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Filing Date - 2023-09-29 12:52:26 PM

Control Number - 53718

Item Number - 69

DOCKET NO. 53718

**APPLICATION OF RANCH COUNTRY §
OF TEXAS WATER SYSTEMS, INC. § PUBLIC UTILITY COMMISSION
AND CSWR-TEXAS UTILITY §
OPERATING COMPANY, LLC FOR § OF TEXAS
SALE, TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN AUSTIN COUNTY §**

**JOINT MOTION TO ADMIT EVIDENCE
AND PROPOSED ORDER APPROVING THE SALE AND ALLOWING
TRANSACTION TO PROCEED**

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ATTACHMENT: Proposed Order Approving the Sale and Allowing the Transaction to Proceed

DOCKET NO. 53718

APPLICATION OF RANCH COUNTRY	§	
OF TEXAS, INC. AND CSWR-TEXAS	§	PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY, LLC	§	
FOR SALE, TRANSFER, OR MERGER	§	OF TEXAS
OF FACILITIES AND CERTIFICATE	§	
RIGHTS IN AUSTIN COUNTY	§	

**JOINT MOTION TO ADMIT EVIDENCE
AND PROPOSED ORDER APPROVING THE SALE AND ALLOWING THE
TRANSACTION TO PROCEED**

COME NOW Ranch Country of Texas, Inc. (“Ranch Country”) and CSWR-Texas Utility Operating Company, LLC (“CSWR-Texas”), together with the Staff (“Staff”) of the Public Utility Commission of Texas (“Commission”) (collectively, “the Parties”), and file this Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Allowing the Transaction to Proceed. In support thereof, the Parties show the following:

I. BACKGROUND

On June 14, 2022, Ranch Country and CSWR-Texas (collectively, the “Applicants”) filed an application with the Public Utility Commission of Texas (“Commission”) for approval of the sale, transfer, or merger of facilities and certificate rights in Austin County (“Application”). The Applicants seek the transfer of all water facilities owned by Ranch Country and the amendment of CSWR-Texas’s Certificate of Convenience and Necessity (“CCN”) No. 13290 to include 37 acres under CSWR-Texas’s CCN No. 13290. The requested sale and transfer includes approximately 37 acres and 26 connections.

Pursuant to Order No. 13, filed on August 2, 2023, the Parties timely file this Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Allowing the Transaction to Proceed.

II. JOINT MOTION TO ADMIT EVIDENCE

The Parties move to admit the following items into the record evidence of this proceeding:

1. CSWR-Texas’s application, including confidential attachments, filed on June 14, 2022 and June 15, 2022 (Interchange Item Nos. 1-10);
2. CSWR-Texas’s first supplement to the application, filed on June 20, 2022 (Interchange Item No. 12);

3. CSWR-Texas's second supplement to the application, including confidential exhibit D-1, filed on August 4, 2022 (Interchange Item Nos. 15-16);
4. CSWR-Texas's third supplement to the application, including highly sensitive supplemental attachment G, filed on August 16, 2022 (Interchange Item Nos. 17-18);
5. CSWR-Texas's fourth supplement to the application, filed on August 22, 2022 (Interchange Item No. 19);
6. CSWR-Texas's fifth supplement to the application, filed on September 27, 2022 (Interchange Item No. 22);
7. CSWR-Texas's sixth supplement to the application, including confidential supplemental attachment G, filed on December 2, 2022 (Interchange Item Nos. 28-29);
8. CSWR-Texas's Response to Order No. 8 and revised application, including confidential attachments, filed on April 19, 2023 (Interchange Item Nos. 43-50);
9. CSWR-Texas's seventh supplement to the application, filed May 8, 2023 (Interchange Item No. 51);
10. CSWR-Texas's eighth supplement to the application, filed May 26, 2023 (Interchange Item No. 55);
11. Commission Staff's supplemental recommendation on administrative completeness and notice and proposed procedural schedule, including confidential attachment EB-1, filed on June 12, 2023 (Interchange Item No. 56);
12. CSWR-Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential Exhibit B, filed on July 10, 2023 (Interchange Item No. 58 and 59);
13. Commission Staff's recommendation on sufficiency of notice, filed on July 24, 2023 (Interchange Item No. 60); and
14. Commission Staff's recommendation on approval of the sale, including confidential revised attachment EB-1, filed on September 1, 2023 (Interchange Item No. 66 and 67).

