



Filing Receipt

Received - 2022-06-13 01:58:01 PM

Control Number - 53607

ItemNumber - 9

DOCKET NO. 53607

APPLICATION OF CHAPARRAL	§	PUBLIC UTILITY COMMISSION
WATER SYSTEM AND CSWR-TEXAS	§	
UTILITY OPERATING COMPANY,	§	OF TEXAS
LLC FOR SALE, TRANSFER OR	§	
MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS GILLESPIE	§	
COUNTY	§	

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

On May 13, 2022, the Chaparral Water System (Chaparral Water) and CSWR-Texas Utility Operating Company, LLC (CSWR-TUOC) (jointly, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Gillespie County, Texas.

On May 17, 2022, the administrative law judge (ALJ) filed Order No. 1, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the administrative completeness of the application and propose a procedural schedule by June 13, 2022. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information and, as detailed in the attached memoranda from Patricia Garcia, Infrastructure Division, and Kathryn Eiland and Ethan Blanchard, Rate Regulation Division, recommends that the application is administratively complete. Staff’s recommendation on administrative completeness is not a comment on the merits of the application.

II. NOTICE

At this time, Staff recommends that the Applicants proceed with providing public notice to all current customers, neighboring utilities, political subdivisions, and other persons listed in the attached memorandum using the notice form provided by Ms. Garcia. Along with each individual notice, Staff recommends that the Applicants provide an accurate map delineating the requested service area.

Once notice has been provided, Staff recommends that the Applicants file proof of notice as described in the attached memorandum, including an affidavit specifying the name and address of every person and entity to whom notice was provided, the date that the notice was provided, and a copy of the map provided with the notice. Finally, Staff recommends that the Applicants use the attached notice and affidavit to meet these requirements.

III. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively complete. Therefore, Staff proposes the following procedural schedule:

Event	Date
Deadline for the Applicants to file with the Commission signed affidavits that the notice was given along with a copy of the notice and map sent to the affected parties	July 13, 2022
Deadline for Staff to file a recommendation on sufficiency of notice	July 25, 2022
Deadline to intervene	30 days after notice is issued

IV. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively complete, that the Applicants be directed to provide notice as described in the attached memorandum, and that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: June 13, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

Robert Dakota Parish
Managing Attorney

/s/ Forrest Smith
Forrest Smith
State Bar No. 24093643
Ian Groetsch
State Bar No. 24078599
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7388
(512) 936-7268 (facsimile)
Forrest.Smith@puc.texas.gov

DOCKET NO. 53538

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 June 13, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Forrest Smith
Forrest Smith

Public Utility Commission of Texas

Memorandum

TO: Forrest Smith and Ian Groetsch, Attorney
Legal Division

FROM: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

DATE: June 13, 2022

RE: Docket No. 53607 – *Application of Chaparral Water System and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Gillespie County*

On May 13, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Chaparral Water System (Chaparral Water) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Gillespie County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, CSWR-Texas, water Certificate of Convenience and Necessity (CCN) No. 13290, seeks approval to acquire facilities and to transfer all of the water service area from Chaparral Water under water CCN No. 13290.

Based on the mapping review by Hank Journey, Infrastructure Division, the maps submitted with Item 1 on May 13, 2022 are sufficient.

- The requested area includes 51 customer connections and approximately 91 acres of transferred area from Chaparral Water System (CCN No. 10959) to CSWR-Texas (CCN No. 13290).
- The application proposes the subtraction of approximately 91 acres from CCN No. 10959 and the addition of approximately 91 acres to CCN No. 13290.
- The application indicates that the total acreage being requested is approximately 93 acres, however, the mapping review determined the requested area is approximately 91 acres.

Based on my technical and managerial review of the information filed, I recommend that the application be deemed administratively complete. I further recommend that the Applicants be ordered to do the following:

- 1) Provide notice of the application by first-class mail to the following:
 - a. Cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area:
 - *Gillespie County Water Control & Improvement District (WCID) 1*
 - *Lower Colorado River Authority*
 - b. The county judge of each county that is wholly or partially included in the requested area:
 - *Gillespie County Judge*
 - c. Each groundwater conservation district that is wholly or partially included in the requested area:
 - *Hill County Underground Water Conservation District*
 - d. Any affected customers, and other affected parties in the requested area.

