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DOCKET NO. 53721

**APPLICATION OF CSWR-TEXAS §
UTILITY OPERATING COMPANY, § PUBLIC UTILITY COMMISSION
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 §**

**JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE
AND REVISED PROPOSED NOTICE OF APPROVAL**

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ATTACHMENT: Revised Certificates and Tariff Pages

Revised Proposed Notice of Approval

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**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE
AND REVISED PROPOSED NOTICE OF APPROVAL**

COME NOW CSWR-Texas Utility Operating Company, LLC (“CSWR-Texas”) and Patterson Water Supply, LLC (“Patterson Water”), together with the Staff of the Public Utility Commission of Texas (“Commission Staff”) (collectively, the “Parties”), and file this Joint Supplemental Motion to Admit Evidence and Revised Proposed Notice of Approval. In support thereof, the Parties show the following:

I. BACKGROUND

On January 12, 2024, CSWR-Texas and Commission Staff filed a joint motion to admit evidence regarding capital improvement plan and request for extension to file updated corrected tariffs. On January 25, 2024, Commission Staff filed an unopposed request for an extension to continue finalizing the tariffs. On January 26, 2024, the administrative law judge (“ALJ”) issued Order No. 22 requiring the Parties to file updated corrected tariffs and a joint supplemental motion to admit evidence by February 2, 2024. Therefore, this pleading is timely filed.

II. JOINT MOTION TO ADMIT EVIDENCE

To clarify the need for the extension, the updates specifically include corrections to CSWR-Texas’s water and sewer certificates and tariffs filed by the Parties on June 2, 2023 and admitted by the ALJ on July 31, 2023. The water certificate and tariff for Patterson Water that were also

filed and admitted, however, do not require any corrections. As such, the Parties move to admit the following items into the record evidence of this proceeding:

1. The attached revised water and sewer certificates and tariff pages for CSWR-Texas in lieu of the water and sewer certificates and tariffs for CSWR-Texas attached to the joint supplemental motion to admit evidence and joint proposed notice of approval, filed on June 2, 2023, and admitted in Order No. 16, filed on July 31, 2023.

III. REVISED PROPOSED NOTICE OF APPROVAL

The Parties respectfully request the approval of the attached Revised Proposed Notice of Approval. CSWR-Texas has numerous pending dockets in which Staff is required to send proposed final tariffs to applicants for review and consent. Each of these dockets is in a different stage of review and approval. As a result, a docket may produce an approved final tariff that includes systems that are still being addressed in another docket. This has caused significant confusion in the past and has necessitated numerous delays and tariff corrections across CSWR-Texas's dockets.

In an effort to address potential discrepancies and issues moving forward, CSWR-Texas respectfully recommends that the Commission approve the relevant tariff pages in a given docket and, after issuance of the Notice of Approval, require Commission Staff to file the most current comprehensive tariff with Central Records. In addition to this Joint Supplemental Motion to Admit Evidence and Revised Proposed Notice of Approval, CSWR-Texas and Commission Staff have various recent or upcoming tariff-related deadlines in which new counties, subdivisions, and tariff pages are being added to CSWR-Texas's comprehensive tariffs.

However, because CSWR-Texas and Commission Staff are uncertain as to when the Notices of Approval will be filed in each docket, it is administratively simpler and efficient to seek

approval of the relevant tariff pages for each docket and to then include the relevant information—added counties, if any, added subdivisions, and added rate schedules for the added subdivisions—in the comprehensive tariffs to be filed as clean copies with Central Records in each docket. Furthermore, CSWR-Texas also has a pending rate case in Docket No. 54565 for which a proposal for decision will be considered at the open meeting currently scheduled for March 7, 2024.¹ As such, CSWR-Texas and Staff propose that such clean comprehensive tariff filings be made in each docket within ten days of the Notices of Approval or the final order in Docket No. 54565, whichever is later.

IV. CONCLUSION

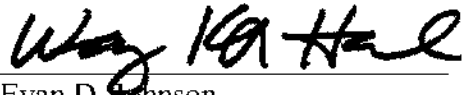
The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the Notice of Approval proposed by the Parties be adopted.

Respectfully submitted,

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

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Central States Water Resources, Inc.
1630 Des Peres Rd., Suite 140
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(314) 763-4743 (fax)

¹ *Application of CSWR-Texas Utility Operating Company, LLC for Authority to Change Rates, Docket No. 54565, Revised Exceptions and Replies Memorandum (Dec. 7, 2023).*



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CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of February 2024 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.



Wendy K. L. Harvel



Public Utility Commission of Texas

By These Presents Be It Known To All That

CSWR-Texas Utility Operating Company, LLC

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, CSWR-Texas Utility Operating Company, LLC is entitled to this

Certificate of Convenience and Necessity No. 13290

to provide continuous and adequate water utility service to that service area or those service areas in Angelina, Aransas, Austin, Burleson, Burnet, Calhoun, Camp, Dallas, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Victoria, Wilson, Wise, and Wood Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53721 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the CSWR-Texas Utility Operating Company, LLC to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.



