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### **DOCKET NO. 53538**

UTII OPE	LICATION OF AMBERWOOD LITY AND CSWR-TEXAS UTILITY RATING COMPANY, LLC FOR	\$ \$ \$	PUBLIC UTILITY COMMISSION OF TEXAS
SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN HARRIS COUNTY			OF TEXAS
AN	JOINT MOTION T D PROPOSED ORDER APPROVING		OMIT EVIDENCE SALE AND TRANSFER TO PROCEED
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ATTACHMENT: Proposed Order Approving the Sale and Transfer to Proceed

PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO

III.

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V.

#### **DOCKET NO. 53538**

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

# JOINT MOTION TO ADMIT EVIDENCE AND PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED

COME NOW Amberwood Utility Co. ("Amberwood") and CSWR-Texas Utility Operating Company, LLC ("CSWR Texas"), together with the Staff of the Public Utility Commission of Texas ("Commission Staff") (collectively, "the Parties"), and file this Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Transfer to Proceed. In support thereof, the Parties show the following:

### I. <u>BACKGROUND</u>

On April 28, 2022, Amberwood and CSWR Texas (collectively, the "Applicants") filed an application with the Public Utility Commission of Texas ("Commission") for approval of the sale, transfer, or merger of facilities and certificate rights in Harris County ("Application"). The Applicants seek the transfer of all water facilities owned by Amberwood and the amendment of CSWR Texas's certificate of convenience and necessity ("CCN") number 13290 to include 78 acres under CSWR Texas's CCN No. 13290. The requested sale and transfer includes approximately 78 acres and 54 connections.

Pursuant to Order No. 4, the Parties timely file this Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Transfer to Proceed.

### II. JOINT MOTION TO ADMIT EVIDENCE

The Parties move to admit the following items into the record evidence of this proceeding:

- 1. the application, including confidential attachments, filed on April 28, 2022 (Interchange Item Nos. 1, 2, 3, 4, 5, 6, 7);
- 2. CSWR Texas's first supplement, including highly sensitive attachments, filed on May 9, 2022 (Interchange Item Nos. 9 and 10);

- 3. CSWR Texas's second supplement, filed on June 14, 2022 (Interchange Item No. 13);
- 4. CSWR Texas's third supplement, filed on June 20, 2022 (Interchange Item No. 14);
- 5. CSWR Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential Exhibit B, filed on July 14, 2022 (Interchange Item Nos. 17, 18);
- 6. Commission Staff's recommendation on sufficiency of notice, filed on August 15, 2022 (Interchange Item No. 19); and
- 7. Commission Staff's recommendation on the transaction, filed on September 12, 2022. (Interchange Item No. 21).

### III. COMMISSION STAFF'S CUMULATIVE RECOMMENDATION

As demonstrated in its recommendation in this proceeding, Commission Staff has performed a cumulative review to assess CSWR Texas's technical and managerial capability to provide service to the requested areas and customers affected in all prior CSWR Texas's STM dockets in which Commission Staff has recommended the transaction to proceed, and it has determined that CSWR Texas has demonstrated its ability to provide continuous and adequate service to each of the requested areas, both individually and as a whole. In addition, Commission Staff determined that CSWR Texas has the financial ability to pay for facilities necessary to provide service in each of the requested areas, both individually and as a whole.

#### IV. PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED

The Parties move for adoption of the attached Proposed Order Approving the Sale and Transfer to Proceed.

#### V. <u>CONCLUSION</u>

The Parties respectfully request that the Commission grant the Motion to Admit Evidence and adopt the attached Proposed Order Approving the Sale and Transfer for Proceed.

#### Respectfully submitted,

# ATTORNEYS FOR CSWR TEXAS UTILITY OPERATING COMPANY, LLC

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## **CERTIFICATE OF SERVICE**

I hereby certify that on this 24<sup>th</sup> day of October 2022, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Order Suspending Rules issued in Project No. 50664.

Evan D. Johnson<sup>(</sup>

#### **DOCKET NO. 53538**

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

#### PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED

This Order addresses the application of Amberwood Utility Co. (Amberwood) and CSWR-Texas Utility Operating Company, LLC (CSWR Texas) for the sale, transfer, or merger of facilities in Harris County. CSWR Texas seek the sale and transfer of all facilities and service area held under Amberwood's water certificate of convenience and necessity (CCN) number 12163 to CSWR Texas, the cancellation of Amberwood's water CCN number 12163, and the amendment of CSWR Texas's water CCN number 13290 to include the area previously included in Amberwood's water CCN number 12163. The administrative law judge (ALJ) grants that the sale is approved and the transaction between the applicants may proceed and be consummated.