Addresses can be obtained from the Water Utility Database at <http://www.puc.texas.gov/watersearch>. District information and addresses can be obtained from the Texas Commission on Environmental Quality's (TCEQ) web site located at <https://www14.tceq.texas.gov/iwud/index.cfm>.

- 2) Provide notice using the attached notice form(s).
- 3) Provide a copy of the map(s) deemed sufficient during administrative review delineating the requested area with each individual notice to neighboring utilities, other affected parties, and customers.
- 4) File in the docket copy of notice and the map(s) deemed sufficient during administrative review along with the signed affidavit specifying every person and entity to whom notice was provided, and the date that the notice was provided.

Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed, Staff may send requests for information (RFI) to CSWR-Texas and Chaparral Water. CSWR-Texas and Chaparral Water will have 20 days from the receipt of the RFI to respond.

Public Utility Commission of Texas

Memorandum

TO: Forrest Smith
Legal Division

FROM: Ethan Blanchard
Kathryn Eiland
Rate Regulation Division

DATE: June 13, 2022

RE: Docket No. 53607 – *Application of Chaparral Water System and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Gillespie County*

On May 13, 2022, CSWR-Texas Utility Operating Company (CSWR-TUOC), CCN No. 13290, and Chaparral Water System (Chaparral), CCN No. 10959, filed an application for the sale and transfer of facilities and certificate rights in Harris County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

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

Notice to Current Customers, Neighboring Systems, and Cities

CSWR-TEXAS UTILITY OPERATING COMPANY, LLC, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 13290, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 10959 FROM CHAPARRAL WATER SYSTEM IN GILLESPIE COUNTY, TEXAS

To: _____ Date Notice Mailed: _____, 20____
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

CSWR-Texas Utility Operating Company, LLC 1630 Des Peres Rd, Suite 303
(Purchaser's Name) (Address)

St. Louis, MO 63131
(City), (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase all of the water facilities and to transfer water certificated service area under CCN No. 10959, in Gillespie County, TX from:

Chaparral Water System 3111 Robin Ln Fredericksburg, TX 78624
(Seller's Name) (Address) (City), (State) (Zip Code)

The requested area overlaps the district boundaries of:

- *Gillespie County WCID 1*
- *Lower Colorado River Authority*

If these districts do not request a public hearing, the Commission shall determine that the district is consenting to CSWR-Texas Utility Operating Company, LLC's request to provide retail water utility service in the requested area.

The sale is scheduled to take place if approved by the Commission (Texas Water Code § 13.301). The transaction and the transfer of the CCN includes the following:

The requested area includes 51 customer connections, is located approximately 7.9 mile(s) southeast of downtown Fredericksburg, Texas, and is generally bounded on the north by US Highway 290; on the east by Woodland Drive; on the south by a point approximately 125 Feet south of Chaparral Drive; and on the west by Barrett Road.

The requested area includes approximately 91 acres of transferred area from Chaparral Water System (CCN No. 10959) to CSWR-Texas (CCN No. 13290).

The application proposes the subtraction of approximately 91 acres from CCN No. 10959 and the addition of approximately 91 acres to CCN No. 13290.

See enclosed map showing the requested area.

This transaction will not have an effect on the current customer's rates and services.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date. The letter must include the person's name, address, email address and fax number if applicable.

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

Si desea información en español, puede llamar al 1-888-782-8477.

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND
AFFECTED PARTIES
DOCKET NO. 53607

STATE OF TEXAS
COUNTY OF _____

_____ has provided individual
notice to the following entities and customers:

DATE OF NOTICE

OATH

I, _____, being duly sworn, file this form as
_____ (indicate relationship to applicant, that is,
owner, member of partnership, title of officer of corporation, or other authorized representative of
applicant); that in such capacity, I am qualified and authorized to file and verify such form, am
personally familiar with the notices given with this application, and have complied with all notice
requirements in the application and application acceptance letter; and that all such statements made
and matters set for therein are true and correct.

Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant,
or its attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this _____ day of _____, 20____,
to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____

Notice Form Updated: March 31, 2022