Public Utility Commission of Texas

By These Presents Be It Known To All That

CSWR-Texas Utility Operating Company, LLC

having obtained certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, CSWR-Texas Utility Operating Company, LLC is entitled to this

Certificate of Convenience and Necessity No. 21120

to provide continuous and adequate sewer utility service to that service area or those service areas in Aransas, Bexar, Calhoun, Denton, Hidalgo, Hood, Jackson, Lubbock, Navarro, Orange, Parker, and Polk Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53721 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the CSWR-Texas Utility Operating Company, LLC to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.



WATER UTILITY TARIFF

Docket Number: 53721

CSWR – Texas Utility Operating Company, LLC
(Utility Name)

1630 Des Peres Rd Suite 140
(Business Address)

St. Louis, MO 63131
(City, State, Zip Code)

(314) 380-8595
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

13290

This tariff is effective in the following counties:

Angelina, Aransas, Austin, Burleson, Burnet, Calhoun, Camp, Dallas, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Victoria, Wilson, Wise, and Wood

The following is a list of cities where CSWR-Texas Utility Operating Company, LLC provides service:

City of Red Oak

Rates for the Red Oak Community Water Service subdivision (PWS #0700056), which is located within the City of Red Oak, are not included in this tariff and should be obtained from the City of Red Oak. (Docket No. 43175)

City of Granbury, City of Lubbock, and City of Rockport

The rates set or approved by a city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.

This tariff is effective in the following subdivisions or public water systems:

See List

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The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE	2
SECTION 2.0 -- SERVICE RULES AND REGULATIONS	XX
SECTION 3.0 -- EXTENSION POLICY	XX
APPENDIX A -- DROUGHT CONTINGENCY PLAN	
APPENDIX B -- SERVICE AGREEMENT	

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
Aero Valley Water Service	0610243	Denton	2
Amberwood Subdivision	1011920	Harris	2
Aransas Bay	0040018	Aransas	2
Arrowhead Water System	2470025	Wilson	2
Big Wood Springs Subdivision	2500019	Wood	2
Bois D'Arc	0040018	Aransas	2
Chaparral Water System Gillespie	0860010	Gillespie	2
Coletto Water Company	2350036	Victoria	2
Cooley Point*	2200117	Tarrant	XX
Copano Cove Subdivision	0040003	Aransas	2
Copano Heights Unit 1 & 2, Water System	0040017	Aransas	2
Copano Ridge Subdivision	0040029	Aransas	2
Council Creek Village	0270014	Burnet	2
Country Squire Water & Sewer	1810060	Orange	2
Crazy Horse Ranch Water*	1840024	Parker	XX
Crystal Land Water System	1330153	Kerr	2
Danieldale Community Water Service*	0570044	Dallas	XX
El Pinon Estates Water System	2030013	San Augustine	2
Emerald Forest	0700058	Ellis	2
Flag Creek Ranch	1500112	Llano	2
Forest Oak Unit 1 and 2	0940085	Guadalupe	2
Franklin Water Systems 1	1520224	Lubbock	2
Franklin Water Systems 3	1520080	Lubbock	2
Goose Island State Park	0040018	Aransas	2
Grande Casa Ranchitos	0700063	Ellis	2
Hickory Hill Water	2470018	Victoria	2
Hills of Briar Oaks*	2490049	Wise	XX
Hillside Estates Water System	0080049	Austin	2
Hilltop Home Addition	1840034	Parker	2

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
Hilltop Estates	1840034	Parker	2
Homestead @ Turtle Creek	1330153	Kerr	2
Indian Cove	0040018	Aransas	2
Laguna Tres	1110019	Hood	2
Laguna Vista	1110095	Hood	2
Lake Limestone Coves	1980020	Limestone & Robertson	2
Lakeview Ranchettes Estates	0700057	Ellis	2
La Playa Subdivision Water System	2030015	San Augustine	2
Live Oak Hills	1540012	McCulloch	2
Longford Place Water System	1810015	Orange	2
Meadowview Estates	0080051	Austin	2
Meadowview Estates II	0080059	Austin	2
Neptune Harbor	0040018	Aransas	2
North Victoria Utilities	2350049	Victoria	2
Oak Hill Estates*	1013045	Harris	3
Oak Hill Ranch Estates, Oak Hill Ranchettes	0940085	Guadalupe	2
Oak Hollow Estates, Oak Hollow Park	2470019	Wilson	2
Palmetto Park Estates	0040018	Aransas	2
Pelican Isle Water System	1750036	Navarro	2
Quiet Village II Subdivision, Quiet Village II	1080221	Hidalgo	2
Rocky Point Community*	0610041	Denton	XX
Settlers Crossing Water System	0080058	Austin	2
Settlers Crossing Water System 2	0080060	Austin	2
Settlers Estates Sec II	0080056	Austin	2
Settlers Meadows Water System	0080055	Austin	2
Shady Oaks Subdivision	2350036	Victoria	2
Shady Oaks Water Company	2470017	Wilson	2
South Council Creek 1	0270079	Burnet	2
South Council Creek 2	0270080	Burnet	2

