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DOCKET NO. 54018

APPLICATION OF CSWR-TEXAS	§	
UTILITY OPERATING COMPANY, LLC	§	
AND LINCECUMS WATER WELL	§	PUBLIC UTILITY COMMISSION
SERVICE FOR SALE, TRANSFER, OR	§	
MERGER OF FACILITIES AND	§	OF TEXAS
CERTIFICATE RIGHTS IN BRAZORIA	§	
COUNTY	§	

JOINT SECOND SUPPLEMENTAL MOTION TO ADMIT EVIDENCE

Lincecums Water Well Service, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas), and Staff (Staff) of the Public Utility Commission of Texas (Commission) (collectively, the Parties), file this Joint Supplemental Motion to Admit Evidence and Second Amended Proposed Notice of Approval of the sale, transfer, or merger of facilities in Brazoria County.

I. MOTION TO ADMIT EVIDENCE

On January 19, 2024, the parties filed a Joint Supplemental Motion to Admit Evidence and Proposed Notice of Approval. Subsequent to that filing, the Parties determined that there was an error in the certificate and tariff pages. Therefore, the Parties file this pleading to move to admit the attached revised certificate and tariff pages in the record in lieu of the certificate and tariff pages included with the Joint Supplemental Motion to Admit Evidence. Specifically, the revisions include 1) adding Medina County to the list of Counties on the certificate and tariff; 2) correcting the spelling to Robertson County on the list of counties in the tariff; 3) correcting the docket number listed on the certificate; 4) adding Aransas Bay to the list of systems; 5) adding clarifying language to denote the systems and subdivisions to which the rate schedules approved in the interim rates in Docket No. 54565 do not apply; 6) correcting the spelling of the name of former utility on the tariff rate schedule to John K. Lincecum dba Lincecum's Water Well; and 7) reorganizing the miscellaneous fees in the rate schedule.

II. SECOND AMENDED PROPOSED NOTICE OF APPROVAL

In accordance with this Joint Second Supplemental Motion to Admit Evidence, the Parties respectfully request the approval of the attached Second Amended Proposed Notice of Approval. The Parties also respectfully reiterate that 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 and Staff respectfully recommend that the Commission approve the relevant tariff pages in a given docket and, after issuance of the Notice of Approval, require Staff to file the most current comprehensive tariff with Central Records. In addition to this Joint Second Supplemental Motion to Admit Evidence and Second Amended Proposed Notice of Approval, CSWR-Texas and 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 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.

III. CONCLUSION

The Parties respectfully request that the revised certificate and tariff pages be admitted into the record of this proceeding as evidence and that the Second Amended Proposed Notice of Approval be adopted.

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).

Respectfully submitted,

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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 February 5, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Scott Miles
Scott Miles



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, Brazoria, Burleson, Burnet, Calhoun, Camp, 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, Victoria, Wilson, and Wood Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54018 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: 54018

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, 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, Victoria, Wilson, 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

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 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	Gillispie	2
Coleto Water Company	2350036	Victoria	2
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
Crystal Land Water System	1330153	Kerr	2
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
Hillside Estates Water System	0080049	Austin	2
Hilltop Home Addition	1840034	Parker	2
Hilltop Estates	1840034	Parker	2
Homestead @ Turtle Creek	1330153	Kerr	2
Indian Cove	0040018	Aransas	2
Laguna Tres	1110019	Hood	2

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
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
Lincecum Water Powers Addition*	0200159	Brazoria	XX
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
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
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

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
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
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.

Lincecum Water Powers Addition

(Formerly John K. Lincecum dba Lincecums Water Well)

(Utility Name)

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Flat Fee: \$35.00 per connection per month.

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

Cash X, Check X, Money Order X, Credit Card X, 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 ASSESSMENT1.0%

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\$200.00

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 FEEActual 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

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.

Lincecum Water Powers Addition

(Formerly John K. Lincecum dba Lincecums Water Well)

(Utility Name)

SECTION 1.0 -- RATE SCHEDULE (Continued)

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\$0.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$0.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT1/6TH 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. 54018

**APPLICATION OF CSWR-TEXAS §
UTILITY OPERATING COMPANY, LLC § PUBLIC UTILITY COMMISSION
AND LINCECUMS WATER WELL §
SERVICE FOR SALE, TRANSFER, OR § OF TEXAS
MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS IN BRAZORIA §
COUNTY §**

