



## **Filing Receipt**

**Filing Date - 2023-11-27 01:03:10 PM**

**Control Number - 53718**

**Item Number - 75**

**DOCKET NO. 53718**

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

**COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF DOCUMENTS**

On June 14, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR) and Ranch Country of Texas Water Systems, Inc. (collectively, Applicants) filed an application to amend its Certificate of Convenience and Necessity (CCN) No. 13290 in Austin County and to decertify Ranch Country of Texas, Inc.' s CCN No. 12916 in Austin County. CSWR filed supplemental information on June 15, June 20, August 4, August 16, August 22, September 27, and December 2, 2022, and on April 19, May 8, May 26, and July 10, 2023.

On November 8, 2023, the administrative law judge (ALJ) filed Order No. 16, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation on the closing documents, if customer deposits (if any) have been addressed, and propose a schedule for continued processing of this docket. Therefore, this pleading is timely filed.

**I. RECOMMENDATION REGARDING SUFFICIENCY**

Staff has reviewed CSWR’s notice of completed transaction and as outlined in the attached memorandum of Jolie Mathis, Infrastructure Division, recommends that the closing documents fail to satisfy the requirements under 16 Texas Administrative Code (TAC) § 24.239(D). Specifically, the closing documents appear to be from Docket No. 50989 where it was assumed by CSWR that both of Ranch Country’s CCNs were transferred to their possession; however, this utility has a separate CCN number and PWS, neither of which was included in the sale documents.

In its Notice of Completed Transaction, CSWR requests a good cause exception from the requirement that proof of the transaction be filed within 30 days of the effective date of the transaction. CSWR does not provide a valid justification nor demonstrated good cause for failing to comply with the Commission’s rule. Therefore, Staff recommends that the ALJ deny CSWR’s request for a good cause exception from the requirement that proof of the transaction be filed within 30 days of the effective date of the transaction.

Staff recommends that CSWR's notice of completed transaction be found deficient and that the Applicants be ordered to provide a proper bill of sale that satisfies the requirements under 16 TAC § 24.239(*I*) by December 11, 2023. Further, Staff recommends that it be given a deadline of January 4, 2024, to file its supplemental recommendation.

## **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**

For the reasons detailed above, Staff recommends that CSWR's notice of completed transaction be found deficient and that CSWR's request for a good cause exception be denied. Staff further recommends that the Applicants be ordered to provide a proper bill of sale that satisfies the requirements under 16 TAC § 24.239(*I*) by December 11, 2023, and that Staff be given a deadline of January 4, 2024, to file its supplemental recommendation. Staff respectfully requests entry of an order consistent with this pleading.

Date: November 27, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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/s/ David Berlin  
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**DOCKET NO. 53718**

**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 November 27, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ David Berlin  
David Berlin

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** David Berlin, Attorney  
Legal Division

**FROM:** Jolie Mathis, Utility Engineering Specialist  
Infrastructure Division

**DATE:** November 27, 2023

**RE:** Docket No. 53718 – *Application of Ranch Country of Texas, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Austin County*

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On September 29, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Ranch Country of Texas Water Systems, Inc. (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Austin County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Notice was previously issued under the name of Ranch Country of Texas Water Systems, Inc. Although the owner of Ranch Country of Texas, Inc. (Ranch Country) stated that the utilities were both being operated under Ranch Country of Texas Water Systems, Inc. an STM application was never submitted to merge these two utilities under one Certificate of Convenience and Necessity (CCN) number and the new company name. The Administrative Law Judge (ALJ) ordered CSWR-Texas and Ranch Country to include an affidavit and assignment of rights between the entity that entered the contract (Ranch Country of Texas Water Systems, Inc.) and the entity that holds the certificate rights (Ranch Country of Texas, Inc.) and reissue notice under the correct name. CSWR-Texas submitted the required affidavit and assignment of rights; therefore, this application seeks approval for CSWR-Texas, CCN No. 13290, to acquire facilities and to transfer the service area from Ranch Country, CCN No. 12916.

Based on a review of the closing documents:

The closing documents appear to be from Docket No. 50989 where it was assumed by CSWR that both of Ranch Country's CCNs were transferred to their possession, however this utility has a separate CCN number and PWS, neither of which was included in the sale documents. Staff recommends denial of the good cause exception and requests the Applicants provide a

proper bill of sale that is signed by both Applicants, dated after the sale was approved to go forward, and submit the documents within 30 days of the transaction being completed.