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APPLICATION OF CSWR-TEXAS	§	PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY, LLC	§	
AND GEORGE FULLER, EXECUTOR	§	OF TEXAS
OF THE ESTATE OF VIRGINIA	§	
FULLER, FOR SALE, TRANSFER, OR	§	
MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN LUBBOCK	§	
COUNTY	§	

COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS

I. INTRODUCTION

On June 13, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and George Fuller (Mr. Fuller), executor of the estate of Virginia Fuller,) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Lubbock County. Specifically, CSRW-Texas, CCN No. 21120, seeks approval to acquire facilities and to transfer all of the sewer service area from Mr. Fuller under inactive sewer CCN No. 20743 to the J E Franklin Trust under sewer CCN No. 21120. CSWR-Texas filed supplemental information on June 14, 20, and 27, August 16, September 1, and December 2, 2022, and January 9 and 27, 2023.

On February 23, 2023, the administrative law judge (ALJ) filed Order No. 10, approving the sale and transaction to proceed, and requiring the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of Applicants' closing documents by April 24, 2023. Therefore, this pleading is timely filed.

II. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by Applicants on April 10, 2023 and recommends that they are sufficient. Based on its review, Staff has determined that the Applicants' filing meets the requirements of 16 Texas Administrative Code (TAC) § 24.239(a), which requires the filing of a sale, transfer, or merger (STM) application and the provision of public notice at least 120 days before the effective date of a proposed transaction. Under 16 TAC § 24.239(i), the proposed transaction may be completed at the end of the 120-day period of at any time after the transferee receives notice that a hearing will not be required.

Applicants filed notice of the completed transaction on April 10, 2023, which included a bill of sale signed by both the transferor and the transferee and assigning Mr. Fuller's water system to CSWR-Texas's Water. The effective date of the transaction is listed on the bill of sale as April 6, 2023, and the bill of sale was signed by the transferor and transferee on April 3, 2023. Notice was completed on October 28, 2022, which is more than 120 days before the bill of sale was signed on April 3, 2023. Therefore, Staff recommends a finding that Applicants' closing documents are sufficient and satisfy 16 TAC § 24.239(a), (i), and (l).

With regard to customer deposits, the original application states that there are no customers with deposits held by the transferee in the transferred service area.¹ Further, in the Applicant's closing documentation, the Applicants state that there are no outstanding customer deposits associated with these water and sewer systems.² Staff therefore recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (l).

III. PROCEDURAL SCHEDULE

In accordance with Staff's recommendation that the Applicants' closing documents be found sufficient, Staff proposes the following procedural schedule:

Events	Date
Deadline for Commission Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent	May 24, 2023
Deadline for applicants to file signed consent forms with the Commission	June 8, 2023
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	June 20, 2022

IV. CONCLUSION

For the reasons discussed above, Staff respectfully requests that an order be issued finding Applicants' closing documents sufficient and adopting the proposed procedural schedule.

¹ 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 and Certificate Rights in Lubbock County at 4 (Jun. 13, 2022).

² CSWR-Texas Utility Operating Company, LLC's Notice of Completed Transaction at 1 (Apr. 10, 2023).

Dated: April 24, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Interim Division Director

John Harrison
Managing Attorney

/s/ Margaux Fox
Margaux Fox
State Bar No. 24120829
Ian Groetsch
State Bar No. 24078599
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7021
(512) 936-7268 (facsimile)
Margaux.Fox@puc.texas.gov

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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 April 24, 2023, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Margaux Fox
Margaux Fox