III. PROPOSED ORDER APPROVING THE SALE AND ALLOWING THE TRANSACTION TO PROCEED

The Parties move for adoption of the attached Proposed Order Approving the Sale and Allowing the Transaction to Proceed.


IV. CONCLUSION

The Parties respectfully request that the Commission grant the Motion to Admit Evidence and adopt the attached Proposed Order Approving the Sale and Allowing the Transaction to Proceed.

Respectfully submitted,

**ATTORNEYS FOR CSWR-TEXAS
UTILITY OPERATING COMPANY, LLC**

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CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of September 2023, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Second Order Suspending Rules issued in Project No. 50664.



Sidne E. Finke

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APPLICATION OF RANCH COUNTRY	§	
OF TEXAS, INC. AND CSWR-TEXAS	§	PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY, LLC	§	
FOR SALE, TRANSFER, OR MERGER	§	OF TEXAS
OF FACILITIES AND CERTIFICATE	§	
RIGHTS IN AUSTIN COUNTY	§	

PROPOSED ORDER APPROVING THE SALE AND ALLOWING THE TRANSACTION TO PROCEED

This Order addresses the application of Ranch Country of Texas, Inc. (Ranch Country) and CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) for the sale, transfer, or merger of facilities and certificate rights in Austin County. CSWR-Texas seek the sale and transfer of all facilities and service area held under Ranch Country’s water Certificate of Convenience and Necessity (CCN) number 12916 to CSWR-Texas, the cancellation of Ranch Country’s water CCN number 12916, and the amendment of CSWR-Texas’s water CCN number 13290 to include the area previously included in Ranch Country’s water CCN number 12916. The administrative law judge (ALJ) grants that the sale is approved and the transaction between CSWR-Texas and Ranch Country may proceed and be consummated.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicants

1. Ranch Country is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Austin County under CCN number 12916.
2. Ranch Country is certificated to operate a public water system registered with the Texas Commission on Environmental Quality (TCEQ) as Lakeside Estates Water System public water system number 0080053.
3. CSWR-Texas is a Texas limited liability company registered with the Texas secretary of state under file number 0803367893.
4. CSWR-Texas is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Angelina, Aransas, Austin, Burlison, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr,

Limestone, Llano, Lubbock, McCulloch, Montague, Montgomery, Parker, Polk, Robertson, Victoria, Wilson, and Wood counties under CCN number 13290.

Application

5. On June 14, 2022, CSWR-Texas and Ranch Country filed the application for approval of the sale and transfer of all facilities and service area held under Ranch Country's water CCN number 12916 to CSWR-Texas, cancellation of Ranch Country's water CCN number 12916, and amendment of CSWR-Texas's water CCN number 13290 to include the area previously included in Ranch Country's water CCN number 12916.
6. CSWR-Texas supplemented the application on June 20, 2022, August 4, 2022, August 16, 2022, August 22, 2022, September 27, 2022, and December 2, 2022, April 19, 2023, May 8, 2023, May 26, 2023, and July 10, 2023.
7. In the application, CSWR-Texas and Ranch Country seek approval of the following transaction: (a) CSWR-Texas will acquire all of Ranch Country's water facilities and water service area under water CCN number 12916; (b) Ranch Country's water CCN number 12916 will be cancelled; and (c) CSWR-Texas's water CCN number 13290 will be amended to include the area previously included in Ranch Country's water CCN number 12916.
8. The requested area comprises approximately 37 acres and 26 connections.
9. The requested area is located approximately 4 miles northwest of downtown Sealy, Texas and is generally bounded on the north by Brockstein Road; on the east by Farm to Market 1094; on the south by Farm to Market 2187; and on the west by Hillboldt Road.
10. In Order No. 11 filed on June 16, 2023, the ALJ deemed the application administratively complete.