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
South Silver Creek I, II, III	0270041	Burnet	2
Spanish Grant	0700064	Ellis	2
Tall Pines Utility	1010220	Harris	2
Texas Landing Utilities Deerwood	1700798	Montgomery	2
Texas Landing Utilities Goode City	1700744	Montgomery	2
Texas Landing Utilities	1870151	Polk	2
Thousand Oaks	0720054	Erath	2
Timberlane Water	2020054	Sabine	2
Treetops Phase 1	1840134	Parker	2
Tri County Point Water System 2	1200027	Jackson	2
Tri County Point Water System 3	1200028	Jackson	2
Tri County Point Water System 4	1200029	Jackson	2
Vacation Village*	0610052	Denton	XX
Ville d'Alsace Water Supply*	1630037	Medina	4
Vista Verde Water Systems	1700694	Montgomery	2
Walnut Bend Water Supply	0030037	Angelina	2
WaterCo	1690028	Montague	2
The Woodlands Water System	1050139	Hays	2
Woodland Harbor	0320014	Camp	2
Woodlands West	0260043	Burleson	2

* Denotes systems with separate rate schedules. The rate schedules designated as “applicable to all water service areas reflected on list of subdivisions and systems unless otherwise specified” do not apply to these systems.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$42.00</u> (Includes 0 gallons)	<u>\$4.50</u> per 1,000 gallons, over the minimum
1"	<u>\$105.00</u>	
1 1/2"	<u>\$210.00</u>	
2"	<u>\$336.00</u>	
3"	<u>\$630.00</u>	
4"	<u>\$1,050.00</u>	
6"	<u>\$2,100.00</u>	

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash , Check , Money Order , Credit Card , Other (specify) _____
 THE UTILITY SHALL REQUIRE EXACT CHANGE FOR PAYMENTS AND SHALL REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$750.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE SHALL BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
 THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST SHALL BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE SHALL NOT EXCEED \$25.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$50.00

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE \$50.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... 10%
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE SHALL NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$30.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

SECTION 1.0 – RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (Continued)

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc + \frac{(pr)(cgc)(r)}{(1.0-r)}$$

Where:

- TGC = temporary gallonage charge
- cgc = current gallonage charge
- r = water use reduction expressed as a decimal fraction (the pumping restriction)
- pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff pr shall equal 0.5.

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 16 TAC § 24.25(j).

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes <u>1,000</u> gallons)	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$30.00</u>	<u>\$1.75</u> per 1,000 gallons Same for all meter sizes

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash , Check , Money Order , Credit Card , Other (specify) _____

THE UTILITY SHALL REQUIRE EXACT CHANGE FOR PAYMENTS AND SHALL REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$300.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

METER TEST FEE \$25.00

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST SHALL BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE SHALL NOT EXCEED \$25.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

a) Non-payment of bill (Maximum \$25.00) \$10.00

b) Customer's request that service be disconnected \$10.00

LATE CHARGE \$2.00 OR 5%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE SHALL NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$7.50

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$21.00</u> (Includes 0 gallons)	<u>\$4.30</u> per 1,000 gallons, over the minimum
1"	<u>\$27.47</u>	
1 1/2"	<u>\$45.82</u>	
2"	<u>\$67.93</u>	

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash , Check , Money Order , Credit Card , Other (specify) _____
 THE UTILITY SHALL REQUIRE EXACT CHANGE FOR PAYMENTS AND SHALL REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$600.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE SHALL BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
 THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST SHALL BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE SHALL NOT EXCEED \$25.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$0.00

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE \$0.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... 10%
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE SHALL NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$17.50
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons)	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$20.72</u>	\$1.35 per 1,000 gallons, 0 to 9,000 gallons
1"	<u>\$20.72</u>	\$1.85 per 1,000 gallons over 9,000 gallons

CAPITAL IMPROVEMENT SURCHARGES

Well Escrow for 120 months \$8.44 PER RATEPAYER PER MONTH
 (11/1/14-10/31/24)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash , Check , Money Order , Credit Card , Other (specify) _____
 THE UTILITY SHALL REQUIRE EXACT CHANGE FOR PAYMENTS AND SHALL REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$1,600.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE SHALL BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
 THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST SHALL BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE SHALL NOT EXCEED \$25.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$25.00

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE \$25.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... 10%
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE SHALL NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$27.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.