SECOND AMENDED PROPOSED NOTICE OF APPROVAL

This Order addresses the application of Lincecums Water Well Service (Lincecums) and CSWR-Texas Utility Operating Company, LLC (CSWR-Texas), (collectively, the “applicants”) for approval of the sale, transfer, or merger of facilities and certificate rights in Brazoria County. The applicants seek approval of the following: (1) the sale and transfer of Lincecums’s facilities and service area under certificate of convenience and necessity (CCN) number 13222 to CSWR-Texas; (2) the cancellation of Lincecums’s CCN number 13222; (3) the amendment of CSWR-Texas’s CCN number 13290 to include the area previously held under Lincecums’s CCN number 13222; and (4) the addition of uncertificated area currently served by Lincecums to CSWR-Texas’s CCN number 13290. The Public Utility Commission (“Commission”) approves the sale and transfer of all of Lincecums’s facilities and service area under CCN number 13222, the cancellation of CCN number 13222, and the amendment of CSWR-Texas’s CCN number 13290, to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicants

1. John K. Lincecum is an individual operating Lincecums Water Well Service.
2. Lincecums is an investor-owned utility.
3. Lincecums operates, maintains, and controls facilities for providing retail water service in Brazoria County under CCN number 13222.
4. Lincecums owns a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under public water system number 0200159.

5. CSWR-Texas is a Texas limited liability company registered with the Texas secretary of state under file number 803367893.
6. CSWR-Texas operates, maintains, and controls facilities for providing retail water service in Angelina, Aransas, Austin, Burleson, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Montague, Montgomery, Navarro, Orange, Parker, Polk, Robertson, Sabine, San Augustine, Victoria, Wilson, and Wood counties under CCN number 13290.
7. CSWR-Texas owns multiple public water systems registered with the TCEQ.

Application

8. On August 31, 2022, the applicants filed the application at issue in this proceeding.
9. CSWR-Texas supplemented the application on September 23, October 25, and December 2, 2022, and February 27, and June 8, 2023.
10. In the application, as supplemented, the applicants seek approval of the following transaction: (a) the sale and transfer of Lincecum's facilities and service area under CCN number 13222 to CSWR-Texas; (b) the cancellation of Lincecum's CCN number 13222; (c) the amendment of CSWR-Texas's CCN number 13290 to include the area previously held under Lincecum's CCN number 13222; and (d) the addition of uncertificated area currently served by Lincecum to CSWR-Texas's CCN number 13290.
11. The requested area comprises 28 customer connections including approximately 43.1 acres of transferred area from Lincecum, 1.5 acres of uncertificated area, with a total of 44.6 acres to be amended (added) to CSWR-Texas's CCN number 13290.
12. The requested area is located approximately two miles west of downtown Sweeny, Texas and is generally bounded on the north by County Road 321; on the east by Hunters Lane; on the south by Union Pacific Railroad; and on the west by County Road 321.
13. In Order No. 3 filed on November 29, 2022, the ALJ found the application, as supplemented, administratively complete.

Notice

14. On January 9, 2023, CSWR-Texas filed the affidavit of Aaron Silas, director of regulatory operations of CSWR-Texas, attesting that notice, along with maps, was provided to current customers of Lincecum, neighboring utilities, and affected parties on December 7, 2022.
15. On January 9, 2023, CSWR-Texas filed a publisher's affidavit attesting to publication of notice in *The Facts*, a newspaper of general circulation in Brazoria County, on December 7 and December 14, 2022.
16. In Order No. 4 filed on January 24, 2023, the ALJ found the notice sufficient.
17. On August 16, 2023, CSWR-Texas filed the supplemental affidavit of Eric Rocchio, Regulatory Case Manager for CSWR-Texas, attesting that the Company determined that there are no landowners owning tracts of land over 25 acres wholly or partly inside the requested CCN area.
18. In Order No. 12 filed on August 18, 2023, the ALJ found the supplemental proof of notice sufficient.

Evidentiary Record

19. In Order No. 6 filed on April 6, 2023, the ALJ admitted the following evidence into the record:
 - (a) The application, including confidential attachments, filed on August 31, 2022;
 - (b) CSWR-Texas's supplements to the application filed on September 23, October 25, and December 2, 2022, and February 27, 2023;
 - (c) Commission Staff's supplemental recommendation on administrative completeness filed on November 28, 2022;
 - (d) CSWR-Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential exhibit B, filed on January 9, 2023;
 - (e) Commission Staff's recommendation on sufficiency of notice filed on January 23, 2023; and
 - (f) Commission Staff's recommendation on the transaction, including all attachments, filed on March 7, 2023.
20. On August 1, 2023, the parties filed a joint supplemental motion to admit evidence.

