2
Live Oak Hills	1540012	McCulloch	2
Longford Place Water System	1810015	Orange	2
Meadowview Estates	0080051	Austin	2
Meadowview Estates II	0080059	Austin	2
Neptune Harbor	0040018	Aransas	2
North Victoria Utilities	2350049	Victoria	2
Oak Hill Estates*	1013045	Harris	3
Oak Hill Ranch Estates, Oak Hill Ranchettes	0940085	Guadalupe	2
Oak Hollow Estates, Oak Hollow Park	2470019	Wilson	2
Palmetto Park Estates	0040018	Aransas	2
Pelican Isle Water System	1750036	Navarro	2
Quiet Village II Subdivision, Quiet Village II	1080221	Hidalgo	2
RJR Water (Mountain River Estates, Mountain Valley Estates)*	1840077	Palo Pinto & Parker	XX
Settlers Crossing Water System	0080058	Austin	2
Settlers Crossing Water System 2	0080060	Austin	2
Settlers Estates Sec II	0080056	Austin	2
Settlers Meadows Water System	0080055	Austin	2
Shady Oaks Subdivision	2350036	Victoria	2
Shady Oaks Water Company	2470017	Wilson	2
South Council Creek 1	0270079	Burnet	2
South Council Creek 2	0270080	Burnet	2
South Silver Creek I, II, III	0270041	Burnet	2
Spanish Grant	0700064	Ellis	2
Tall Pines Utility	1010220	Harris	2
Texas Landing Utilities Deerwood	1700798	Montgomery	2

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
Texas Landing Utilities Goode City	1700744	Montgomery	2
Texas Landing Utilities	1870151	Polk	2
Thousand Oaks	0720054	Erath	2
Timberlane Water	2020054	Sabine	2
Treetops Phase 1	1840134	Parker	2
Tri County Point Water System 2	1200027	Jackson	2
Tri County Point Water System 3	1200028	Jackson	2
Tri County Point Water System 4	1200029	Jackson	2
Ville d'Alsace Water Supply*	1630037	Medina	4
Vista Verde Water Systems	1700694	Montgomery	2
Walnut Bend Water Supply	0030037	Angelina	2
WaterCo	1690028	Montague	2
The Woodlands Water System	1050139	Hays	2
Woodland Harbor	0320014	Camp	2
Woodlands West	0260043	Burleson	2

* Denotes systems with separate rate schedules. The rate schedules designated as “applicable to all water service areas reflected on list of subdivisions and systems unless otherwise specified” do not apply to these systems.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$27.56</u> (Includes 0 gallons)	<u>\$5.63</u> per 1,000 gallons
1"	<u>\$55.13</u>	
1 1/2"	<u>\$110.25</u>	

FORM OF PAYMENT: The utility will accept the following forms of payment:
 Cash , Check , Money Order , Credit Card , Other (specify) _____
 THE UTILITY SHALL REQUIRE EXACT CHANGE FOR PAYMENTS AND SHALL REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$500.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

ROAD BORE \$1,500.00

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE SHALL BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
 THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST SHALL BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE SHALL NOT EXCEED \$25.

RECONNECTION FEE
 THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

a) Non-payment of bill (Maximum \$25.00)	<u>\$25.00</u>
b) Customer's request that service be disconnected	<u>\$35.00</u>

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE.....	<u>\$25.00</u>
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.	
LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL).....	<u>10%</u>
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE SHALL NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.	
RETURNED CHECK CHARGE	<u>\$25.00</u>
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.	
CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....	<u>\$50.00</u>
COMMERCIAL & NON-RESIDENTIAL DEPOSIT	<u>1/6TH OF ESTIMATED ANNUAL BILL</u>
GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:.....	<u>\$25.00</u>
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]	
LINE EXTENSION AND CONSTRUCTION CHARGES:	
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.	

