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DOCKET NO. 53709

APPLICATION OF CSWR-TEXAS	§	NUNI IC UTILI ITV COMMISSION
UTILITY OPERATING COMPANY, LLC AND GEORGE FULLER, EXECUTOR	§ §	PUBLIC UTILITY COMMISSION
OF THE ESTATE OF VIRGINIA	§	OF TEXAS
FULLER, FOR SALE, TRANSFER, OR	§	
MERGER OF FACILITIES IN TARRANT	§	
COUNTY	§	

CSWR-TEXAS UTILITY OPERATING COMPANY, LLC'S RESPONSE TO ORDER NO. 4 AND FOURTH SUPPLEMENT TO APPLICATION AND REQUEST TO RESTYLE DOCKET

COME NOW and CSWR-Texas Utility Operating Company, LLC ("CSWR Texas" or the "Company") and George Fuller, Executor of the Estate of Virginia Fuller ("Franklin Water Sewer") (collectively, "Applicants") and file this Response to Order No. 4 and Fourth Supplement to Application and Request to Restyle Docket. Order No. 4 directed the Company to respond by September 1, 2022; accordingly, this pleading is timely filed.

I. RESPONSE TO ORDER NO. 4 AND FOURTH SUPPLEMENT TO APPLICATION

In Commission Staff's Recommendation on Administrative Completeness filed on August 1, 2022, Commission Staff ("Staff") requested clarification and information regarding three issues. Each issue is addressed below.

Name of Transferor

Staff requested clarification regarding the discrepancy in the legal utility name listed on the Application and "JE Franklin Trust," which is the name associated with CCN No. 20743 in the Commission's records. Through inheritance, the sewer utility assets associated with CCN No. 20743 passed from JE Franklin Trust to Virginia Fuller, who operated the system—along with other water system assets—as Franklin Water System 1 & 3.1 Virginia Fuller subsequently passed away. Now, George Fuller, the executor of Virginia Fuller's estate is selling these sewer utility assets to CSWR Texas. In sum, because JE Franklin Trust no longer exists, CSWR Texas entered into the purchase agreement with the current owner of the assets.

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¹ CSWR Texas received Commission approval to purchase the water system assets in *Application of Franklin Water Service Co. LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Lubbock County,* Docket No. 51544, Notice of Approval (Feb. 15, 2022). The sewer system assets were not transferred as a part of this proceeding.

Location of Requested Area

CSWR Texas confirms that the requested sewer CCN service area is in Lubbock County. As part of this pleading, CSWR Texas is providing a corrected Application Page 2 to indicate the removal of the erroneous reference to Tarrant County. CSWR Texas is also providing revised maps that show the requested area is in Lubbock County.

Mapping Content

After conferring with mapping staff of the Infrastructure Division, CSWR Texas is providing Supplemental Attachments L and M which include revised maps to resolve deficiencies.

Tariffed Rates

The Applicants have not been able to identify an approval letter or tariff for the rates set forth in the affidavit that was attached to the Application as Attachment C. The rates were put into effect by Virginia Fuller who has passed away, so the Applicants have not been able to track down further details about those rates. As part of this pleading, the Applicants are providing as Supplemental Attachment C, the sewer tariff identified by Staff that was approved on March 12, 1991. Along with the supplemental attachment, CSWR Texas is providing a corrected Application Page 3 to indicate the correct effective date and applicable docket for the most recent rates.

II. REQUEST TO RESTYLE DOCKET

Because of the erroneous reference to Tarrant County referenced above, the Applicants request that the style of the case be changed to *Application of CSWR-Texas Utility Operating Company, LLC and George Fuller, Executor of the Estate of Virginia Fuller, for Sale, Transfer, or Merger of Facilities in Lubbock County.*

III. CONCLUSION

The Applicants respectfully request that after review of this response and supplement, the style of the case be restyled, and that the Application be found administratively complete.

Respectfully submitted,

ATTORNEYS FOR CSWR TEXAS UTILITY OPERATING COMPANY, LLC

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CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of September 2022, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Order Suspending Rules issued in Project No. 50664.