Notice

11. On July 10, 2023, CSWR-Texas filed the affidavit of Aaron Silas, Director of Regulatory Operations at CSWR-Texas, attesting that notice was provided to all current customers of Ranch Country, neighboring utilities, and affected parties on July 5, 2023.

12. Also, on July 10, 2023, CSWR-Texas filed the publisher's affidavit attesting to the publication of notice in the Sealy News, a newspaper of general circulation in Austin County, on June 29, 2023, and July 6, 2023.
13. In Order No. 12 filed on July 25, 2023, the ALJ deemed the notice sufficient.

Evidentiary Record

14. On September 29, 2023, the parties filed a joint motion to admit evidence.
15. In Order No. __ filed on _____, the ALJ admitted the following evidence into the record: (a) the application, including confidential attachments, filed on June 14, 2022; (b) CSWR-Texas's first supplement to the application filed on June 20, 2022; (c) CSWR-Texas's second supplement to the application, including confidential exhibit D-1, filed on August 4, 2022; (d) CSWR-Texas's third supplement to the application, including highly sensitive supplemental attachment G, filed on August 16, 2022; (e) CSWR-Texas's fourth supplement to the application filed on August 22, 2022; (f) CSWR-Texas's fifth supplement to the application filed on September 27, 2022; (g) CSWR-Texas's sixth supplement to the application, including confidential supplemental attachment G, filed on December 2, 2022; (h) CSWR-Texas's Response to Order No. 8 and revised application filed on April 19, 2023; (i) CSWR-Texas's seventh supplement to the application filed on May 8, 2023; (j) CSWR-Texas's eighth supplement to the application filed on May 26, 2023; (k) Commission Staff's supplemental recommendation on administrative completeness, including confidential attachment EB-1, filed on November 3, 2022; (l) CSWR-Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential Exhibit B, filed on July 10, 2023; (m) Commission Staff's recommendation on sufficiency of notice, filed on July 24, 2023; and (n) Commission Staff's recommendation on the transaction, including confidential revised attachment EB-1, filed on September 1, 2023.

Cumulative Recommendation

16. On September 1, 2023, Commission Staff filed its recommendation regarding the transaction in this docket recommending that CSWR-Texas has the financial, managerial, and technical capability to provide continuous and adequate service to all areas included

in this docket and in Docket Nos. 50251,¹ 50276,² 50311,³ 50989,⁴ 51003,⁵ 51026,⁶

¹ *Application of JRM Water LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County, Docket No. 50251, Notice of Approval (Mar. 12, 2021).*

² *Application of North Victoria Utilities, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County, Docket No. 50276, Notice of Approval (Mar. 11, 2021).*

³ *Application of Copano Heights Water Company and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Aransas County, Docket No. 50311, Notice of Approval (Mar. 17, 2021).*

⁴ *Application of Ranch Country of Texas Water Systems, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Austin County, Docket No. 50989, Notice of Approval (Apr. 23, 2021).*

⁵ *Application of Oak Hill Ranch Estates Water and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Guadalupe and Wilson Counties, Docket No. 51003 Notice of Approval (Aug. 9, 2021).*

⁶ *Application of Tall Pines Utility, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County, Docket No. 51026, Notice of Approval (Apr. 23, 2021).*

51031,⁷ 51036,⁸ 51047,⁹ 51065,¹⁰ 51089,¹¹ 51118,¹² 51126,¹³ 51130,¹⁴ 51146,¹⁵

⁷ *Application of Council Creek Village, Inc. d/b/a Council Creek Village d/b/a South Council Creek 2 CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 51031, Notice of Approval (Apr. 14, 2021).*

⁸ *Application of Kathie Lou Daniels d/b/a Woodlands West and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burleson County, Docket No. 51036, Notice of Approval (Aug. 23, 2021).*

