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APPLICATION OF CSWR-TEXAS § PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY, §
LLC AND PATTERSON WATER §
SUPPLY, LLC FOR SALE, TRANSFER, § OF TEXAS
OR MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS IN DALLAS, §
DENTON, PARKER, TARRANT, AND §
WISE COUNTIES §

COMMISSION STAFF’S COMMENTS IN SUPPORT OF JOINT MOTION TO ADMIT EVIDENCE AND PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED AND REQUEST FOR EXPEDITED RELIEF

Commission Staff recommends Judge Marx approve the Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Transfer to Proceed and Request for Expedited Relief.¹

The proposed order in the motion states Central demonstrated adequate financial capability for providing adequate and continuous service to the requested area as required by TWC § 13.301(b).² TWC § 13.301(b) states: “The utility commission may require that the person purchasing or acquiring the water or sewer system demonstrate adequate financial ... capability for providing continuous and adequate service to the requested area and any areas currently certificated to the person.” This provision gives the Commission discretion to require Central to demonstrate adequate financial capability by applying 16 TAC § 24.11. Staff recommends against application of 16 TAC § 24.11 because Central voluntarily demonstrated adequate financial capability.³ In particular, Central demonstrated adequate cash funding of the purchase price and planned system improvements.⁴

¹ Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Transfer to Proceed and Request for Expedited Relief (Nov. 11, 2022) Interchange no. 32.
² Joint Motion at p. 14, conclusion of law 2.
³ Commission Staff’s Recommendation on Approval of the Transaction (Nov. 7, 2022) Interchange no. 29 at Interchange p. 18-21 (Blanchard memo).
⁴ Blanchard memo Interchange no. 29 at Interchange p. 20.

Dated: February 27, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

/s/ Keith Rogas
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CERTIFICATE OF SERVICE

I certify that notice of the filing of this document will be provided to all parties of record via electronic mail on February 27, 2023, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Keith Rogas
Keith Rogas