21. On August 22, 2023, CSWR-Texas filed a supplemental motion to admit evidence.
22. On January 19, 2024, the parties filed a joint supplemental motion to admit evidence.
23. On February 5, 2024, the parties filed a joint second supplemental motion to admit evidence.
24. In Order No. __ filed on ____, the ALJ admitted the following additional evidence into the record:
 - (a) CSWR-Texas's notice of completed transaction, filed on May 4, 2023;
 - (b) CSWR-Texas's correction to the notice of completed transaction, filed on May 12, 2023;
 - (c) Commission Staff's recommendation on sufficiency of closing documents, filed on May 19, 2023;
 - (d) CSWR-Texas's Response to Order No. 9, including highly-sensitive attachments, filed on June 7, 2023;
 - (e) CSWR-Texas's fifth supplement to the application, including confidential attachments, filed on June 8, 2023;
 - (f) Commission Staff's Response to Order No. 9, including Confidential Attachment FB-1.1, filed on June 21, 2023;
 - (g) The applicants' consent forms filed on June 30, 2023;
 - (h) The map attached to the joint supplemental motion to admit evidence and joint proposed notice of approval filed on August 1, 2023.
 - (i) The supplemental proof of notice filed on August 16, 2023;
 - (j) CSWR-Texas's capital improvement plan and confidential attachments filed on November 9, 2023;
 - (k) Commission Staff's recommendation on CSWR-Texas's capital improvement plan filed on November 20, 2023;
 - (l) The revised certificate and tariff pages attached to the joint second supplemental motion to admit evidence and second amended proposed notice of approval filed on February 5, 2024.

Sale

25. In Order No. 7 filed on April 12, 2023, the ALJ approved the sale and transaction to proceed and required the applicants to file proof that the transaction had closed, and the customer deposits had been addressed.
26. On May 4, 2023, the applicants filed notice that the sale had closed on April 26, 2023, and confirmed that there were no outstanding customer deposits that needed to be addressed.
27. In Order No. 8 filed on May 22, 2023, the ALJ found the closing documents sufficient.

Cumulative Recommendation

28. On March 7, 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, among others, 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 (Sept. 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 51222,¹⁶

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, Docket No. 51130, 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, Docket No. 51146, Notice of Approval (Apr. 23, 2021).*

¹⁶ *Application of David Petty, Executor 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).*

51544,¹⁷ 51642,¹⁸ 51917,¹⁹ 51928,²⁰ 51940,²¹ 51981,²² 52089,²³ 52099,²⁴ 52410,²⁵

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. Drago 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).*

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

52700,²⁶ 52702,²⁷ 52803,²⁸ 52879,²⁹ 52661,³⁰ 52880,³¹ 53238,³² 53326,³³ 53317,³⁴

²⁶ *Application of RJR Water Company 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).*

²⁷ *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).*

²⁸ *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).*

²⁹ *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 (Sep. 21, 2022).*

³⁰ *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).*

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 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, Notice of Approval (May 2, 2023).*

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).*

³⁴ *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, Notice of Approval (Apr. 24, 2023).*

53259,³⁵ 53429,³⁶ 53430,³⁷ 53456,³⁸ 53483,³⁹ 53538,⁴⁰ 53607⁴¹, 53712,⁴² and 54019.⁴³

CSWR-Texas's Compliance History

29. 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.
30. The Commission's complaint records, which date back to 2017, show 12 complaints against CSWR-Texas.
31. CSWR-Texas does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
32. CSWR-Texas demonstrated a compliance history that is adequate for approval of the sale to proceed.

³⁵ *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).*

³⁶ *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 County, Docket No. 53429 (pending).*

³⁷ *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).*

³⁸ *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, Notice of Approval (Mar. 7, 2023).*

³⁹ *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, Notice of Approval (Mar. 8, 2023).*

⁴⁰ *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, Notice of Approval (Mar. 8, 2023).*

⁴¹ *Application of Chaparral Water System and CSWR-Texas Utility Operating Company, for Sale, Transfer, or Merger of Facilities and Certificate Rights in Gillespie County, Docket No. 53607, Notice of Approval (May 8, 2023).*

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 Ville D'Alsace Water Supply, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Medina County, Docket No. 54019, Notice of Approval (Dec. 12, 2023).*

Adequacy of Existing Service

33. There are currently 28 connections in the requested area that are being served by Lincecums, and such service has been continuous and adequate.
34. The last TCEQ on-site compliance investigation of the Lincecums's public water system was on November 13, 2018.
35. Lincecums has unresolved violations listed in the TCEQ database.
36. The Commission's complaint records, which date back to 2017, show no complaints against Lincecums.

Need for Additional Service

37. There is a continuing need for service because Lincecums is currently serving 28 connections in the requested area.
38. This is an application to transfer only existing facilities, customers, and service area.
39. There have been no specific requests for additional service within the requested area.