DOCKET NO. 52700

APPLICATION OF RJR WATER	§	
COMPANY, INC. AND CSWR-TEXAS	§	
UTILITY OPERATING COMPANY, LLC	§	PUBLIC UTILITY COMMISSION
FOR SALE, TRANSFER, OR MERGER	§	
OF FACILITIES AND CERTIFICATE	§	OF TEXAS
RIGHTS IN PARKER AND PALO PINTO	§	
COUNTIES	§	

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of RJR Water Company, Inc. (RJR) and CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) (collectively, Applicants) for the sale, transfer, or merger of facilities and certificate rights in Parker and Palo Pinto Counties. The Commission approves the sale and transfer of all water facilities held under RJR’s Certificate of Convenience and Necessity (CCN) number 12139 to CSWR-Texas, the cancellation of RJR’s water CCN number 12139, and the amendment of CSWR-Texas’s water CCN number 13290 to include the area previously included in RJR’s water CCN number 12139.

I. FINDINGS OF FACT

The Commission makes the following findings of fact.

Applicants

1. RJR is a Texas for profit corporation registered with the Texas secretary of state under filing number 803371238.
2. RJR operates, maintains, and controls facilities for providing water service in Parker and Palo Pinto Counties under CCN number 12139.
3. RJR owns and operates a public water system that is registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 1840077.
4. CSWR-Texas is a Texas limited liability company registered with the Texas secretary of state under file number 0803367893.
5. CSWR-Texas operates, maintains, and controls facilities for providing water service in Angelina, Aransas, Austin, Burlison, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Montague, Montgomery, Navarro, Orange, Parker, Polk, Robertson, Sabine, San Augustine, Victoria, Wilson, and Wood counties under CCN number 13290.

Application

6. On October 12, 2021, the Applicants filed the application at issue in this proceeding.
7. In the application, the Applicants seek approval of the following transaction: (a) CSWR-Texas will acquire all of RJR's water facilities and service areas under CCN number 12139; (b) RJR's CCN number 12139 will be cancelled; and (c) CSWR-Texas's water CCN number 13290 will be amended to include the area previously included in RJR's CCN number 12139.
8. The requested area comprises approximately 347 acres and 137 customer connections.
9. The requested area is located approximately four mile(s) southwest of downtown Millsap, Texas, and is generally bounded on the north by Union Pacific Railroad Company and the Brazos River; on the east by Mountain River Road and Soda Springs Road; on the south by Soda Springs Road; and on the west by Union Pacific Railroad Company and the Brazos River.
10. CSWR-Texas supplemented and amended the application on October 14 and November 29, 2021, and January 12, 13, and 27, 2022.
11. On November 8, 2021, CSWR-Texas filed an errata to the application.
12. In Order No. 2 filed on November 15, 2021, the ALJ found the application, as supplemented, administratively complete.

Notice

13. On December 2, 2021, CSWR-Texas filed the affidavit of Josiah Cox, president and manager of CSWR-Texas, attesting that notice was provided to all current customers of RJR, neighboring utilities, and affected parties on November 30, 2021.
14. In Order No. 3 filed on December 29, 2021, the ALJ found the notice sufficient.
15. On October 3, 2023, CSWR-Texas filed the affidavit of Aaron Silas, Director of Regulatory Operations of CSWR-Texas, attesting that notice was provided to each owner of a tract of land at least 25 acres that is wholly or partially located in the requested service area on September 8, 2023.
16. In Order No. 18, filed on November 27, 2023, the ALJ found the notice, as supplemented, sufficient.

Intervention

17. On January 26, 2022, Quality Hill Partners, LLC filed a motion to intervene.
18. In Order No. 5 filed on February 16, 2022, the ALJ denied Quality Hill's motion to intervene.

