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DOCKET NO. 53660

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

COMMISSION STAFF'S RECOMMENDATION ON THE SUFFICIENCY OF THE DOCUMENTS

On May 26, 2022, Clearwater Operating Services, 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.

On March 20, 2024, the administrative law judge (ALJ) filed Order No. 24, approving the sale and transfer to proceed and requiring the Applicants to file proof that the transaction has been completed and customer deposits, if any, have been addressed, no later than 30 days after the effective date. Order No. 8 also required the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of Applicants' closing documents and to propose a schedule for continued processing of this docket within 15 days of the filing of the closing documents. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff reviewed Clearwater's April 25, 2024, filing, and as detailed in the memorandum of Jolie Mathis, Infrastructure Division, recommends that Clearwater's filing is not sufficient to show proof of a completed sale. Additionally, Staff recommends that the Applicants must also file documentation that customer deposits have been transferred or refunded to the customers with interest.

II. PROCEDURAL SCHEDULE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of the docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation that the documents be found sufficient.

III. CONCLUSION

Staff respectfully requests entry of an order consistent with this pleading.

Date: May 10, 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 was provided to all parties of record via electronic mail on May 10, 2024 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ David Berlin
David Berlin

Public Utility Commission of Texas

Memorandum

TO: David Berlin, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: May 10, 2024

RE: Docket No. 53660 – *Application of Clearwater Operating Services LLC and Knob Hill Water System for Sale, Transfer, or Merger of Facilities and Certificate Rights in Denton County*

Clearwater Operating Services LLC (Clearwater) and the Knob Hill Water System (Knob Hill) (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Denton County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Clearwater, seeks approval to acquire facilities, to transfer and to obtain all of the water service area and Certificate of Convenience and Necessity (CCN) number from Knob Hill under water CCN No. 11414.

On April 25, 2024, the Applicants filed a purchase agreement. This filing is not sufficient to show proof of a completed sale.

The Applicants must also file documentation that customer deposits have been transferred or refunded to the customers with interest.