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APPLICATION OF MAUKA WATER LP AND JAMES A. DYCHE DBA CREST WATER COMPANY FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN JOHNSON COUNTY

PUBLIC UTILITY COMMISSION

OF TEXAS

ORDER NO. 14 REQUIRING CLARIFICATION AND ESTABLISHING DEADLINES

This Order addresses the Commission's requirements in sale, transfer, or merger (STM) applications and the need for additional evidence required from the applicants. In Docket No. 52391,¹ the Commission clarified the requirements concerning capital commitments under 16 Texas Administrative Code (TAC) § 24.11(e)(5) and capital improvement plans under Texas Water Code (TWC) § 13.244(d)(3). In an Order filed in Docket No. 51646,² the Commission provided additional clarification on the following: (1) capital improvement plans required under TWC § 13.244(d)(3); and (2) notice to landowners that own a tract of land that is at least 25 acres and is wholly or partially included in the area to be certified under TWC § 13.246(a-1) and 16 TAC § 24.235(b)(2).

In this STM application, Commission Staff recommended that the applicants satisfied the Commission's requirements related to notice, capital commitments, and capital improvement plans. The administrative law judge agrees with regards to capital commitments and capital improvement plans. However, the notice requirements in an STM have been expanded by the Commission.

In proceedings involving approval of an STM, notice must be provided by first-class mail to each owner of a tract of land that is at least 25 acres and is wholly or partially included in the requested area according to the most current tax appraisal rolls of the applicable central appraisal district at the time the Commission received the application for the STM. Proof of notice that includes the names and mailing address but does not identify which tracts of land in the requested area are at least 25 acres and who owns those tracts of land is not sufficient evidence of notice, as required under TWC § 13.246(a-1) and 16 TAC § 24.235(b)(2).

¹ Application of Liberty County Utilities, LLC for Water and Sewer Certificates of Convenience and Necessity in Liberty County, Docket No. 52391, Order Remanding Proceeding to Docket Management (Oct. 20, 2022)

² Application of Waters of Vista Ranch Water Supply Corporation and Aqua Water Supply Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Fayette County, Docket No. 51646, Order Remanding Proceeding to Docket Management (May 11, 2023).

Order No. 14

By June 9, 2023, applicants must file an affidavit that notice has been mailed by first-class mail to each owner of a tract of land that is at least 25 acres and is wholly or partially included in the area proposed to be certified according to the most current tax appraisal rolls of the applicable central appraisal district at the time the Commission received the application for the STM. Further, the applicants must supplement the application by providing a copy of applicable appraisal district maps overlaid with the requested area, a list of the landowners with properties wholly or partially in the requested area, and the acreage owned by each listed owner. If there are no landowners with a tract of land that is at least 25 acres and is wholly or partially included in the requested area, applicants must file an affidavit confirming the same. If applicants believe they have satisfied this requirement, they shall identify where this evidence can be found in this docket.

By July 7, 2023, Commission Staff must file a recommendation on the sufficiency of the supplemental notice.

Signed at Austin, Texas the 30th day of May 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

Susan E. Doodson

SUSAN E. GOODSON ADMINISTRATIVE LAW JUDGE

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