Evidentiary Record

19. On March 18, 2022, the parties filed a joint motion to admit evidence.
20. In Order No. 6 filed on March 25, 2022, the ALJ admitted the following evidence into the record of this proceeding: (a) the application and all attachments filed on October 12 and 13, 2021; (b) CSWR-Texas' supplement to the application filed on October 14, 2021; (c) CSWR-Texas' errata to the application filed on November 8, 2021; (d) Commission Staff's recommendation on administrative completeness filed on November 12, 2021; (e) CSWR-Texas' supplement to the application filed on November 29, 2021; (f) CSWR-Texas' affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential exhibit B, filed on December 2 and 3, 2021; (g) Commission Staff's recommendation on the sufficiency of notice filed on December 22, 2021; (h) CSWR-Texas' supplemental highly sensitive attachment G and confidential attachments filed on January 12 and 13, 2022; (i) CSWR-Texas' supplemental highly sensitive attachment G and confidential attachments filed on January 27, 2022; and (j) Commission Staff's recommendation on approval of the transaction, including confidential attachments, filed on February 24, 2022.
21. On January 19, 2024, the parties filed a supplemental joint motion to admit evidence.
22. In Order No. 22 filed on January 25, 2024, the ALJ admitted the following additional evidence into the record: (a) CSWR-Texas's fifth supplement to the application filed on May 5, 2023; (b) the Applicants' notice of completed transaction filed on May 25, 2023; (c) Commission Staff's recommendation on the sufficiency of the closing documents filed on June 9, 2023; (d) the Applicants' consent forms filed on July 7, 2023; (e) CSWR-Texas's response to Order No. 11, including confidential attachments, filed on July 7, 2023; (f) CSWR-Texas's sixth supplement to the application, including confidential attachment, filed on July 13, 2023; (g) CSWR-Texas's supplemental response to Order No. 11, including confidential attachment, filed on August 11, 2023; (h) CSWR-Texas's supplemental proof of notice, including confidential attachment, filed on October 3, 2023; (i) CSWR-Texas's second supplemental response to Order No. 11, including confidential attachments, filed on November 6, 2023; (j) Commission Staff's response to Order No. 11, including confidential attachment, filed on November 20, 2023; (k) the map, certificate, and tariff pages attached to the supplemental joint motion to admit evidence and joint proposed notice of approval filed on January 19, 2024.

23. On February 5, 2024, the parties filed a second supplemental joint motion to admit evidence.
24. In Order No. __ filed on _____, 2024, the ALJ admitted the following additional evidence into the record: (a) the revised certificate and tariff pages attached to the second supplemental joint motion to admit evidence and joint revised proposed notice of approval filed on February 5, 2024.

Sale

25. In Order No. 7 filed on April 12, 2022, the ALJ approved the sale and transaction to proceed and required the Applicants to file proof that the transaction had closed and customer deposits, if any, had been addressed.
26. On May 25, 2023, the Applicants filed notice that the sale had closed on May 8, 2023, and confirmed that there were no outstanding customer deposits that needed to be addressed.
27. In Order No. 11 filed on June 13, 2023, the ALJ found the closing documents sufficient.

Cumulative Recommendation

28. On February 24, 2022, Commission Staff filed its recommendation on the transaction in this docket recommending that CSWR-Texas has the financial, managerial, and technical capability to provide continuous and adequate service to all areas included in this docket

and in Docket Nos. 50251,¹ 50276,² 50311,³ 50989,⁴ 51003,⁵ 51026,⁶ 51031,⁷ 51036,⁸

¹ *Application of JRM Water LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County, Docket No. 50251, Notice of Approval (Mar. 12, 2021).*

² *Application of North Victoria Utilities, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County, Docket No. 50276, Notice of Approval (Mar. 11, 2021).*

³ *Application of Copano Heights Water Company and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Aransas County, Docket No. 50311, Notice of Approval (Mar. 17, 2021).*

⁴ *Application of Ranch Country of Texas Water Systems, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Austin County, Docket No. 50989, Notice of Approval (Apr. 23, 2021).*

⁵ *Application of Oak Hill Ranch Estates Water and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Guadalupe and Wilson Counties, Docket No. 51003, Notice of Approval (Sep. 9, 2021).*

⁶ *Application of Tall Pines Utility, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hood County, Docket No. 51026, Notice of Approval (Apr. 23, 2021).*

⁷ *Application of Council Creek Village, Inc. dba Council Creek Village dba South Council Creek 2 and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 51031, Notice of Approval (Apr. 14, 2021).*

⁸ *Application of Kathie Lou Daniels dba Woodlands West and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burleson County, Docket No. 51036, Notice of Approval (Aug. 23, 2021).*

51047,⁹ 51065,¹⁰ 51089,¹¹ 51118,¹² 51126,¹³ 51130,¹⁴ 51146,¹⁵ 51222,¹⁶ 51544,¹⁷

⁹ *Application of Jones-Owen Company dba South Silver Creek I, II, and III and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 51047, Notice of Approval (Apr. 19, 2021).*

