



Filing Receipt

Filing Date - 2024-06-17 01:15:27 PM

Control Number - 53660

Item Number - 87

DOCKET NO. 53660

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 SUPPLEMENTAL RECOMMENDATION ON THE SUFFICIENCY OF THE CLOSING DOCUMENTS AND PROPOSED PROCEDURAL SCHEDULE

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 May 29, 2024, the administrative law judge (ALJ) filed Order No. 26, requiring the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation on the sufficiency of Applicants’ closing documents and propose a procedural schedule for continued processing, if appropriate by June 14, 2024. On June 14, 2024, Staff filed a supplemental recommendation recommending that the closing documents remain deficient due to an issue with the affidavit Clearwater filed on June 5, 2024. On June 15, 2024, Clearwater filed a revised affidavit.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by Applicants on May 21, 2024, and June 15, 2024, and recommends that they are sufficient and meet the requirements of 16 TAC § 24.239. Specifically, 16 TAC § 24.239(a) requires the filing of an STM application and the provision of public notice at least 120 days before the effective date of a proposed transaction. Additionally, under 16 TAC § 24.239(i), the proposed transaction may be completed at the end of the 120-day period or at any time after the transferee receives notice that a hearing will not be required. Further, under 16 TAC § 24.239(n), the proposed transaction must be completed within 180 days following the date of the Commission order allowing the transaction to proceed. Lastly, under 16 TAC § 24.239(l), the closing documents for the transaction must include a signed contract, bill of sale, or other appropriate documents as evidence that the transaction has closed as proposed, be signed by

both the transferor and transferee, and be filed within 30 days after the actual effective date of the transaction. Based on Staff’s review of the closing documents, Staff recommends that the Applicants properly and timely filed notice of the completed transaction, which included a bill of sale signed by both the transferor and the transferee.

With regard to customer deposits, Clearwater filed an affidavit stating that all customer deposits were refunded on June 1, 2024. Staff therefore recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (l).

For these reasons, Staff recommends that the Applicants have complied with the applicable requirements of 16 TAC § 24.239.

II. COMMENTS ON PROCEDURAL SCHEDULE

In accordance with Staff’s recommendation that Applicants’ closing documents be found sufficient, Staff proposes the following procedural schedule for continued processing of the docket:

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable) to Applicants for review and consent	July 17, 2024
Deadline for Applicants to file signed consent forms with the Commission.	July 31, 2024
Deadline for parties to jointly file a proposed notice of Approval, including proposed findings of fact, conclusions of law, and ordering paragraphs.	August 14, 2024

III. CONCLUSION

For the reasons detailed above, Staff respectfully requests that an order be issued finding that the closing documents filed by Applicants are sufficient and that customer deposits have been adequately addressed. Staff further requests that the procedural schedule proposed above be adopted for continued processing of this docket.

Dated: June 17, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

Andy Aus
Managing Attorney

/s/ David Berlin
David Berlin
State Bar No. 24126088
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7442
(512) 936-7268 (facsimile)
David.Berlin@puc.texas.gov

DOCKET NO. 53660

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on June 17, 2024, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ David Berlin
David Berlin