⁹ *Application of Jones-Owen Company d/b/a South Silver Creek I, II, and III and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 51047, Notice of Approval (Apr. 19, 2021).*

¹⁰ *Application of Treetop Utilities, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County, Docket No. 51065, Corrected Notice of Approval (Mar. 10, 2021).*

¹¹ *Application of Donald E. Wilson d/b/a Quiet Village II d/b/a QV Utility CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hidalgo County, Docket No. 51089, Notice of Approval (Nov. 18, 2021).*

¹² *Application of Shady Oaks Water Supply Company, LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wilson County, Docket No. 51118, Notice of Approval (Mar. 18, 2021).*

¹³ *Application of Shawn M. Horvath Dba Aero Valley Water Service and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and to Amend CSWR-Texas Utility Operating Company, LLC's Certificate of Convenience and Necessity in Denton County, Docket No. 51126, Notice of Approval (Oct. 26, 2022).*

¹⁴ *Application of Laguna Vista Limited and Laguna Tres, Inc. CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hood County, Notice of Approval (Apr. 20, 2021).*

¹⁵ *Application of Abraxas Corporation and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County, Notice of Approval (Apr. 23, 2021).*

51222,¹⁶ 51544,¹⁷ 51642,¹⁸ 51917,¹⁹ 51928,²⁰ 51940,²¹ 51981,²² 52089,²³ 52099,²⁴

¹⁶ *Application of the Estate of Patetreen Petty McCoy d/b/a Big Wood Springs Water Company and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wood County, Docket No. 51222, Notice of Approval (Feb. 16, 2022).*

¹⁷ *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).*

¹⁸ *Application of James L. Nelson dba WaterCo and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montague County, Docket No. 51642, Notice of Approval (Mar. 15, 2022).*

¹⁹ *Application of Rocket Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and Certificate Rights in Hays County, Docket No. 51917, Notice of Approval (Mar. 8, 2022).*

²⁰ *Application of Betty J. Dragoo and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, or Merger of Facilities and Associated Acreage in Erath County, Docket No. 51928, Notice of Approval (Jan. 21, 2022).*

²¹ *Application of Walnut Bend Water Supply and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer or Merger of Facilities and Certificate Rights in Angelina County, Docket No. 51940, Notice of Approval (Mar. 15, 2022).*

²² *Application of Live Oak Hills and Flag Creek Ranch Water Systems and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Llano and McCulloch Counties, Docket No. 51981, Notice of Approval (Jan. 28, 2022).*

²³ *Application of Alpha Utility of Camp County, LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Camp County, Docket No. 52089, Notice of Approval (Mar. 25, 2022).*

²⁴ *Application of THRC Utility, LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Navarro County, Docket No. 52099, Corrected Notice of Approval (Jul. 28, 2022).*

52410,²⁵ 52661,²⁶ 52700,²⁷ 52702,²⁸ 52803,²⁹ 52879,³⁰ 52880,³¹ 53317,³² 53326,³³

²⁵ *Application of CSWR-Texas Utility Operating Company, LLC and Leon Springs Utility Company, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Bexar County, Docket No. 52410, Notice of Approval (Jun. 3, 2022).*

²⁶ *Application of Tri-County Point Property Owners Association and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun and Jackson Counties, Docket No. 52661, Notice of Approval (Dec. 12, 2022).*

²⁷ *Application of RJR Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker and Palo Pinto Counties, Docket No. 52700 (pending).*

²⁸ *Application of CSWR-Texas Utility Operating Company, LLC and Fremont Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Kerr County, Docket No. 52702, Notice of Approval (Aug. 5, 2022).*

²⁹ *Application of Copano Cove Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Aransas County, Docket No. 52803, Notice of Approval (Dec. 19, 2022).*

³⁰ *Application of Walter J. Carroll Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Ellis County, Docket No. 52879, Notice of Approval (Sept. 21, 2022).*

³¹ *Application of Texas Landing Utilities and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Polk and Montgomery Counties, Docket No. 52880, Notice of Approval (Nov. 3, 2022).*