SEWER UTILITY TARIFF
Docket Number: 53721

CSWR – Texas Utility Operating Company, LLC
(Utility Name)

1630 Des Peres Rd Suite 140
(Business Address)

Des Peres, MO 63131
(City, State, Zip Code)

(866) 301-7725
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

21120

This tariff is effective in the following counties:

Aransas, Bexar, Calhoun, Denton, Hidalgo, Hood, Jackson, Lubbock, Navarro, Orange, Parker, and Polk

The following is a list of cities where CSWR-Texas Utility Operating Company, LLC provides service:

The City of San Antonio

Rates for customers in the Leon Springs Service subdivision (#WQ0014376001), who are located within the City of San Antonio, are included in this tariff because the City of San Antonio has surrendered its original jurisdiction over water and wastewater rates.

This tariff is effective in the following subdivisions and systems:

See List

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	XX
SECTION 3.0 -- EXTENSION POLICY	XX

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	NPDES	COUNTY	PAGE
Aransas Bay	No Permit (Collection Only)	Aransas	2
Blue Sky and Virginia Terrace Mobile Home Park*	No Permit (Collection Only)	Lubbock	3
Country Squire	WQ0011589001	Orange	2
Hilltop Estates	WQ0015010001	Parker	2
Hilltop Home Addition	WQ0015010001	Parker	2
Laguna Vista	No Permit (Non-Discharging)	Hood	2
Leon Springs	WQ0014376001	Bexar	2
Longford Place	WQ0011155001	Orange	2
Mangum Estates Subdivision	WQ0013147001	Polk	2
Pelican Isle	WQ0013528001	Navarro	2
Quiet Village II	No Permit (Collection Only)	Hidalgo	2
Seagun Complex	No Permit (Collection Only)	Aransas	2
Shady Grove	No Permit (Non-Discharging)	Hood	2
Texas Landing Utilities	WQ0013147001	Polk	2
Tri-County Point POA	WQ0015399001	Calhoun & Jackson	2
Vacation Village Lakeshore Estate*	No Permit (Collection Only)	Denton	XX

* Denotes system with separate rate schedules. The rate schedules designated as “applicable to all water service areas reflected on list of subdivisions and systems unless otherwise specified” do not apply to these systems.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallorage Charge</u>
All Connections	<u>\$32.94</u> (Includes 0 gallons)	<u>\$3.54</u> per 1000 gallons

Volume charges are determined based on average consumption for winter period which includes the following months: December, January and February.

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash , Check , Money Order , Credit Card , Other (specify) _____
THE UTILITY SHALL REQUIRE EXACT CHANGE FOR PAYMENTS AND SHALL REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$2,000.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

RECONNECTION FEE
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):
a) Non-payment of bill (Maximum \$25.00) \$25.00
b) Customer's request that service be disconnected \$25.00

TRANSFER FEE \$45.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE SHALL NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

SECTION 1.0 -- RATE SCHEDULE (Continued)

RETURNED CHECK CHARGE \$27.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

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**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

JOINT REVISED PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Patterson Water Supply, LLC (Patterson Water) and CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) for the sale, transfer, or merger of facilities and certificate rights in Dallas, Denton, Parker, Tarrant, and Wise Counties. The Commission approves the sale, transfer, or merger of a portion of the facilities and service area held under Patterson Water’s water Certificate of Convenience and Necessity (CCN) No. 13248 to CSWR-Texas, and all of the sewer facilities and sewer service area under sewer CCN No. 20566, the cancellation of Patterson Water’s sewer CCN No. 20566, the amendment of CSWR-Texas’s water CCN No. 13290 to include the area previously included in Patterson Water’s water CCN No. 13248, and the amendment of CSWR-Texas’s sewer CCN No. 21120 to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicants

1. Patterson Water is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Dallas, Denton, Jack, Montague, Parker, Tarrant, and Wise counties under CCN number 13248.
2. Patterson Water is a Texas limited liability company registered with the Texas secretary of state under file number 0801820571.
3. Patterson owns and operates several public water systems registered with the Texas Commission on Environmental Quality (TCEQ). The public water systems subject to this proceeding are as follows: Daniieldale Community Water Service, identification number 0570044; Rocky Point Community, identification number 0611041; Vacation Village, identification number 0610052; Crazy Horse Ranch, identification number 1840024;

- Cooley Point, identification number 2200117; and the Hills of Briar Oaks, identification number 2490049.
4. Patterson Water owns and operates public sewer facilities for providing sewer service in Denton County under sewer CCN No. 20566.
 5. Patterson Water owns and operates sewer facilities which are not required to be permitted with the TCEQ.
 6. CSWR-Texas is a Texas limited liability company registered with the Texas secretary of state under file number 0803367893.
 7. CSWR-Texas is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Angelina, Aransas, Austin, Burleson, Burnet, Calhoun, Camp, Dallas, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Victoria, Wilson, Wise, and Wood counties under CCN number 13290. CSWR-Texas operates, maintains, and controls facilities for providing sewer service in Aransas, Bexar, Calhoun, Denton, Hidalgo, Hood, Jackson, Lubbock, Navarro, Orange, Parker, and Polk counties under CCN 21120.
 8. CSWR-Texas operates several public water systems registered with the TCEQ and several sewer systems permitted with the TCEQ.
 9. Denton is a municipality in Denton County.
 10. Denton holds CCN number 10195 which obligates it to provide retail water service in its certificated service area in Denton County.