¹⁰ *Application of Treetop Utilities, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County, Docket No. 51065, Corrected Notice of Approval (Mar. 10, 2021).*

¹¹ *Application of Donald E. Wilson dba Quiet Village II dba QV Utility and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hidalgo County, Docket No. 51089, Notice of Approval (Nov. 18, 2021).*

¹² *Application of Shady Oaks Water Supply Company, LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wilson County, Docket No. 51118, Notice of Approval (Mar. 18, 2021).*

¹³ *Application of Shawn M. Horvath dba Aero Valley Water Service and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and to Amend CSWR-Texas Utility Operating Company, LLC's Certificate of Convenience and Necessity in Denton County, Docket No. 51126, Notice of Approval (Oct. 26, 2022).*

¹⁴ *Application of Laguna Vista Limited and Laguna Tres, Inc. CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hood County, Docket No. 51130, Notice of Approval (Apr. 20, 2021).*

¹⁵ *Application of Abraxas Corporation and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County, Docket No. 51146, Notice of Approval (Apr. 23, 2021).*

¹⁶ *Application of David Petty, Executor of the Estate of Patreteen Petty McCoy dba Big Wood Springs Water Company and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wood County, Docket No. 51222, Notice of Approval (Feb. 16, 2022).*

¹⁷ *Application of Franklin Water Service Co. LLC and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and Certificate Rights in Lubbock County, Docket No. 51544, Notice of Approval (Feb. 15, 2022).*

51642,¹⁸ 51917,¹⁹ 51928,²⁰ 51940,²¹ 51981,²² 52089,²³ 52099,²⁴ 52410.²⁵

Purchaser's Compliance History

29. RJR's public water system number 1840077 has no unresolved violations listed in the TCEQ database.
30. CSWR-Texas has not been under an enforcement action by the Commission, TCEQ, Texas Health and Human Services, the Office of the Texas Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.
31. CSWR-Texas does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
32. CSWR-Texas demonstrated a compliance history that is adequate for approval of this transaction.

Adequacy of Existing Service

33. There are currently 137 connections in the requested area that are being served by RJR through public water system number 1840077 and such service has been continuous and adequate.

¹⁸ *Application of James L. Nelson dba WaterCo and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montague County, Docket No. 51642, Notice of Approval (Mar. 15, 2022).*

¹⁹ *Application of Rocket Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and Certificate Rights in Hays County, Docket No. 51917, Notice of Approval (Mar. 8, 2022).*

²⁰ *Application of Betty J. Drago and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, or Merger of Facilities and Associated Acreage in Frath County, Docket No. 51928, Notice of Approval (Jan. 21, 2022).*

²¹ *Application of Walnut Bend Water Supply and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer or Merger of Facilities and Certificate Rights in Angelina County, Docket No. 51940, Notice of Approval (Mar. 15, 2022).*

²² *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, Docket No. 51981, Notice of Approval (Jan. 28, 2022).*

²³ *Application of Alpha Utility of Camp County, LLC and CSWR-Texas utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Camp County, Docket No. 52089, Notice of Approval (Mar. 25, 2022).*

²⁴ *Application of THRC Utility, LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Navarro County, Docket No. 52099, Corrected Notice of Approval (Jul. 28, 2022).*

²⁵ *Application of CSWR-Texas Utility Operating Company, LLC and Leon Springs Utility Company, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Bexar County, Docket No. 52410, Notice of Approval (Jun. 3, 2022).*

34. The Commission's complaint records, which date back to 2017, show no complaints against RJR.

Need for Additional Service

35. There is a continuing need for service because RJR is currently providing service to 137 connections in the requested area.
36. There have been no specific requests for additional service with the requested area.

Effect of Approving the Transaction and Granting the Amendment

37. Approving the sale and transfer to proceed and granting the CCN amendment will obligate CSWR-Texas to provide continuous and adequate water service to current and future customers in the requested area.
38. Utilities within a two-mile radius were noticed and no protests or requests to intervene were filed in this docket.
39. This application is to transfer only existing facilities, customers, and service area; therefore, there will be no effect on any other retail public utility providing service in the proximate area.
40. There will be no effect on landowners because the requested area is currently certificated.