## I. Findings of Fact

The Commission makes the following findings of fact:

#### **Applicants**

- 1. Amberwood is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Harris County under CCN number 12163.
- 2. Amberwood owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) as Amberwood Subdivision, public water system number 1011920.
- 3. CSWR Texas is a Texas limited liability company registered with the Texas secretary of state under file number 0803367893.
- 4. CSWR Texas is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Angelina, Aransas, Austin, Burleson, Burnet, Camp, Erath, Guadalupe, Harris, Hays, Hidalgo, Hood, Kerr, Llano, Lubbock, McCulloch, Montague, Navarro, Parker, Victoria, Wilson, and Wood counties under CCN number 13290.

#### **Application**

- 5. On April 28, 2022, the applicants filed the application for approval of the sale and transfer of all facilities and service area held under Amberwood's water CCN 12163 to CSWR Texas, cancellation of Amberwood's water CCN number 12163, and amend CSWR Texas's water CCN number 13290 to include the area previously included in Amberwood's water CCN number 12163.
- 6. CSWR Texas supplemented the application on May 9, 2022, June 14, 2022, and June 20, 2022.
- 7. In the application, the applicants seek approval of the following transaction: (a) CSWR Texas will acquire all of Amberwood's water facilities and water service area under water CCN number 12163; (b) Amberwood's water CCN number 12163 will be cancelled; and (c) CSWR Texas's water CCN number 13290 will be amended to include the area previously included in Amberwood's water CCN number 12163.
- 8. The requested area comprises approximately 78 acres and 54 connections.
- 9. The requested area is located approximately 3 miles northwest of downtown Humble, Texas, and is generally bounded on the north by Spring Creek; on the east by Maple Harvest Lane; on the south by Arbury Glen Lane; and on the west by Lee Road.
- 10. In Order No. 3 filed on July 6, 2022, the ALJ deemed the application administratively complete.

### **Notice**

- 11. On July 14, 2022, CSWR Texas filed the affidavit of Aaron Silas, Regulatory Case Manager of CSWR Texas, attesting that notice was provided to all current customers of Amberwood, neighboring utilities, and affected parties on July 14, 2022.
- 12. In Order No. 4, filed on August 17, 2022, the ALJ deemed the notice sufficient.

#### **Evidentiary Record**

- 13. On October 24, 2022, the parties filed a joint motion to admit evidence.
- 14. In Order No. \_\_ filed on \_\_\_\_\_, the ALJ admitted the following evidence into the record: (a) the application, including confidential attachments, filed on April 28, 2022 (b)

CSWR Texas's first supplement to the application filed on May 9, 2022 (c) CSWR Texas's second supplement to the application filed on June 14, 2022; (d) CSWR Texas's third supplement to the application filed on June 20, 2022; (e) Commission Staff's recommendation on administrative completeness filed on July 5, 2022; (f) CSWR Texas's amended Highly Sensitive Attachment G filed on April 28, 2022; (g) CSWR Texas's amended Highly Sensitive Attachment G filed on May 9, 2022; (h) CSWR Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential Exhibit B, filed on July 14, 2022; (i) Commission Staff's recommendation on sufficiency of notice, filed on August 15, 2022; and (j) Commission Staff's recommendation on the transaction, including confidential attachments, filed on September 12, 2022.

#### **Cumulative Recommendation**

15. On September 12, 2022 Commission Staff filed its recommendation regarding the transaction in this docket recommending that CSWR Texas has the financial, managerial, and technical capability to provide continuous and adequate service to all areas included in this docket and in Docket Nos. 50251, 50276, 50311, 50989, 51003, 51026, 61031, 7

<sup>&</sup>lt;sup>1</sup> Application of JRM Water LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County, Docket No. 50251, Notice of Approval (Mar. 12, 2022).

<sup>&</sup>lt;sup>2</sup> Application of North Victoria Utilities, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County, Docket No. 50276, Notice of Approval (Mar. 11, 2022).

<sup>&</sup>lt;sup>3</sup> Application of Copano Heights Water Company and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Aransas County, Docket No. 50311, Notice of Approval (Mar. 17, 2022).

<sup>&</sup>lt;sup>4</sup> Application of Ranch Country of Texas Water Systems, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Austin County, Docket No. 50989, Notice of Approval (Apr. 23, 2022).