Application

11. On June 15, 2022, the 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.
12. Specifically, CSWR-Texas, 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 and to cancel Patterson Water's sewer CCN number 20566.

13. The requested water service areas include approximately 1,873 acres, 78 which will continue to be dually certificated with Denton under CCN number 10195, and 1,101 customer connections.
14. The requested water service areas subject to the transaction (the water requested areas) are as follows:
 - Requested area 1: Danieldale Subdivision, Dallas County. Includes 243 customer connections and approximately 276 acres of transferred area from (CCN No. 13248) and is located approximately 2.6 miles northeast of downtown DeSoto, Texas, and is generally bounded on the north by East Danieldale Road; on the east by Interstate Highway 35; on the south by East Wintergreen Road; and on the west by Connor Street.
 - Requested area 2: Rocky Point Subdivision, Denton County. Includes 134 customer connections and approximately 59 acres of transferred area from (CCN No. 13248) and is located approximately 0.8 miles west of downtown Lakewood Village, Texas, and is generally bounded on the north by Easy Street; on the east by Garza Lane; on the south by Lake Lewisville; and on the west by Lake Lewisville.
 - Requested area 3: Vacation Village Subdivision, Denton County. Includes 362 customer connections and approximately 78 acres of transferred area from (CCN No. 13248) and is located approximately 4.8 miles southeast of downtown Denton, Texas, and is generally bounded on the north by Lake Vista Lane; on the east by Lake Shore Lane; on the south by Farm to Market Road 426; and on the west by the intersection of Farm to Market Road 426 and Laney Circle.
 - Requested area 4: Crazy Horse Ranchos Subdivision, Parker County. Includes 75 customer connections and approximately 253 acres of transferred area from (CCN No. 13248) and is located approximately 5 miles northwest of downtown Weatherford, Texas, and is generally bounded on the north by Adair Lane; on the

east by Zion Hill Road; on the south by Johnson Bend Road; and on the west by the intersection of Farm to Market Road 1185 and Farm to Market Road 920.

- Requested area 5: Cooley Point Subdivision, Tarrant County. Includes 55 customer connections and approximately 23 acres of transferred area from (CCN No. 13248) and is located approximately 1.9 miles southwest of downtown Newark, Texas, and is generally bounded on the north by Eagle Mountain Lake; on the east by Eagle Mountain Lake; on the south by Eagle Mountain Lake; and on the west by Briar Road.
- Requested area 6: Hills of Briar Oaks Subdivision, Wise County. Includes 188 customer connections and approximately 1,164 acres of transferred area from (CCN No. 13248) and is located approximately 2.4 miles west of downtown Newark, Texas, and is generally bounded on the north by County Road 4659; on the east by Eagle Mountain Lake; on the south by Briar Road; and on the west by Farm to Market Road 730.

15. The requested sewer service area has identical boundaries to water requested area 3 and has 362 customer connections.
16. In Order No. 3 filed on September 21, 2022, the ALJ deemed the application, as supplemented, administratively complete.

Notice

17. On October 4, 2022, CSWR-Texas filed the affidavit of Aaron Silas, regulatory case manager of CSWR-Texas, attesting that notice was provided to all current customers, neighboring utilities, and affected parties on September 30, 2022.
18. In Order No. 4 filed on October 13, 2022, the ALJ found the notice sufficient.

Evidentiary Record

19. On November 10, 2022, the parties filed a joint motion to admit evidence.
20. In Order No. 5 filed on November 22, 2022, the ALJ admitted the following evidence into the record: (a) the application, including confidential attachments, filed on June 15, 2022; (b) CSWR-Texas's supplements to the application, filed on June 20, July 29, August 11, 15, and 16, and September 6, 2022; (c) Commission Staff's supplemental recommendation

