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DOCKET NO. 53721

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

COMMISSION STAFF’S RECOMMENDATION ON CSWR-TEXAS’S CAPITAL IMPROVEMENTS PLAN

On June 15, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Patterson Water Supply, LLC (Patterson Water) (jointly, Applicants) filed an application for approval of the sale, transfer, or merger (STM) of facilities and certificate of convenience and necessity (CCN) rights in Dallas, Denton, Parker, Tarrant, and Wise counties.

On November 8, 2023, the administrative law judge (ALJ) filed Order No. 19, requiring the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation on CSWR-Texas' s capital improvements plan by November 20, 2023. Therefore, this pleading is timely filed.

I. CSWR-TEXAS’S CAPITAL IMPROVEMENT PLAN

Staff has reviewed CSWR-Texas’s capital improvement plan filed on November 7, 2023 and, as detailed in the attached memorandum of Patricia Garcia, Infrastructure Division, recommends that CSWR-Texas’s capital improvement plan is sufficient and complies with TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6). Specifically, CSWR-Texas is proposing to make improvements to Patterson Water’s water system, and CSWR-Texas provided a budget, an estimated timeline for construction, and a keyed map showing where additional facilities will be located. Therefore, Staff recommends that CSWR-Texas’s capital improvement plan is sufficient.

II. CONCLUSION

For the reasons detailed above, Staff recommends that CSWR-Texas’s capital improvement plan is sufficient and complies with TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6).

Dated: November 20, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on November 20, 2023, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Arnett D. Caviel
Arnett D. Caviel

Public Utility Commission of Texas

Memorandum

TO: Arnett Caviel, Attorney
Legal Division

FROM: Patricia Garcia, Infrastructure Analysis Section Director
Infrastructure Division

DATE: November 20, 2023

RE: Docket No. 53721 – *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*

1. Application

CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Patterson Water Supply, LLC (Patterson Water) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Dallas, Denton, Parker, Tarrant, and Wise counties, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, CSWR-Texas, Certificate of Convenience and Necessity (CCN) Nos. 13290 and 21120, seeks approval to acquire facilities and to transfer a portion of the water service area from Patterson Water under water CCN No. 13248 and all of the sewer facilities and sewer service area under sewer CCN No. 20566.

Based on the mapping review by Hank Journey, Infrastructure Division:

- The requested area 1 includes 243 customer connections and approximately 276 acres of transferred area from (CCN No. 13248).
- The requested area 2 includes 134 customer connections and approximately 59 acres of transferred area from (CCN No. 13248).
- The requested area 3 includes 406 customer connections and approximately 78 acres of transferred area from (CCN No. 13248).
- The requested area 3 sewer includes 362 customer connections and approximately 78

acres of transferred area from (CCN No. 20566).

- The requested area 4 includes 75 customer connections and approximately 253 acres of transferred area from (CCN No. 13248).
- The requested area 5 includes 55 customer connections and approximately 23 acres of transferred area from (CCN No. 13248).
- The requested area 6 includes 188 customer connections and approximately 1,164 acres of transferred area from (CCN No. 13248).
- **The application proposes the subtraction of approximately 1,853 acres from CCN No. 13248 and the addition of approximately 1,853 acres to CCN No. 13290.**
- **The application proposes the subtraction of approximately 78 acres from CCN No. 20566 and the addition of approximately 78 acres to CCN No. 21120.**
- **1,775 acres will be single certification of CCN No. 13290, and 78 acres will be dual certification between CCN No. 13290 and CCN No. 10195**

2. Capital Improvements Plan

An application for a certificate of public convenience and necessity or for an amendment to a certificate must contain: a capital improvements plan, including a budget and estimated timeline for construction of all facilities necessary to provide full service to the entire proposed service area (TWC § 13.244(d)(3)).

CSWR-Texas is proposing to make improvements to the Patterson Water's water and sewer systems. CSWR-Texas provided a capital improvement plan which included a budget, an estimated timeline for construction, and a keyed map showing where facilities will be located. The proposed capital improvements are expected to exceed \$100,000, therefore the need for firm capital commitment under 16 TAC § 24.11(e)(5) is required.

3. Recommendation

I recommend approval of CSWR--Texas' capital improvement plan.