<sup>&</sup>lt;sup>5</sup> Application of Oak Hill Ranch Estates Water and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Guadalupe and Wilson Counties, Docket No. 51003 Notice of Approval (Aug. 9, 2022).

<sup>&</sup>lt;sup>6</sup> Application of Tall Pines Utility, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County, Docket No. 51026, Notice of Approval (Apr. 23, 2022).

<sup>&</sup>lt;sup>7</sup> Application of Council Creek Village, Inc. d/b/a Council Creek Village d/b/a South Council Creek 2 CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 51031, Notice of Approval (Apr. 14, 2022).

 $51036.^8$   $51047.^9$   $51065.^{10}$   $51089.^{11}$   $51118.^{12}$   $51126.^{13}$   $51130.^{14}$   $51146.^{15}$   $51222.^{16}$   $51544.^{17}$ 

<sup>&</sup>lt;sup>8</sup> Application of Kathie Lou Daniels d/b/a Woodlands West and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burleson County, Docket No. 51036, Notice of Approval (Aug. 23, 2022).

<sup>&</sup>lt;sup>9</sup> Application of Jones-Owen Company d/b/a South Silver Creek I, II, and III and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 51047, Notice of Approval (Apr. 19, 2022).

<sup>&</sup>lt;sup>10</sup> Application of Treetop Utilities, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County, Docket No. 51065, Corrected Notice of Approval (Mar. 10, 2022).

<sup>&</sup>lt;sup>11</sup> Application of Donald E. Wilson d/b/a Quiet Village II d/b/a QV Utility CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hidalgo County, Docket No. 51089, Notice of Approval (Nov. 18, 2022).

<sup>&</sup>lt;sup>12</sup> Application of Shady Oaks Water Supply Company, LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wilson County, Docket No. 51118, Notice of Approval (Mar. 18, 2022).

<sup>&</sup>lt;sup>13</sup> Application of Shawn M. Horvath Dba Aero Valley Water Service and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and to Amend CSWR-Texas Utility Operating Company, LLC's Certificate of Convenience and Necessity in Denton County, Docket No. 51126 (pending).

Application of Laguna Vista Limited and Laguna Tres, Inc. CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hood County, Docket No. 51130, Notice of Approval (Apr. 20, 2022).

<sup>&</sup>lt;sup>15</sup> Application of Abraxas Corporation and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County, Docket No. 51146, Notice of Approval (Apr. 23, 2022).

<sup>&</sup>lt;sup>16</sup> Application of the Estate of Patetreen Petty McCoy d/b/a Big Wood Springs Water Company and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wood County, Docket No. 51222, Notice of Approval (Feb. 16, 2022).

<sup>&</sup>lt;sup>17</sup> Application of Franklin Water Service Co. LLC and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and Certificate Rights in Lubbock County, Docket No. 51544, Notice of Approval (Feb. 15, 2022).

51642,  $^{18}$  51917,  $^{19}$  51928,  $^{20}$  51940,  $^{21}$  51981,  $^{22}$  52089,  $^{23}$  52099,  $^{24}$  52410,  $^{25}$  52700,  $^{26}$  52702,  $^{27}$ 

<sup>&</sup>lt;sup>18</sup> Application of James L. Nelson dba WaterCo and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montague County, Docket No. 51642, Notice of Approval (Mar.15, 2022).

<sup>&</sup>lt;sup>19</sup> Application of Rocket Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and Certificate Rights in Hays County, Docket No. 51917 (pending).

<sup>&</sup>lt;sup>20</sup> Application of Betty J. Dragoo and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, or Merger of Facilities and Associated Acreage in Erath County, Docket No. 51928, Notice of Approval (Jan. 21, 2022).

<sup>&</sup>lt;sup>21</sup> Application of Walnut Bend Water Supply and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer or Merger of Facilities and Certificate Rights in Angelina County, Docket No. 51940, Notice of Approval (Mar. 15, 2022).

<sup>&</sup>lt;sup>22</sup> Application of Live Oak Hills and Flag Creek Ranch Water Systems and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Llano and McCulloch Counties, Docket No. 51981, Notice of Approval (Jan. 28, 2022).

<sup>&</sup>lt;sup>23</sup> Application of Alpha Utility of Camp County, LLC and CSWR-Texas utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Camp County, Docket No. 52089, Notice of Approval (Mar. 25, 2022).

<sup>&</sup>lt;sup>24</sup> Application of THRC Utility, LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Navarro County, Docket No. 52099, Notice of Approval (July 13,2022).