³² *Application of CSWR-Texas Utility Operating Company, LLC and Jusryn Company, Inc. dba Shady Grove Sewer System for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hood County, Docket No. 53317 (pending).*

³³ *Application of CSWR-Texas Utility Operating Company, LLC and Aransas Bay Utilities Co., LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Aransas County, Docket No. 53326, Notice of Approval (Dec. 16, 2022).*

53259,³⁴ 53429,³⁵ 53430,³⁶ 53456,³⁷ 53607,³⁸ 53238,³⁹ 53483,⁴⁰ 53538,⁴¹ 53721,⁴² 53934,⁴³ and 53709.⁴⁴

System Compliance

17. Ranch Country's public water system number 0080053 is currently in compliance with the rules of the TCEQ. Ranch Country does not have any active violations listed in the TCEQ database.
18. The Commission's complaint records, which date back to 2017, show 12 complaints against CSWR-Texas. CSWR-Texas does not have any active violations in the TCEQ database.
19. CSWR-Texas demonstrated a compliance history that is adequate for approval of the sale to proceed.

Adequacy of Existing Service

³⁴ Application of CSWR-Texas Utility Operating Company, LLC and Cody and Anita Lewis dba Cassie Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 53259 (pending).

³⁵ Application of CSWR-Texas Utility Operating Company, LLC and Deer Springs Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet, Docket No. 53429 (pending).

³⁶ Application of CSWR-Texas Utility Operating Company, LLC and Water Works I and II for Sale, Transfer, or Merger of Facilities and Certificate Rights in Llano County, Docket No. 53430 (pending).

³⁷ Application of CSWR-Texas Utility Operating Company, LLC and Lake Limestone Coves Water System, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Limestone and Robertson Counties, Docket No. 53456 (pending).

³⁸ Application of Chaparral Water System and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Gillespie County, Docket No. 53607 (pending).

³⁹ Application of Simply Aquatics, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery, Sabine and San Augustine Counties, Docket No. 53238 (pending).

⁴⁰ Application of CSWR-Texas Utility Operating Company, LLC and North Orange Water & Sewer, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Orange County, Docket No. 53483 (pending).

⁴¹ Application of Amberwood Utility Co and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County, Docket No. 53538 (pending).

⁴² Application of CSWR-Texas Utility Operating Company, LLC and Patterson Water Supply, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Dallas, Denton, Parker, Tarrant, and Wise Counties, Docket No. 53721 (pending).

⁴³ Application of CSWR-Texas Utility Operating Company, LLC and Oak Hill Estates Water Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County, Docket No. 53934 (pending).

⁴⁴ 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, Docket No. 53709 (pending).

20. Currently, 26 customer connections in the requested area are being served by Ranch Country through public water systems numbers 0080053.

Need for Additional Service

21. There are currently 26 existing customers in the requested area; therefore, there is a need for service. No additional service is needed at this time.
22. This is an application to transfer only existing facilities, customers, and service area.
23. There have been no specific requests for additional service within the 37-acre requested area.

Effect of Approving the Transaction and Granting the Amendment

24. Approving the sale and transfer to proceed and granting the CCN amendment will obligate CSWR-Texas to provide continuous and adequate water service to current and future customers in the 37-acre requested area.
25. Because this application is to transfer only existing facilities, customers, and service area, there will be no effect on any other retail public utility servicing the proximate area.
26. There will be no effect on landowners because the area is currently certificated. Any landowners in the requested areas who do not currently receive service from Ranch Country will need to request service from CSWR-Texas if they require service after the transaction has been completed.
27. All retail public utilities in the proximate area of the requested areas were provided notice of the transaction and none filed protests, adverse comments, or sought to intervene in this proceeding.

Ability to Serve: Managerial and Technical

28. CSWR-Texas has the ability to provide adequate service in the requested areas. CSWR-Texas has purchased several TCEQ approved public water systems and sewer systems.
29. CSWR-Texas employs or contracts with TCEQ-licensed water operators who will operate the public water system.
30. CSWR-Texas has the technical, financial, managerial capability to provide adequate and continuous service to the requested area.