Ability to Serve: Managerial and Technical

41. CSWR-Texas owns and operates numerous water systems registered with the TCEQ and does not have any active violations listed in the TCEQ database.
42. CSWR-Texas employs or contracts with TCEQ-licensed water operators who will operate the public water system.
43. CSWR-Texas has access to an adequate supply of water and is capable of providing water that meets the requirements of chapter 341 of the Texas Health and Safety Code, chapter 13 of the Texas Water Code (TWC), and the TCEQ's rules.
44. CSWR-Texas has the technical and managerial capability to provide adequate and continuous service to the requested areas.

Ability to Serve: Financial Ability and Stability

45. CSWR, LLC, the immediate parent company of CSWR-Texas, is capable, available, and willing to cover temporary cash shortages, and has a debt-to-equity ratio of less than one, satisfying the leverage test.
46. CSWR, LLC provided a written guarantee of coverage of temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and

maintenance shortages in the first five years of operations after completion of the transaction and possesses the cash and leverage ability to pay for capital improvements and necessary equity investments—satisfying the operations test.

47. The cost of CSWR-Texas's proposed capital improvements for the water system being transferred is estimated at \$100,000. However, with a cumulative review of CSWR-Texas's other purchased systems, CSWR-Texas's capital improvements are expected to exceed \$100,000.
48. CSWR-Texas requested a good-cause exception to the requirement that it provide loan documentation for the amount it will need to make capital improvements to the system because CSWR-Texas does not obtain loans or purchasing for repairing systems. Additionally, CSWR-Texas states that it is already required to maintain a sufficient cash balance to purchase RJR's water system and make capital improvements.
49. CSWR-Texas submitted documents demonstrating funds are available for the purchase of RJR's water system and the purchase of other systems and for the construction of capital improvements necessary for CSWR-Texas to provide continuous and adequate service to existing customers for each system.
50. CSWR-Texas filed a capital improvements plan that included a budget and an estimated timeline for construction of all facilities necessary to provide full service to the requested areas, keyed to a map showing where such facilities will be located.
51. CSWR-Texas demonstrated the financial capability and stability to provide continuous and adequate service to the requested area.

Financial Assurance

52. There is no need to require CSWR-Texas to provide a bond or other financial assurance to ensure continuous and adequate service.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

53. RJR is currently serving customers and has sufficient capacity.
54. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed. At a minimum, an interconnect would need to be installed in order to connect a neighboring retail public utility. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

Environmental Integrity and Effect on the Land

55. The requested area will continue to be served with existing infrastructure.

56. There will be minimal effects on environmental integrity and on the land as a result of CSWR-Texas's planned upgrades, renovations, and repairs to the public water system.

Improvement in Service or Lowering Cost to Consumer

57. Water service to the requested areas is expected to improve because CSWR-Texas intends to address and resolve regulatory compliance issues and improve the safety and reliability of service.
58. The rates charged to customers in the requested areas will not change as a result of the proposed transaction because CSWR-Texas will adopt the currently in effect tariff for the RJR water system upon consummation of the transaction.

Regionalization or Consolidation

59. It will not be necessary for CSWR-Texas to construct a physically separate system to serve the requested area. Therefore, concerns of regionalization or consolidation do not apply.

Tariffs, Maps, and Certificates

60. On June 23, 2023, Commission Staff emailed to the applicants the final proposed map, certificate, and tariff related to this docket.
61. On July 7, 2023, the applicants filed their consent forms concurring with the proposed final map, certificate, and tariff.
62. The final map was included as an attachment to the supplemental joint motion to admit evidence filed on January 19, 2024.
63. On February 2, 2024, Commission Staff emailed to CSWR-Texas a revised certificate and tariff pages relevant to this docket.
64. The final certificate and relevant tariff pages were included as attachments to the second supplemental joint motion to admit evidence filed on February 5, 2024.
65. It is appropriate for CSWR-Texas and Commission Staff to only propose the final tariff pages that are relevant to this docket for approval. Once approved, it is sufficient for Commission Staff to file the most current comprehensive clean tariff that includes the approved final tariff pages and information relevant to this docket after this Notice of Approval.