<sup>&</sup>lt;sup>25</sup> Application of RJR Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Bexar County, Docket No. 52410, Notice of Approval (Jun. 3, 2022).

<sup>&</sup>lt;sup>26</sup> Application of RJR Water Company and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker and Palo Pinto Counties, Docket No. 52700 (pending).

<sup>&</sup>lt;sup>27</sup> Application of CSWR-Texas Utility Operating Company, LLC and Fremont Water Company for Saale, Transfer, or Merger of Facilities and Certificate Rights in Kerr County, Docket No. 52702, Notice of Approval Aug. 5, 2022).

 $52803,^{28}52879,^{29}52661,^{30}52880,^{31}53326,^{32}53317,^{33}53259,^{34}53429,^{35}53430,^{36}53456,^{37}53483,^{38}53607,^{39} \text{ and } 53238.^{40}$ 

#### **System Compliance**

- 16. Amberwood's public water system number 1011920 currently has multiple violations listed in the TCEQ database from February 2022 for failure to maintain the facilities.
- 17. CSWR Texas has agreed to work with the TCEQ to address any outstanding compliance issues upon consummation of the transaction.

<sup>&</sup>lt;sup>28</sup> Application of Copano Cove Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate rights in Aransas County, Docket No. 52803 (pending).

<sup>&</sup>lt;sup>29</sup> Application of Carroll Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Ellis County, Docket No. 52879, Notice of Approval (Sept. 21, 2022). ).

<sup>&</sup>lt;sup>30</sup> Application of Tri-County Point Property Owners Association and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun and Jackson Counties, Docket No. 52661 (pending).

<sup>&</sup>lt;sup>31</sup> Application of Texas Landing Utilities and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Polk and Montgomery Counties, Docket No. 52880 (pending).

<sup>&</sup>lt;sup>32</sup> Application of CSWR-Texas Utility Operating Company, LLC and Aransas Bay Utilities Co., LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Aransas County, Docket No. 53326 (pending).

<sup>&</sup>lt;sup>33</sup> Application of CSWR-Texas Utility Operating Company, LLC and Jusryn Company, Inc. dba Shady Grove Sewer System for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hood County, Docket No. 53317 (pending).

<sup>&</sup>lt;sup>34</sup> 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, Docket No. 53259 (pending).

<sup>&</sup>lt;sup>35</sup> 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, Docket No. 53429 (pending).

<sup>&</sup>lt;sup>36</sup> Application of CSWR-Texas Utility Operating Company, LLC and Water Works I and II for Sale, Transfer, or Merger of Facilities and Certificate Rights in Llano County, Docket No. 53430 (pending).

<sup>&</sup>lt;sup>37</sup> Application of CSWR-Texas Utility Operating Company, LLC and Lake Limestone Coves Water System, Inc, for Sale, Transfer, or Merger of Facilities and Certificate Rights in Limestone and Robertson Counties, Docket No. 53456 (pending).

<sup>&</sup>lt;sup>38</sup> Application of CSWR-Texas Utility Operating Company, LLC and North Orange & Sewer, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Orange County, Docket No. 53483 (pending).

<sup>&</sup>lt;sup>39</sup> Application of Chaparral Water System and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate of Rights in Gillespie County, Docket No. 53607 (pending).

<sup>&</sup>lt;sup>40</sup> Application of Simply Aquatics, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate of Rights in Montgomery, Sabine, and San Augustine Counties, Docket No. 53238 (pending).

18. CSWR Texas demonstrated a compliance history that is adequate for approval of the sale to proceed.

#### Adequacy of Existing Service

19. Amberwood has several violations listed in the TCEQ database, which means the service currently provided to the requested area is inadequate. CSWR Texas stated that it intends to invest the capital required to make the upgrades, renovations, and repairs necessary to bring the water system into compliance with TCEQ regulations and to ensure customers receive safe and reliable service.

#### **Need for Additional Service**

- 20. There is a continuing need for service because Amberwood is currently serving 54 connections in the requested area.
- 21. This is an application to transfer only existing facilities, customers, and service area. There have been no specific requests for additional service within the 78-acre requested area.

#### Effect of Approving the Transaction and Granting the Amendment

- 22. Approving the sale and transfer to proceed and granting the CCN amendment will obligate CSWR Texas to provide continuous and adequate water service to current and future customers in the 78-acre requested area.
- 23. Because this application is to transfer only existing facilities, customers, and service area, there will be no effect on any other retail public utility servicing the proximate area.
- 24. There will be no effect on landowners as the area is currently certificated.
- 25. CSWR Texas will adopt Amberwood's current rates upon the consummation of the transaction.

