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APPLICATION OF CLEARWATER	§	PUBLIC UTILITY COMMISSION
INVESTMENTS LLC AND KNOB HILL	§	
WATER SYSTEM FOR SALE,	§	
TRANSFER, OR MERGER OF	§	OF TEXAS
FACILITIES AND CERTIFICATE	§	
RIGHTS IN DENTON COUNTY	§	

COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF NOTICE AND PROPOSED PROCEDURAL SCHEDULE

On May 26, 2022, Clearwater Investments, LLC (Clearwater) and Knob Hill Water System (Knob Hill) (collectively, Applicants) filed an application for the sale and transfer of facilities and certificate rights in Denton County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239. The Applicants filed supplemental information on June 15, 2022, August 8, 2022, December 2, 2022, and January 27, 2023.

On February 16, 2023, the administrative law judge (ALJ) filed Order No. 10, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation on sufficiency of notice for continued processing of the application by March 27, 2023. Therefore, this pleading is timely filed.

I. STAFF’S RECOMMENDATION ON SUFFICIENCY OF NOTICE

Staff has reviewed the revised proof of notice provided by Clearwater and recommends that notice is sufficient. Specifically, Clearwater provided an affidavit of notice dated February 23, 2023, and signed by Mr. Mark Vargus, Managing Member of Clearwater, that notice was provided on February 23, 2023, to its current customers, landowners, neighboring utilities, and affected parties, as well as updated maps attached to the provided notice. Therefore, Staff recommends that the notice provide by Clearwater be deemed sufficient for further processing of this matter.

II. PROPOSED PROCEDURAL SCHEDULE

Staff recommends that notice be deemed sufficient. Therefore, Staff proposes the following procedural schedule:

Event	Date
Notice complete	February 23, 2023
Deadline for intervention	March 27, 2023 ¹
Deadline for Staff to request a hearing or file a recommendation on the approval of the sale	April 25, 2023
Deadline for parties to file a response to Staff's recommendation on approval of sale	May 9, 2023
120-day deadline for the Commission to approve the sale or require a hearing	June 23, 2023 ²

III. CONCLUSION

For the reasons detailed above, Staff respectfully recommends that Clearwater's proof of notice be found sufficient.

¹ Under 16 TAC § 24.239(b), the intervention period shall not be less than thirty (30) days unless good cause is shown. Notice was mailed on February 23, 2023. Therefore, thirty (30) days after February 23, 2023 is March 25, 2023. Because the Commission is closed for business on March 25, 2023, under 16 TAC § 22.4, Staff's deadline falls on March 27, 2023.

² Under 16 TAC § 24.239(a) and (i), the deadline for Commission action is one hundred twenty (120) days after the mailing or publication of notice, whichever occurs later. One hundred and twenty days after February 23, 2023 is June 23, 2023.

Dated: March 27, 2023

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 was provided to all parties of record via electronic mail on March 27, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Forrest Smith
Forrest Smith