C. Glenn Adkins

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				Application	Summary		
1		Virginia	Fuller d/b/a Fran	klin Water Syste	m 1 & 3		
	(selling entity) CCN No.s:	20743	(canceled)				
	\times	Sale	Transfer	Merger	Consolidation	Lease/Rental	
] 7	Transferee:	CSWR-1	Texas Utility Operati	ng Company, LLC			
,	acquiring entity)						
	CCN No.s:	21120					
		Water	Sewer	X <u>All</u> CCN	Portion CCN	Facilities transfer	
C	County(ies):	Tarrant	Lubbock				
				Table of (Cantanta		
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		_					
Par	t B: Transfer	or Inforr	nation	•••••			3
Par	t D: Propose	ed Transa	ction Details				6
Par	t E: CCN Obt	ain or Aı	mend Criteria Cons	iderations			8
Par	t F: TCEQ Pu	blic Wat	er System or Sewe	r (Wastewater) In	formation		9
Par	t G: Mappin	g & Affid	avits				10
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Please	mark the ite	ms includ	ed in this filing				
	Contract Leas	e Purchase	e, or Sale Agreement	Part Δ·	Question 1		
	Tariff includin				Question 4		
List of Customer Deposits			Part B:	Question 5			
	Partnership Agreement LLC Agreement Part C: Question 7						
		ticles of Incorporation and By-Laws (WSC) Part C: Question 7 Part C: Question 7					
	Financial Aud		atus		Question 10		
	Application A		4 & B		Question 10		
	Disclosure of	Affiliated I	nterests		Question 10		
	Capital Improv				Question 10		
	List of Assets		sferred Contracts or Agreement	Part D: s Part D:			
	Enforcement A				Question 18 (Part D: Q12)		
	TCEQ Compli				Question 22		
	TCEQ Engine	ering Appr	ovals	Part F: 0	Question 24		
			or Treatment Agreeme		Question 26		
	Detailed (large				Question 29		
	General Locat Digital Mappin		scare) iviap		Question 29 Question 29		
	Signed & Nota		L	Page 13			

	Part A: General Information				
1.	scribe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected ad use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or posed purchase agreements:				
	CSWR - Texas Utility Operating Company, LLC ("CSWR Texas") will purchase all sewer utility assets owned by Virginia Fuller d/b/a Franklin Water System 1 & 3 ("Franklin Sewer") for purposes of operating its sewer system under canceled CCN No. 20743 as identified in Attachment A, which is a copy of the purchase agreement between CSWR Texas' affiliate, Central States Water Resources, Inc. ("Central States") and Franklin. See Attachment B for a copy of the corporate organization chart of CSWR Texas' upstream ownership.				
2.	The proposed transaction will require (check all applicable):				
	For Transferee (Purchaser) CCN: For Transferor (Seller) CCN:				
	Obtaining a NEW CCN for Purchaser				
	Transfer all CCN into Purchaser's CCN (Merger) Transfer of a Portion of Seller's CCN to Purchaser				
	Transfer Portion of CCN into Purchaser's CCN Only Transfer of Facilities, No CCN or Customers Only Transfer of Customers, No CCN or Facilities				
	Uncertificated area added to Purchaser's CCN Only Transfer CCN Area, No Customers or Facilities				
	Part B: Transferor Information				
	Questions 3 through 5 apply only to the transferor (current service provider or seller)				
3.					
<i>J</i> .	(individual, corporation, or other legal entity)				
	✓ Individual Corporation WSC Other:				
	B. Mailing Address: 401 N. Carroll Avenue, Ste. 156 Southlake, Texas 76092				
	DI (947) 450 4000 E II I O I				
	Phone: (817) 456-1986 Email: grapeviner@yahoo.com				
	C. <u>Contact Person</u> . Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.				
	Name: George Fuller Title: Executor				
	Mailing Address: 401 N. Carroll Avenue, Ste. 156, Southlake, Texas 76092				
	Phone: (817) 456-1986 Email: grapeviner@yahoo.com				
4.	If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the				
т.	current tariff and complete A through B: See Attachment C				
	A. Effective date for most recent rates: March 12, 1991				
	B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?				
	No Yes Application or Docket Number: <u>Texas Water Commission 8975</u>				
	If the transferor is a Water Supply or Sewer Service Corneration, provide a conv. of the current tariff				

SEWER UTILITY TARIFF

FOR

<u>J. E. Franklin Trust</u> (Utility Name)

P.O. Box 8300-126 (Business Address)

<u>Dallas</u>, <u>Texas</u>

75205

(214) 952-8225

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

20743

This tariff is effective in the following county:

Lubbock

This tariff is effective in the following cities or unincorporated towns (if any):

Lubbock, Texas

This tariff is effective in the following subdivisions or systems:

Blue Sky and Virginia Terrace Mobile Home Park

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0	PAGE RATE SCHEDULE2
2.0	SERVICE RULES3
3.0	EXTENSION POLICY8
APPENDIX A	SERVICE AGREEMENT

TEXAS WATER COMMISSION

8975 - CCN 20743 MAR 12'91
D.A. APPROVED TARIFF BY BE

Page 2 of 8
Sewer Tariff page No. 2
Revision Date / /

SECTION 1.0--RATE SCHEDULE

Section 1.01--Rates

CONNECTION TYPE - 4" PVC TO 8" PVC MAIN.