### Ability to Serve: Managerial and Technical

- 26. CSWR Texas owns and operates numerous public water systems registered with TCEQ and does not have any active violations listed in the TCEQ database
- 27. CSWR Texas employs or contracts with TCEQ-licensed water operators who will operate the public water system.

- 28. No additional construction is necessary for CSWR Texas to provide service to the requested areas.
- 29. CSWR Texas has the technical and managerial capability to provide adequate and continuous service to the requested area.

### Regionalization or Consolidation

30. The construction of a physically separate system is not necessary for CSWR Texas to serve the requested area. Therefore, concerns of regionalization or consolidation do not apply.

## Feasibility of Obtaining Service from Adjacent Retail Public Utility

31. Amberwood is currently serving customers and has sufficient capacity. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed. At a minimum, an interconnect would need to be installed in order to connect to a neighboring retail public utility. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

#### Ability to Serve: Financial Ability

- 32. CSWR, LLC, the immediate parent company of CSWR Texas, is capable, available, and willing to cover temporary cash shortages, and has a debt-to-equity ratio of less than one, satisfying the leverage test.
- 33. CSWR, LLC provided a written guarantee of coverage of temporary cash shortages or operating expense shortfalls—satisfying the operations test.
- 34. CSWR Texas demonstrated the financial and managerial ability and stability to provide continuous and adequate service to the requested area.

#### Financial Assurance

35. There is no need to require CSWR Texas to provide a bond or other financial assurance to ensure continuous and adequate service.

#### Environmental Integrity and Effect on the Land

36. The environmental integrity of the land will not be affected as no additional construction is needed to provide service to the requested area.

#### Improvement of Service or Lowering Cost to Consumers

- 37. Water service to the requested area will improve because CSWR Texas intends to address and resolve regulatory compliance issues and improve the safety and reliability of service.
- 38. The rates charged to customers in the requested area will not change as a result of the proposed transaction because CSWR Texas will adopt the currently in effect tariff for the Amberwood's water system upon consummation of the transaction.

#### **II.** Conclusions of Law

The Commission makes the following conclusions of law:

- 1. The Commission has authority over this proceeding under TWC §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301
- 2. The applicants provided notice of the application that complies with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.239.
- 3. The Commission processed the application as required by the TWC, the Administrative Procedure Act,41 and Commission Rules.
- 4. After consideration of the factors in TWC § 13.246(c), and 16 TAC § 24.239(h)(5), CSWR Texas has demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area as required by TWC § 13.301(b) and 16 TAC § 24.239(e).
- 5. It is not necessary for CSWR Texas to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
- 6. The applicants have demonstrated that the sale of Amberwood's facilities to CSWR Texas will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public under TWC § 13.301(d), (e).

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<sup>&</sup>lt;sup>41</sup> Tex. Gov't Code §§ 2001.001-.903.

#### III. Ordering Paragraphs

In accordance with the preceding findings of fact and conclusions of law, the Commission enters the following orders.

- 1. The sale is approved and the transaction between the applicants may proceed and be consummated.
- 2. As soon as possible after the effective date of the transaction, but not later than 30 days after the effective date, the applicants must file proof that the transaction has been consummated and customer deposits, if any, have been addressed.
- 3. The applicants have 180 days to complete the transaction.
- 4. Under 16 TAC § 24.239(m), if the transaction is not consummated within this 180-day period, or an extension is not granted, this approval is void and the applicants will have to reapply for approval.
- 5. The applicants are advised that the requested areas and associated facilities will remain under water CCN number 12163 and held by Amberwood until the sale and transfer transaction is complete, in accordance with Commission rules.
- 6. In an effort to finalize this case as soon as possible, the applicants must continue to file monthly updates regarding the status of the closing and submit documents evidencing that the transaction was consummated.
- 7. Within 15 days following the filing of the applicants' proof that the transaction has been consummated and customer deposits, if any, have been addressed, Commission Staff must file a recommendation regarding the sufficiency of the documents and propose a schedule for continued processing of this docket.

Signed at Austin, Texas the	day of	_ 2022.
	PUBLIC UTIL	ITY COMMISSION OF TEXAS
	KATIE MOOI	RE MARX
	ADMINISTRA	ATIVE LAW JUDGE