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DOCKET NO. 53429

APPLICATION OF CSWR-TEXAS	§	PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY	§	
LLC AND DEER SPRINGS WATER	§	OF TEXAS
COMPANY FOR SALE, TRANSFER,	§	
OR MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN BURNET	§	
COUNTY	§	

COMMISSION STAFF’S RECOMMENDATION ON THE SUFFICIENCY OF SUPPLEMENTED NOTICE AND CSWR-TEXAS’S CAPITAL IMPROVEMENT PLAN AND MOTION TO ADMIT SUPPLEMENTAL EVIDENCE

On February 22, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Cody and Anita Lewis dba Cassie Water Company (Cassie Water), Deer Springs Water Company (Deer Springs), and Water Works I and II (Water Works) filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Burnett and Llano Counties. On March 29, 2022, the Staff (Staff) of the Public Utility Commission of Texas (Commission) requested that Docket No. 53259 be severed into three separate dockets, one for each system. On April 4, 2022, the administrative law judge (ALJ) filed Order No. 2 in Docket No. 53259,¹ severing the proceedings and opening this docket to include only CSWR-Texas and Deer Springs (collectively, Applicants).

On April 24, 2024, the ALJ filed Order No. 17, directing Staff to file a supplemental recommendation on the Applicants’ supplemented notice and CSWR-Texas’s capital improvement plan by May 13, 2024. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF SUPPLEMENTED NOTICE

Staff has reviewed the supplemented proof of notice filed by CSWR-Texas on April 30, 2024, and recommends that the supplemented notice is sufficient. Specifically, CSWR-Texas filed an affidavit, dated April 29, 2024 and signed by Eric Rocchio, Regulatory Case Manager for CSWR-Texas, attesting that there are no landowners owning tracts of land over 25 acres wholly

¹ *Application of CSWR-Texas Utility Operating Company LLC and Cody and Anita Lewis dba Cassie Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County*, Order No. 2, Docket No. 53259 (Apr. 4, 2022).

or partly inside the requested CCN areas for the Cassie, Deer Springs, and Water Works systems. Therefore, Staff recommends that CSWR-Texas's supplemented notice be deemed sufficient.

II. RECOMMENDATION ON CSWR-TEXAS'S CAPITAL IMPROVEMENT PLAN

Staff has reviewed CSWR-Texas's capital improvement plan, filed on April 30, 2024, and as detailed in the attached memorandum from Patricia Garcia of the Infrastructure Division, recommends that CSWR-Texas's proposed capital improvements to the Deer Springs public water system are not expected to exceed \$100,000. Therefore, Staff recommends that firm capital commitment under 16 Texas Administrative Code (TAC) § 24.11(e)(5) is not required.

III. MOTION TO ADMIT SUPPLEMENTAL EVIDENCE

Staff respectfully requests that this recommendation on the sufficiency of supplemented notice and on CSWR-Texas's capital improvement plan, including attached memorandum, be admitted into the record as evidence in this proceeding.

IV. CONCLUSION

For the reasons detailed above, Staff recommends that supplemented notice be found sufficient, and that firm capital commitment under 16 TAC § 24.11(e)(5) is not required. Staff respectfully requests that this pleading, including attached memorandum, be admitted into the record as evidence in this proceeding. Additionally, Staff respectfully requests the entry of an order consistent with Staff's recommendations.

Dated: May 13, 2024

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 will be provided to all parties of record via electronic mail on May 13, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Kelsey Daugherty
Kelsey Daugherty

Public Utility Commission of Texas

Memorandum

TO: Kelsey Daugherty, Attorney
Legal Division

FROM: Patricia Garcia, Infrastructure Analysis Section Director
Infrastructure Division

DATE: May 13, 2024

RE: Docket No. 53429 – *Application of CSWR-Texas Utility Operating Company LLC and Deer Springs Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County*

1. Application

On February 22, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Deer Springs Water Company (Deer Springs) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Burnet County, Texas, under Texas Water Code (TWC) §§ 13.242 through 13.250 and § 13.301 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237 and § 24.239.

Specifically, CSWR-Texas, water Certificate of Convenience and Necessity (CCN) No. 13290, seeks approval to transfer and acquire facilities from Deer Springs, water CCN No. 11630, and to amend uncertificated area to CCN No. 13290.

Based on the mapping review by Hank Journey, Infrastructure Division:

The requested area includes 109 customer connections and approximately 229 acres of uncertificated area.

The application proposes the addition of approximately 229 acres to CCN No. 13290.

2. Notice

An affidavit was provided affirming there are no landowners in the requested area owning 25 acres partially or wholly located in the requested area.

3. Capital Improvement Plan

An application for a certificate of public convenience and necessity or for an amendment to a certificate must contain: a capital improvements plan, including a budget and estimated timeline for construction of all facilities necessary to provide full service to the entire proposed service area (TWC § 13.244(d)(3)).

CSWR-Texas is proposing to make improvements to the Deer Springs public water system. On April 30, 2024, CSWR-Texas provided a confidential map showing the locations of the proposed capital improvements and a list of the proposed capital improvements. The proposed capital improvements are not expected to exceed \$100,000, therefore the need for firm capital commitment under 16 TAC § 24.11(e)(5) is not required.

4. Recommendation

Based on the above information, I recommend that the Commission find that the transaction will serve the public interest.