FLAT RATE FOR SEWER SERVICE \$ 5.00 PER MONTH.

Section 1.02--Miscellaneous Fees

TAP FEE....\$___0.00_

TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION.

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non payment of bill (Maximum \$25.00).....\$___0.00_
- b) Customer's request.....\$___0.00_
 OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

LATE CHARGE

\$2.00 OR 5%

A ONE TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE.....\$___0.00_

CUSTOMER DEPOSIT (Maximum \$50).....\$ 0.00

RATES LISTED ARE EFFECTIVE ONLY IF THIS PAGE HAS TWC APPROVAL STAMP

TEXAS WATER COMMISSION

8975 - C CCN 20743 MAR 12'91

DA APPROVED TARIFF BY

SECTION 2.0--SERVICE RULES AND REGULATIONS

Section 2.01--Texas Water Commission Rules

The utility will have the most current Texas Water Commission Rules, Chapter 291, Water Rates, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02--Application for and Provision of Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff) and will be signed by the applicant before sewer service is provided by the utility. A separate application or contract will be made for each service at each separate location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install service connections, which may include a utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, the utility will reconnect the service within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the connection location to the place of use.

Section 2.03--Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the TWC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that he may file a complaint with the Commission.

Section 2.04--Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant will be required to pay a deposit as provided for in Section 1.02 of this tariff. The utility will keep records of the deposit and credit interest in accordance with TWC Rules.

8 9 75 - C CCN 20743 MAR 12'91

D.A. APPROVED TARIFF BY BELL

Sewer Tariff page No. 4

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any customer who has paid 18 consecutive billings without being delinquent.

Section 2.05--Meter Requirements, Readings, and Testing

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. When a sewer utility is operated in conjunction with a water utility which serves the same customers, the charge for sewage disposal service may be based on the winter months average monthly consumption of water as registered on the customer's water meter. One connection is required for each residential, commercial or industrial facility in accordance with the TWC Rules.

Section 2.06--Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. Payment is considered late if not received by 5:00 PM at the utility's office or postal address within sixteen (16) days of the billing date. The postmark on the envelope of the bill or the recorded date of mailing by the utility, if there is no postmark on the envelope, will constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

A late penalty of either \$2.00 or 5.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the TWC Rules. The utility will maintain and note on the monthly billing a telephone number (or numbers) which may be reached by a local call by customers of each of the systems it operates. At the utility's option, a toll-free telephone number or the equivalent may be provided.

TEXAS WATER COMMISSION

8 9 75 - 6 CCn 20743 MAR 12'91

D.A. APPROVED TARIFF BY BE

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.07--Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the TWC Rules.

Utility service may also be disconnected without notice for reasons as described in the TWC Rules.

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or because of a hazardous condition.

Section 2.08--Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09--Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

TEXAS WATER COMMISSION

8 9 75 - C CCN 20743 MAR 12 91 D.A. APPROVED TARIFF BY BEAL

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

<u>Prorated Bills</u> - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.10--Ouality of Service

The utility will plan, furnish, and maintain and operation a treatment and collection facility of sufficient size and capacity to provide a continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge the effluent at the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TWC Rules.

Section 2.11 -- Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the Texas Water Commission complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with the TWC Rules to be effective.

TEXAS WATER COMMISSION

8975 - CCCN 20743 MAR 12:91 D.A. APPROVED TARIFF BY BELL

SECTION 3.0--EXTENSION POLICY

Section 3.01--Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any oversizing of collection mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional treatment capacity or facilities. Contributions in aid of construction may not be required of individual residential customers for treatment capacity or collection facilities unless otherwise approved by the Commission under this specific extension policy.

COST UTILITIES SHALL BEAR: Within its certificate area, the utility will pay the cost of the first 200 feet of any sewer collection line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Water Commission's Rules.

TEXAS WATER COMMISSION

8 9 7 5 - C CCN 2 0 7 4 3 MAR 1 2 91

D.A. APPROVED TARIFF BY BE al

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. The approval stamp of the Commission indicates that it is in compliance with the TWC Rules and is effective after the date on the stamp.

