



## **Filing Receipt**

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| <b>APPLICATION OF CLEARWATER</b>    | <b>§</b> | <b>PUBLIC UTILITY COMMISSION</b> |
| <b>OPERATING SERVICES LLC AND</b>   | <b>§</b> |                                  |
| <b>KNOB HILL WATER SYSTEM FOR</b>   | <b>§</b> | <b>OF TEXAS</b>                  |
| <b>SALE, TRANSFER, OR MERGER OF</b> | <b>§</b> |                                  |
| <b>FACILITIES AND CERTIFICATE</b>   | <b>§</b> |                                  |
| <b>RIGHTS IN DENTON COUNTY</b>      | <b>§</b> |                                  |

**COMMISSION STAFF’S SUPPLEMENTAL RECOMMENDATION ON THE  
SUFFICIENCY OF THE NOTICE, REQUEST FOR A GOOD CAUSE EXCEPTION,  
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 (TAC) § 24.239. The Applicants filed supplemental information on June 15, 2022, August 8, 2022, December 2, 2022, January 27, 2023, June 13, 2023, and August 4, 2023.

On July 31, 2023, the administrative law judge (ALJ) filed Order No. 14, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation on sufficiency of the re-issued notice and proposed procedural schedule for the continued processing of this petition by September 6, 2023. Therefore, this pleading is timely filed.

**I. SUFFICIENCY OF NOTICE**

On July 14, 2023, Clearwater filed an affidavit of notice to landowners indicating there are no landowners owning tracts of land in the requested area. On August 4, 2023, Clearwater re-filed an affidavit of notice to current customers, neighboring utilities, and affected parties, indicating that the notice of the application was mailed to current customers, neighboring utilities, and affected parties on February 23, 2023. Clearwater originally filed this affidavit on February 26, 2023, but attached incorrect maps to the filing. Clearwater’s August 4, 2023, filing corrected this clerical error and attached the maps that were sent out to customers. Staff has reviewed these maps and recommends that they are sufficient.

Clearwater also filed a copy of the name and address of every person and entity to which notice was provided. Staff has reviewed Clearwater’s supplemental proof of notice and recommends that notice was provided in accordance with Staff’s Recommendation on

Administrative Completeness and Proposed Notice filed on June 27, 2022. Therefore, Staff recommends that Clearwater's notice of the application be deemed sufficient.

## **II. GOOD CAUSE EXCEPTION**

Clearwater sent out notice to current customers, neighboring utilities, and affected parties on February 23, 2023. When filing proof of notice, Clearwater mistakenly attached maps that were not the maps sent out to customers. Clearwater's August 4, 2023, filing corrected this clerical error and attached the maps that were sent out to customers. Staff has reviewed these maps and recommends that they are sufficient. Therefore, Staff requests that the ALJ find good cause to extend the 120-day deadline under 16 TAC § 24.239(a) and (i).

## **III. PROCEDURAL SCHEDULE**

| <b>Event</b>  | <b>Date</b>       |
|---|-------------------|
| Notice Complete   | February 23, 2023 |
| Deadline for intervention   | March 27, 2023    |
| Deadline for Staff to request a hearing or file a recommendation on the approval of the sale  | October 6, 2023   |
| Deadline for the parties to file a response to Staff's recommendation   | October 20, 2023  |
| Deadline for parties to file a joint motion to admit evidence and proposed order approving the sale and allowing the transaction to proceed | November 2, 2023  |
| 120-day deadline for the Commission to approve the sale or require a hearing <sup>1</sup>   | June 23, 2023     |

## **IV. CONCLUSION**

For the reasons detailed above, Staff recommends that the notice be found sufficient, that the ALJ find good cause to extend the 120-day deadline under 16 TAC § 24.239(a) and (i), and that the proposed procedural schedule be adopted.

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<sup>1</sup> Under 16 TAC § 24.239(a) and (i), the deadline for Commission action is 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.

Date: September 6, 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 September 6, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ David Berlin  
David Berlin