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Received - 2022-07-08 10:10:26 AM

Control Number - 52880

ItemNumber - 46

DOCKET NO. 52880

APPLICATION OF TEXAS LANDING	§	
UTILITIES AND CSWR-TEXAS	§	
UTILITY OPERATING COMPANY,	§	PUBLIC UTILITY COMMISSION
LLC FOR SALE, TRANSFER, OR	§	
MERGER OF FACILITIES AND	§	OF TEXAS
CERTIFICATE RIGHTS IN POLK AND	§	
MONTGOMERY COUNTIES	§	

**CSWR-TEXAS UTILITY OPERATING COMPANY, LLC’S
CLARIFICATION REGARDING CUSTOMER DEPOSITS**

Pursuant to discussions with Commission Staff on Tuesday, July 5, 2022, CSWR Texas Utility Operating Company, LLC (“CSWR Texas”) provides this clarification regarding the list of customer deposits returned to customers included as Highly Sensitive Exhibit B to the Notice of Completed Transaction that was filed on June 29, 2022. Specifically, Commission Staff requested that CSWR Texas clarify: (1) whether interest was calculated on customer deposits by the former owner of the system, Texas Landing Utilities (“Texas Landing”); (2) whether language on the list of customer deposits indicating “Apply to Balance” means the deposit had been applied to a customer’s outstanding balance; and (3) whether all customer deposits for the Bullfrog Basin subdivision had been returned to customers. CSWR Texas is authorized to represent that Texas Landing has reviewed and confirmed the accuracy of the following information.

Regarding the interest on customer deposits, CSWR Texas understands based on its discussions with the former owner and the records it received from the former owner that the owner did not have sophisticated enough billing software in place that would have allowed it to calculate interest on each of the customer deposits outstanding prior to this transaction closing. Accordingly, neither the former owner nor CSWR Texas has sufficient information available to calculate the duration over which interest should be calculated for each customer or the total

amount of interest outstanding on those deposits. CSWR Texas has updated the accounting system to ensure that interest is calculated on all accounts going forward.

Regarding the credit to customers, the phrase “Apply to Balance” on Highly Sensitive Exhibit B means that the customer deposits were applied to the outstanding balance on the customer’s account.

Regarding the Bullfrog Basin subdivision, Bullfrog Basin customers are included in the accounts for Mangum Estates, which are included on Highly Sensitive Exhibit B. Accordingly, all outstanding customer deposits for Bullfrog Basin have been returned to customers. There are no outstanding customer deposits at this time for any Texas Landing customers now being served by CSWR Texas.

Respectfully submitted,

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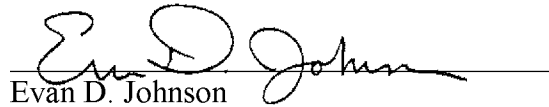
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**ATTORNEYS FOR CSWR-TEXAS UTILITY
OPERATING COMPANY, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of July 2022, notice of the filing of this document was provided to all parties of record via electronic mail in accordance with the Order Suspending Rules, issued in Project No. 50664.



Evan D. Johnson