Informal Disposition

66. More than 15 days have passed since the completion of notice provided in this docket.
67. RJR, CSWR-Texas, and Commission Staff are the only parties to this proceeding.
68. No party requested a hearing, and no hearing is needed.
69. Commission Staff recommended approval of the application.

70. The decision is not adverse to any party.

II. CONCLUSIONS OF LAW

The Commission makes the following conclusions of law:

1. The Commission has authority over this proceeding under TWC §§ 13.041, 13.241, 13.244, 13.246, 13.251, and 13.301.
2. RJR and CSWR-Texas are retail public utilities as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. The Commission processed the application as required by the TWC, the Administrative Procedure Act,²⁶ and Commission Rules.
4. The application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.
5. CSWR-Texas and RJR, the Applicants, provided notice of the application that complies with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC §§ 24.235 and 24.239.
6. RJR and CSWR-Texas have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. RJR and CSWR-Texas completed the sale within the time frame required by 16 TAC § 24.239(m) as extended in writing by the ALJ.
8. After consideration of the factors in TWC § 13.246(c), CSWR-Texas demonstrated that it is capable of rendering continuous service to every customer in the requested area, as required by TWC § 13.251.
9. There is good cause under 16 TAC § 24.2(b) to allow CSWR-Texas to demonstrate compliance with 16 TAC § 24.11(e)(5)(A) by submitting documents indicating it has funds immediately available for the purchase of the water system being transferred plus other systems under a cumulative review, as well as the capital improvements necessary to provide continuous and adequate service to existing customers for each system.
10. CSWR-Texas demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area as required by TWC §§ 13.241(a) and 13.301(b).
11. It is not necessary for CSWR-Texas to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
12. CSWR-Texas provided a capital improvements plan under TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6).

²⁶ Tex. Gov't Code §§ 2001.001-.903.

13. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water system is not required.
14. CSWR-Texas and RJR demonstrated that the sale of RJR's water facilities and the transfer of the water service areas held under CCN number 12139 from RJR to CSWR-Texas under CCN number 13290 will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public under TWC §§ 13.246(b) and 13.301(d) and (e).
15. Under TWC § 13.257(r) and (s), CSWR-Texas must record a certified copy of its approved map and certificate, along with a boundary description of its service area, in the real property records of Parker and Palo Pinto Counties no later than the 31st day after the date that CSWR-Texas receives this Notice of Approval and must submit to the Commission evidence of the recording.
16. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. ORDERING PARAGRAPHS

In accordance with the preceding findings of fact and conclusions of law, the Commission enters the following orders.

1. The Commission approves the sale and transfer of all facilities held under RJR's water CCN number 12139 to CSWR-Texas, to the extent provided in this Notice of Approval and as shown on the attached map.
2. The Commission cancels RJR's CCN number 12139.
3. The Commission amends CSWR-Texas's CCN number 13290 to include the area previously included in RJR's CCN number 12139, as shown on the attached map.
4. The Commission approves the map and tariff pages attached to this Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.
6. CSWR-Texas must provide service to every customer or applicant for service within the approved area under water CCN number 13290 that requests service and meets the terms of CSWR-Texas's water service, and such service must be continuous and adequate.
7. CSWR-Texas must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Parker and Palo Pinto Counties affected by the application and must submit to the Commission evidence of the recording no later than 45 days after receipt of the Notice of Approval.

8. Within ten days of the date of the Notice of Approval or the final order in Docket No. 54565,²⁷ CSWR-Texas's pending rate case, whichever is later, Commission Staff must provide a clean copy of the most current comprehensive tariff, including the tariff pages approved by this Notice of Approval, to Central Records to be marked Approved and filed in the Commission's tariff books.
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the ___ day of _____ 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

REBECCA BROMLEY-WILLIAMS
ADMINISTRATIVE LAW JUDGE

²⁷ *Application of CSWR-Texas Utility Operating Company, LLC for Authority to Change Rates*, Docket No. 54565, Revised Exceptions and Replies Memorandum (Dec. 7, 2023) (stating that the proposal for decision in the docket will be considered at the open meeting currently scheduled for March 7, 2024).