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Received - 2023-02-03 12:34:50 PM
Control Number - 53317
ItemNumber - 38

DOCKET NO. 53317

APPLICATION OF CSWR-TEXAS	§	PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY,	§	
LLC AND JUSRYN COMPANY, INC.	§	
DBA SHADY GROVE SEWER SYSTEM	§	OF TEXAS
FOR SALE, TRANSFER, OR MERGER	§	
OF FACILITIES AND CERTIFICATE	§	
RIGHTS IN HOOD COUNTY		

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

On March 9, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Jusryn Company, Inc. dba Shady Grove Sewer System (Shady Grove) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Hood County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. Specifically, CSWR-Texas, sewer Certificate of Convenience and Necessity (CCN) No. 21120, seeks approval to acquire facilities and all of the sewer service area from Shady Grove under sewer CCN No. 20767. The requested area includes 10 customer connections and approximately 17 acres of transferred area from CCN No. 20767 to CCN No. 21120.

On August 25, 2022, the administrative law judge (ALJ) filed Order No. 6, approving the sale and transfer to proceed and requiring the Applicants to file proof that the transaction had been consummated and to address customer deposits, if any, no later than 30 days after the effective date of the transaction. Order No. 6 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 January 19, 2023, the Applicants filed notice of the completed transaction and evidence of closing. Fifteen days from January 19, 2023 is February 3, 2023. 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 January 19, 2023 and 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. 3, the Applicants provided notice of the applications on April 26, 2022, thereby making August 24, 2022 the end of the 120 day period. Additionally, the Commission filed an order allowing the transaction to proceed on August 25, 2022, thereby making February 21, 2023 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 December 21, 2022 and timely filed the closing documents on January 19, 2023. Lastly, the Applicants included in the closing documents, a fully executed General Assignment and Bill of Sale that were signed by representatives of the transferor, Shady Grove, and the transferee, CSWR-Texas.

The Applicants also stated that any and all customer deposits were refunded prior to Closing. Specifically, the Applicants' responses regarding customer deposit information in the initial application, filed on March 9, 2022, indicate that all customers of Shady Grove had been refunded their deposits. As such, Staff recommends that the Applicants are not 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 PROCEDUAL 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	March 3, 2023
Deadline for the Applicants to file signed consent forms with the Commission	March 13, 2023
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	March 23, 2023

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: February 3, 2023

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 via electronic mail on February 3, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Scott Miles
Scott Miles