- on administrative completeness, including confidential attachment, filed on September 15, 2022; (d) CSWR-Texas's proof of notice and affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential Exhibit B, filed on October 4, 2022; (e) Commission Staff's recommendation on sufficiency of notice, filed on October 12, 2022; and (f) Commission Staff's recommendation on approval of the sale, including confidential attachment, filed on November 7, 2022.
21. In Order No. 11 filed on March 1, 2023, the ALJ admitted the following evidence into the record:
- a) CSWR-Texas's response to Order No. 6 filed on December 6, 2022; and
 - b) CSWR-Texas's amended response to Order No. 6 filed on December 7, 2022.
22. In Order No. 16 filed on July 31, 2023, the ALJ admitted the following evidence into the record: (a) the applicants' bill of sale and assignment, and all attachments, filed on March 24, 2023; (b) Commission Staff's recommendation on the sufficiency of the closing documents filed on April 10, 2023; (c) the applicants' consent forms filed on May 9, 2023; (d) The maps, certificates, and tariffs attached to the parties' joint supplemental motion to admit evidence and proposed notice of approval filed on June 2, 2023; (e) CSWR-Texas's response to Order No. 14 including the estimated timeline for completion of capital improvements and supplemental notice filed on June 28, 2023; (f) CSWR-Texas's second supplemental proof of notice filed July 18, 2023; and (g) Commission Staff's response to Order No. 14 filed on July 19, 2023.
23. In Order No. __ filed on ____, the ALJ admitted the following additional evidence into the record: (a) CSWR-Texas's capital improvement plan and confidential attachments filed on November 7, 2023 (b) Commission Staff's recommendation on CSWR-Texas's capital improvement plan filed on November 20, 2023; and (c) the revised water and sewer certificates and tariff pages for CSWR-Texas attached to the joint supplemental motion to admit evidence and amended proposed notice of approval filed on February 2, 2024.

Sale

24. In Order No. 12 filed on March 2, 2023, the ALJ approved the sale and transfer to proceed and required the applicants to file proof that the transaction had closed and that the customer deposits had been addressed.

- 25. On March 24, 2023, the applicants filed notice that the transaction was closed effective March 23, 2023, and confirmed that there were no outstanding customer deposits.
- 26. In Order No. 13 filed on April 12, 2023, the ALJ found the closing documents sufficient.

CSWR-Texas’s Compliance History

- 27. CSWR-Texas has not been under enforcement action by the Commission, TCEQ, Texas Health and Human Services, the Office of the Texas Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.
- 28. CSWR-Texas does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
- 29. CSWR-Texas has demonstrated a compliance history that is adequate for approval of the transaction to proceed.

Adequacy of Existing Service

- 30. Patterson Water will be transferring six TCEQ approved public water systems (PWS) registered as:

Table 1 - PWS Listing and Investigation Date

PWS ID	Name	Last CCI	Violations
0570044	Danieldale Community Water Service	April 5, 2021	Paperwork violation
0610041	Rocky Point Community	October 14, 2021	Paperwork violation
0610052	Vacation Village	January 2, 2020	Pressure Violation
1840024	Crazy Horse Ranch	August 5, 2020	Capacity violation
2200117	Cooley Point	February 22, 2019	No Violations
2490049	Hills of Briar Oaks PWS	February 22, 2019	No Violations

31. There are currently 1,101 water connections in the water requested areas that are being served by Patterson Water through public water system number 057004, 0610041, 0610052, 1840024, 2200117, and 2490049 and such service has been continuous.
32. There are current violations in the TCEQ database associated with public water system numbers 057004, 0611041, 0610052, and 1840024. CSWR-Texas has stated its intent to invest the capital required to make the upgrades, renovations, and repairs necessary to bring the water systems into compliance with TCEQ regulations and to ensure that customers receive safe and reliable service. The needed improvements will begin when the systems are officially transferred to CSWR-Texas.
33. There are currently 362 sewer connections in the sewer requested area being served by Patterson Water through wastewater facilities and such service has been continuous and adequate.
34. Patterson Water does not have a wastewater permit issued by the TCEQ associated with its wastewater facilities. Instead, Patterson Water has sewer collection lines that transport wastewater to the City of Denton for treatment.
35. The Commission's complaint records, which date back to 2017, show 14 complaints against Patterson Water, each of which have been investigated by the Commission's Consumer Protection Division.
36. There is no evidence in the record that Patterson Water has failed to comply with any Commission or TCEQ order.

Need for Additional Service

37. There are currently approximately 1,463 customer connections in the requested area that are receiving service from Patterson Water and have an ongoing need for service.
38. This is an application to transfer only existing facilities, customers, and service area.
39. There is no evidence of specific requests for additional service within the requested area.

Effect of Approving the Transaction and Granting the Amendment

40. 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 requested area.
41. 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.
42. There will be no effect on landowners in the requested area because the requested area is currently certificated.
43. There is no evidence that approval of the transaction will have any adverse effect on any other retail public utility providing service in the proximate area.

