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DOCKET NO. 53430

APPLICATION OF CSWR-TEXAS	§	PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY	§	
LLC AND WATER WORKS I AND II	§	OF TEXAS
FOR SALE, TRANSFER, OR MERGER	§	
OF FACILITIES AND CERTIFICATE	§	
RIGHTS IN LLANO COUNTY	§	

**COMMISSION STAFF’S RECOMMENDATION ON CLOSING DOCUMENTS AND
PROPOSED PROCEDURAL SCHEDULE**

On February 22, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Cody and Anita Lewis dba Cassie Water Company, Deer Springs Water Company, and Water Works I and II (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity rights in Burnett and Llano counties. On March 29, 2022, Staff (Staff) of the Public Utility Commission (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. 1, severing the proceedings, and restyling this docket to include only CSWR-Texas and Water Works I and II.

On January 23, 2024, the ALJ filed Order No. 17, directing Staff to file a recommendation regarding the sufficiency of the closing documents and to propose a schedule for continued processing of this docket by February 6, 2024. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by CSWR-Texas on January 5, 18, and 22, 2024, and recommends that the Applicants have met the requirements of 16 TAC § 24.239.

Specifically, the sale and transfer was completed following the issuance of Order No. 11, wherein the transferee received notice from the Commission that a hearing would not be requested.¹ Further, the closing documents were filed within 30 days after the effective date of the transaction and were signed by both the transferor and the transferee.² The Applicants also filed supplemental information including the title commitment for the transaction, surveys for all of the tracts, and an explanation of the relationship between Water Works I & II and the other entities

¹ 16 Texas Administrative Code (TAC) § 24.239(i).

² *Id.*

listed in the Applicants' General Assignment and Bill of Sale and Assignment. Therefore, Staff recommends a finding that the Applicants' closing documents are sufficient and satisfy 16 TAC § 24.239(a), (i), and (l).

Regarding customer deposits, the Applicants' closing documentation includes a notarized affidavit stating that all deposits of Water Works I and II customers were returned or refunded to customers and a confidential attachment with the names and addresses of the customers who have deposits on record, the date such deposits were made, and the amount of each deposit.³ Therefore, Staff recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (l).

For these reasons, Staff recommends that the Applicants have complied with the applicable closing requirements of 16 TAC § 24.239. Staff therefore recommends that the closing documents and customer deposit information be found sufficient.

II. PROPOSED PROCEDURAL SCHEDULE

In accordance with Staff's recommendation that the Applicants' closing documents be found sufficient, Staff proposes the following procedural schedule:

Event	Date
Deadline for Commission Staff to provide final maps, certificates, and tariffs (if applicable), to the Applicants for review and consent	March 6, 2024
Deadline for the Applicants to file signed consent forms with the Commission	March 15, 2024
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	April 3, 2024

III. CONCLUSION

For the reasons discussed above, Staff respectfully requests that an order be issued finding the Applicants' closing documents sufficient and adopting the proposed procedural schedule.

³ Highly Sensitive Exhibit A to the Affidavit (Jan. 18, 2024).

Dated: February 6, 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 2024-02-06, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Kelsey Daugherty
Kelsey Daugherty