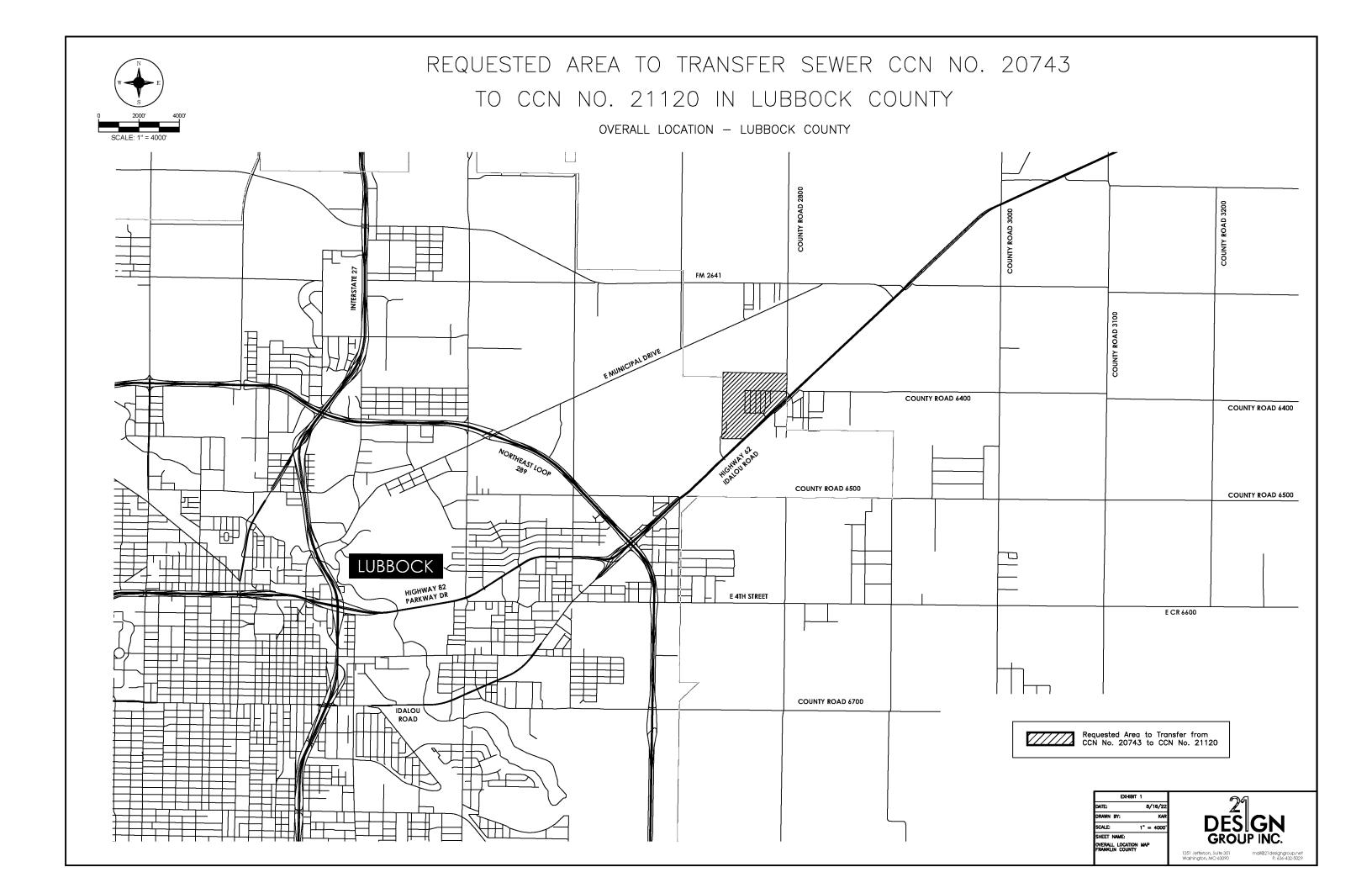
Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary treatment capacity necessary to meet the service demands anticipated to be created by that property.

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Water Commission's minimum design criteria for facilities used in collecting, treating, transmitting, and discharging of wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

TEXAS WATER COMMISSION

8 9 75 - C CCN 2 0 7 4 3 MAR 12 91 D.A. APPROVED TARIFF BY LF

Supplemental Attachment L



Supplemental Attachment M