Ability to Serve: Financial Ability

31. CSWR, LLC, the immediate parent company of CSWR-Texas, is capable, available, and willing to cover temporary cash shortages, and has a debt-to-equity ratio of less than one, satisfying the leverage test.
32. CSWR, LLC provided a written guarantee of coverage of temporary cash shortages or operating expense shortfalls—satisfying the operations test.
33. CSWR-Texas demonstrated the financial and managerial ability and stability to provide continuous and adequate service to the requested area.

Financial Assurance

34. There is no need to require CSWR-Texas to provide a bond or other financial assurance to ensure continuous and adequate service.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

35. Ranch Country is currently serving customers and has sufficient capacity.
36. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed. At a minimum, an interconnect would need to be installed in order to connect to a neighboring retail public utility. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

Environmental Integrity and Effect on the Land

37. The requested areas will continue to be served with existing infrastructure.
38. The environmental integrity of the land will not be affected as no additional construction is needed to provide service to the requested area.

Improvement of Service or Lowering Cost to Consumers

39. CSWR-Texas will adopt current rates upon consummation of the transaction.
40. Reliability and quality of water service is expected to improve under CSWR-Texas's management.

Regionalization or Consolidation

41. The construction of a physically separate system is not necessary for CSWR-Texas to serve the requested area. Therefore, concerns of regionalization or consolidation do not apply.

II. Conclusions of Law

The Commission makes the following conclusions of law:

1. The Commission has authority over this proceeding under TWC §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. CSWR-Texas and Ranch Country provided notice of the application that complies with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.239.
3. The Commission processed the application as required by the TWC, the Administrative Procedures Act,⁴⁵ and Commission Rules.
4. After consideration of the factors in TWC § 13.246(c), CSWR-Texas demonstrated that it is capable of rendering continuous and adequate service to every customer within the requested areas, as required by TWC § 13.251.
5. CSWR-Texas demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area as required by TWC §§ 13.241(a) and 13.301(b).
6. It is not necessary for CSWR-Texas to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
7. CSWR-Texas and Ranch Country have demonstrated that the sale and transfer of all facilities and service area held under Ranch Country's CCN number 12916 to CSWR-Texas will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public under TWC § 13.301(d), (e).

III. Ordering Paragraphs

In accordance with the preceding findings of fact and conclusions of law, the Commission enters the following orders.

1. The sale is approved and the transaction between CSWR-Texas and Ranch Country may proceed and be consummated.

⁴⁵ Tex. Gov't Code §§ 2001.001-.903.

2. As soon as possible after the effective date of the transaction, but not later than 30 days after the effective date, CSWR-Texas and Ranch Country must file proof that the transaction has been consummated and customer deposits, if any, have been addressed.
3. CSWR-Texas and Ranch Country have 180 days from the date of this Order to complete the transaction.
4. Under 16 TAC § 24.239(m), if the transaction is not consummated within this 180-day period, or an extension is not granted, this approval is void and CSWR-Texas and Ranch Country will have to reapply for approval.
5. CSWR-Texas and Ranch Country are advised that the requested areas and associated facilities will remain under water CCN number 12916 and held by Ranch Country until the sale and transfer transaction is complete, in accordance with Commission rules.
6. In an effort to finalize this case as soon as possible, CSWR-Texas and Ranch Country must continue to file monthly updates regarding the status of the closing and submit documents evidencing that the transaction was consummated.
7. Within 15 days following the filing of CSWR-Texas and Ranch Country proof that the transaction has been consummated and customer deposits, if any, have been addressed, Commission Staff must file a recommendation regarding the sufficiency of the documents and propose a schedule for continued processing of this docket.

Signed at Austin, Texas the _____ day of _____ 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

**SUSAN E. GOODSON
ADMINISTRATIVE LAW JUDGE**