Ability to Serve: Managerial and Technical

44. CSWR-Texas owns and operates several public water and public sewer systems registered with the TCEQ and does not have any active violations listed in the TCEQ database.
45. The Commission's complaint records, which date back to 2017, show 12 complaints against CSWR-Texas.
46. CSWR-Texas employs or contracts with TCEQ-licensed operators who will operate the public water system.
47. CSWR-Texas intends to invest the capital required to make the upgrades, renovation, and repairs necessary to bring the purchased sewer facilities into compliance with TCEQ regulations and to ensure customers receive safe and reliable service. The needed improvements will begin when the sewer system is official transferred to CSWR-Texas.
48. No additional construction is necessary for CSWR-Texas to provide service to the requested area.
49. After completion of the planned upgrades, renovation and repairs to the water system, CSWR-Texas will have access to an adequate supply of water and will be capable of providing drinking water that meets the requirements of chapter 341 of the Texas Health and Safety Code, chapter 13 of the Texas Water code (TWC) and the TCEQ's rules.
50. CSWR-Texas has the technical and managerial capability to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

51. Patterson Water is currently providing water and sewer service to customers and such service has been continuous and adequate.
52. 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 an adjacent retail public utility.
53. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

54. The construction of a physically separate system is not necessary for CSWR-Texas to serve the requested area. Therefore, consideration of regionalization or consolidation is not required.

Ability to Serve: Financial Ability

55. 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.
56. CSWR, LLC provided a written guarantee of coverage of temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after completion of the transaction and possesses the cash and leverage ability to pay for capital improvements and necessary equity investments, satisfying the operations test.
57. CSWR-Texas submitted documents indicating funds are available for the purchase of the systems and facilities plus any improvements necessary to provide continuous and adequate service to the existing customers.
58. CSWR-Texas provided a capital improvement plan, including a budget and estimated timeline for construction of all facilities necessary to provide full service to the requested areas and keyed to a map showing where the facilities will be located to provide service.

59. CSWR-Texas demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance

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

Fair Market Value and Ratemaking Rate Base

61. Prior to filing the application, CSWR-Texas and Patterson Water filed a notice to the Commission in Project No. 49859¹ of their intent to use the Commission's fair market value (FMV) process to determine the ratemaking rate base of Patterson Water's system assets to be acquired by CSWR-Texas.
62. CSWR-Texas included three appraisal reports required by the FMV process with the application and evidence of the purchase price agreed upon between CSWR-Texas and Patterson Water.
63. The average of the three appraisals yields a FMV that is more than the sales price. Therefore, the ratemaking rate base for the Patterson Water system is the sales price amount.
64. The application included CSWR-Texas's known and estimated transaction and closing costs.
65. No additional conditions for the acquisition based on the FMV process are needed.

Environmental Integrity and Effect on the Land

66. The requested area will continue to be served with existing infrastructure.
67. There will be minimal effects on environmental integrity and on the land as a result of CSWR-Texas's planned upgrades, renovations, and repairs to the water system.

Improvement of Service or Lowering Cost to Consumers

68. Reliability and quality of water is expected to improve under CSWR-Texas's management.

¹ Notice of Intent to Determine Fair Market Value. Docket No. 49859. Item No. 21 (Apr. 8, 2021).

69. The rates charged to customers in the requested area will not change as a result of the proposed transaction because CSWR-Texas will adopt the currently in effect tariff for the water systems upon consummation of the transaction.

Tariffs, Maps, and Certificates

70. On May 5, 2023, Commission Staff emailed to the applicants a copy of the final proposed maps, certificates, and tariffs related to this docket.
71. On May 9, 2023, the applicants filed consent forms concurring with the proposed maps, certificates, and tariffs.
72. On June 2, 2023, the final map and water certificate and tariff for Patterson Water were included as attachments to the joint supplemental motion to admit evidence.
73. On February 1, 2024, Commission Staff emailed to CSWR-Texas revised water and sewer certificates and tariff pages relevant to this docket.
74. The final water and sewer certificates and relevant tariff pages for CSWR-Texas were included as attachments to the joint supplemental motion to admit evidence filed on February 2, 2024.
75. It is appropriate for CSWR-Texas and Commission Staff to only propose the final tariff pages that are relevant to this docket for approval. Once approved, it is sufficient for Commission Staff to file the most current comprehensive clean tariff that includes the approved final tariff pages and information relevant to this docket after this Notice of Approval.

Informal Disposition

76. More than 15 days have passed since the completion of notice provided in this docket.
77. No person filed a protest or motion to intervene.
78. CSWR-Texas, Patterson Water, and Commission Staff are the only parties to this proceeding.
79. No party requested a hearing, and no hearing is needed.
80. Commission Staff recommended approval of the application.
81. The decision is not adverse to any party.

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. Patterson Water and CSWR-Texas are retail public utilities as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. The Commission processed the application as required by the TWC, the Administrative Procedure Act,² and Commission Rules.
4. The application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.
5. CSWR-Texas and Patterson Water, the applicants, provided notice of the application that complies with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.235 and 24.239.
6. Patterson Water and CSWR-Texas have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. Patterson Water and CSWR-Texas completed the sale within the time frame required by 16 TAC § 24.239(m).
8. After consideration of the factors in TWC § 13.246(c), CSWR-Texas demonstrated that it is capable of rendering continuous service to every customer in the requested area, as required by TWC § 13.251.
9. 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).
10. It is not necessary for CSWR-Texas to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
11. CSWR-Texas has access to an adequate supply of water to serve the requested area, and is capable of providing water that meets the requirements of chapter 341 of the Texas Health & Safety Code, chapter 13 of the TWC, and the rules of the TCEQ in accordance with TWC § 13.241(b) and 16 TAC § 24.227(a)(1).

