



## Filing Receipt

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**DOCKET NO. 53331**

<b>APPLICATION OF STONEBRIDGE</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER SUPPLY CORPORATION AND</b>	<b>§</b>	
<b>CROSS TIMBERS WATER SUPPLY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>CORPORATION FOR SALE,</b>	<b>§</b>	
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN DENTON COUNTY</b>	<b>§</b>	

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE  
COMPLETENESS AND NOTICE AND PROPOSED PROCEDURAL SCHEDULE**

On March 10, 2022, Stonebridge Water Supply Corporation (Stonebridge WSC) and Cross Timbers Water Supply Corporation (Cross Timbers WSC) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Denton County. Specifically, Cross Timbers WSC seeks approval to acquire facilities and to transfer all of the water service area from Stonebridge WSC's water Certificate of Convenience and Necessity (CCN) No. 12415 to Cross Timbers WSC's water CCN No. 10197. The Applicants also are seeking cancellation of Stonebridge WSC's water CCN No. 12415. The Applicants filed supplemental information on March 17 and April 5, 2022.

On March 11, 2022, the administrative law judge (ALJ) filed Order No. 1, establishing a deadline of April 8, 2022 for the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file comments on the administrative completeness of the application and proposed notice, and to propose a procedural schedule for the further processing of this docket. Therefore, this pleading is timely filed.

**I. ADMINISTRATIVE COMPLETENESS**

Staff has reviewed the application and, as detailed in the attached memorandum from Fred Bednarski III of the Commission's Rate Regulation Division, recommends that the application is administratively complete from a financial perspective. However, as detailed in the attached memorandum from James Harville of the Commission's Infrastructure Division, Staff recommends that the application is administratively incomplete from a managerial and technical perspective. Staff respectfully requests that the Applicants be ordered to cure the deficiencies identified in Mr. Harville's memorandum by May 9, 2022, and that Staff be given a deadline of

June 9, 2022 to file a supplemental recommendation on administrative completeness. Staff notes that the Applicants should not issue notice until the application is found administratively complete.

## **II. PROCEDURAL SCHEDULE**

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of the docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation that the application be found administratively complete.

## **III. CONCLUSION**

For the reasons detailed above, Staff recommends that the application be found administratively incomplete and that the Applicants be ordered to file supplemental information to cure the deficiencies in the application by May 9, 2022. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: April 8, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Keith Rogas  
Division Director

Robert Dakota Parish  
Managing Attorney

/s/ Merritt Lander  
Merritt Lander  
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**DOCKET NO. 53331**

**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 April 8, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Merritt Lander  
Merritt Lander

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Jenna Keller, Attorney  
Legal Division

**FROM:** Fred Bednarski III, Financial Analyst  
Rate Regulation Division

**DATE:** April 8, 2022

**RE:** Docket No. 53331 - *Application of Stonebridge Water Supply Corporation and Cross Timbers Water Supply Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Denton County*

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On March 10, 2022, Stonebridge Water Supply Corporation and Cross Timbers Water Supply Corporation filed an application for the sale, transfer, or merger of facilities and certificate rights in Denton County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

I reviewed the answers provided to questions 4, 10, 11, 12, and 14 of the application. I did not identify any deficiencies in those answers for purposes of determining whether the application is administratively complete. Therefore, I recommend that the Commission deem the application administratively complete from a financial perspective.

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Jenna Keller, Attorney  
Legal Division

**FROM:** James Harville, Infrastructure Analyst  
Infrastructure Division

**DATE:** April 8, 2022

**RE:** Docket No. 53331 – *Application of Stonebridge Water Supply Corporation and Cross Timbers Water Supply Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Denton County*

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On March 10, 2022, Cross Timbers Water Supply Corporation (Cross Timbers WSC) and Stonebridge Water Supply Corporation (Stonebridge WSC) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Denton County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Cross Timbers WSC, Certificate of Convenience and Necessity (CCN) No. 10197, seeks approval to acquire facilities and to transfer all of the water service area from Stonebridge WSC under water CCN No. 12415.

Based on the mapping review by Dave Babicki, Infrastructure Division, and my technical and managerial review of the information filed by the Applicants, I recommend that the application be deemed administratively incomplete and not accepted for filing due to the deficiencies detailed below.

### **Application Content**

The following deficiencies must be remedied:

#### **1. Customer Deposits**

The Applicants indicated that a list of customer deposits was included with the application, as required by Part B, Question 5,<sup>1</sup> but no such list of customers was filed with the application. Please clarify whether customers with deposits are present. If customers with deposits are present, please file a supplemental attachment listing such customers, including a customer

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<sup>1</sup> Application at 2 (Mar. 10, 2022).

indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

## 2. Compliance

Please provide a copy of the most recent Texas Commission on Environmental Quality comprehensive compliance investigation for Stonebridge WSC.

## **Mapping Content**

Maps submitted with Item 1 on March 10, 2022 are deficient.

The Applicants must submit the following items to resolve the mapping deficiencies:

- A general location map identifying only the requested area, in reference to the nearest county boundary, city, or town;
- A detailed map identifying only the requested area, in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads; and
- Digital mapping data for the requested area, as a single polygon record, in shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet).

Staff recommends that the Applicants obtain additional mapping guidance from the Commission's mapping staff, specifically Dave Babicki, by email at [dave.babicki@puc.texas.gov](mailto:dave.babicki@puc.texas.gov) to resolve the mapping deficiencies.

Staff will need at least 30 days to review the supplemental documentation, maps, and digital data provided by the Applicants and draft a recommendation.

Note: Any confidential items should be submitted as confidential filings with the Commission. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).