² Tex. Gov't Code §§ 2001.001-.903.

12. Regionalization and consolidation concerns under TWC § 13.241(b) do not apply in this proceeding, because construction of a physically separate water system is not required.
13. CSWR-Texas filed its notice of intent to use the fair market valuation as required by TWC § 13.305(c)(1) and 16 TAC § 24.238(d).
14. The Commission's Executive Director selected three utility valuation experts to perform an appraisal of Patterson Water in compliance with TWC § 13.305(c)(2) and 16 TAC § 24.238(e).
15. The application included copies of the three appraisal reports completed by the utility valuation experts as required by TWC § 13.305(h) and 16 TAC § 24.239(d)(1)(A).
16. The application included the purchase price agreed to by CSWR-Texas and Patterson Water as required by TWC § 13.305(h)(2) and 16 TAC § 24.239(d)(1)(B).
17. The calculation of the fair market valuation for Patterson Water complies with TWC § 13.305(f) and 16 TAC § 24.238(f)-(j).
18. The calculation of the ratemaking rate base for Patterson Water complies with TWC § 13.305(g) and 16 TAC § 24.238(b)(3) and (4).
19. CSWR-Texas and Patterson Water demonstrated that the sale of Patterson Water's water facilities and the transfer of a portion of the water service area held under water CCN number 13248 from Patterson Water to CSWR-Texas under water CCN number 13290 and all of the sewer service area under sewer CCN No. 20566 to sewer CCN No. 21120 will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public under TWC § 13.301(d) and (e).
20. Under TWC § 13.257(r) and (s), CSWR-Texas and Patterson Water must record a certified copy of its approved maps and certificates, along with a boundary description of its service areas, in the real property records of Dallas, Denton, Parker, Tarrant, and Wise counties no later than the 31st day after the date that CSWR-Texas and Patterson Water receives this Notice of Approval and must submit to the Commission evidence of recording.
21. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

1. The Commission approves the sale and transfer of a portion of the facilities held under Patterson Water's water CCN number 13248 to CSWR-Texas, to the extent provided in this notice of approval and as shown on the attached map.
2. The Commission approves the sale and transfer of all of the facilities held under Patterson Water's sewer CCN number 20566 to CSWR-Texas as shown on the attached map.
3. The Commission cancels Patterson Water's sewer CCN number 20566.
4. The Commission amends CSWR-Texas's water CCN number 13290 to include a portion of the area previously included in Patterson Water's water CCN number 13248, as shown on the attached map.
5. The Commission amends CSWR-Texas's sewer CCN number 21120 to include the area previously included in Patterson Water's sewer CCN number 20566, as shown on the attached map.
6. The Commission approves the maps, Patterson Water's tariff, and CSWR-Texas's water and sewer tariff pages attached to the Notice of Approval.
7. The Commission issues the certificates attached to this Notice of Approval.
8. CSWR-Texas must use the ratemaking rate base for Patterson Water identified in confidential attachment EB-1 to Commission Staff's Recommendation.
9. CSWR-Texas must provide service to every customer or applicant for service within the approved area under water CCN number 13290 and under sewer CCN number 21120 that requests service and meets the terms of CSWR-Texas's service, and such service must be continuous and adequate.
10. CSWR-Texas meets the requirements of TWC § 13.241(b) and (c) to provide water and sewer utility service.
11. CSWR-Texas must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in the counties affected by the application and must submit to the Commission evidence of the recording no later than 45 days after receipt of the Notice of Approval.

12. Within ten days of the date of the Notice of Approval, Staff must provide a clean copy of Patterson Water's water approved by this Notice of Approval to Central Records to be marked Approved and filed in the Commission's tariff books.
13. Within ten days of the date of the Notice of Approval or the final order in in Docket No. 54565,³ CSWR-Texas's pending rate case, whichever is later, Commission Staff must provide clean copies of the most current comprehensive water and sewer tariffs, including the water and sewer tariff pages approved by this Notice of Approval, to Central Records to be marked *Approved* and filed in the Commission's tariff books.
14. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the ____ day of _____ 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

SUSAN E. GOODSON
ADMINISTRATIVE LAW JUDGE

³ *Application of CSWR-Texas Utility Operating Company, LLC for Authority to Change Rates*, Docket No. 54565 (pending); *see also* Docket No. 54565, Revised Exceptions and Replies Memorandum (Dec. 7, 2023) (stating that the Proposal for Decision in the docket will be considered at the open meeting currently scheduled for March 7, 2024).