Effect of Approving the Transaction and Granting the Amendment

40. All retail public utilities in the proximate area of the requested areas were provided notice of the transaction, and none filed a protest or motion to intervene.
41. 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.
42. 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.
43. There will be no effect on landowners in the requested area because the area is currently certificated.

Ability to Serve: Managerial and Technical

44. CSWR-Texas owns and operates multiple public water systems registered with TCEQ.
45. CSWR-Texas employs or contracts with TCEQ-licensed water operators who will operate the public water system being transferred.

46. No additional construction is necessary for CSWR-Texas to provide service to the requested area. However, CSWR-Texas plans to make upgrades, renovations, and repairs to the water system to improve the reliability and quality of service.
47. CSWR-Texas has the technical and managerial capability to provide adequate and continuous service to the requested area.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

48. Lincecum is currently serving customers and has sufficient capacity.
49. 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.
50. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

51. It will not be necessary for CSWR-Texas to construct a physically separate water system to serve the requested area.
52. Because the requested area will not require construction of a physically separate water system, consideration of regionalization or consolidation with another retail public utility is not required.

Ability to Serve: Financial Ability

53. 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.
54. The cost of CSWR-Texas's proposed capital improvements for the water system being transferred is estimated to exceed \$100,000.
55. CSWR-Texas requested a good-cause exception to the requirement that it provide loan documentation for the amount it will need to make capital improvements to the system because CSWR-Texas does not obtain loans or purchasing for repairing systems.

Additionally, CSWR-Texas states that it is already required to maintain a sufficient cash balance to purchase Lincecum's water system and make capital improvements.

56. CSWR, LLC projects no operating shortages. However, 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 demonstrating funds are available for the purchase of the system and facilities.
58. CSWR-Texas filed a capital improvements plan that included a budget and an estimated timeline for construction of all facilities necessary to provide full service to the requested areas, keyed to a map showing where such facilities will be located.
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.

Environmental Integrity and Effect on the Land

61. The requested areas will continue to be served with existing infrastructure.
62. 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 public water system.

Improvement of Service or Lowering Cost to Consumers

63. Reliability and quality of water service is expected to improve under CSWR-Texas's management.
64. 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 Lincecum's water system upon approval of the transaction.

Tariff, Map, and Certificate

65. On June 19, 2023, Commission Staff emailed to the applicants the final proposed map, certificate, and tariff related to this docket.
66. On June 30, 2023, the applicants filed their consent forms concurring with the proposed map, certificate, and tariff.
67. The final map was included as an attachment to the joint supplemental motion to admit evidence, filed on August 1, 2023.
68. On February 2, 2024, Commission Staff emailed to CSWR-Texas a revised certificate and tariff pages relevant to this docket.
69. The final certificate and relevant tariff pages were included as attachments to the joint second supplemental motion to admit evidence filed on February 5, 2024.
70. 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

71. More than 15 days have passed since the completion of notice provided in this docket.
72. No person filed a protest or motion to intervene.
73. Lincecums, CSWR Texas, and Commission Staff are the only parties to this proceeding.
74. No party requested a hearing, and no hearing is needed.
75. Commission Staff recommended approval of the application.
76. 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 Texas Water Code (TWC) §§ 13.041, 13.241, 13.244, 13.246, 13.251, and 13.301.
2. Lincecums and CSWR-Texas are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. The Commission processed the application as required by the TWC, the Administrative Procedure Act,⁴⁴ and Commission Rules.
4. The application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.
5. CSWR-Texas and Lincecums, 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(a) through (c).
6. Lincecums and CSWR Texas have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. Lincecums 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. There is good cause under 16 TAC § 24.2(b) to allow CSWR-Texas to demonstrate compliance with 16 TAC § 24.11(e)(5)(A) by submitting documents indicating it has funds immediately available for the purchase of the water system being transferred plus other systems under a cumulative review, as well as the capital improvements necessary to provide continuous and adequate service to existing customers for each system.
10. 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).

⁴⁴ Tex. Gov't Code §§ 2001.001-.903.

11. It is not necessary for CSWR-Texas to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
12. CSWR-Texas provided a capital improvements plan under TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6).
13. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water system is not required.
14. CSWR-Texas and Lincecums demonstrated that the sale of Lincecums's water facilities and service area held under CCN numbers 13222 from Lincecums to CSWR-Texas under water CCN numbers 13290 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).
15. CSWR-Texas must record a certified copy of its certificate granted and map approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Brazoria County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording as required by TWC § 13.257(r) and (s).
16. 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 all facilities and water service area under Water CCN 13222 to CSWR-Texas, the cancellation of Lincecums's water CCN number 13222, and the amendment of CSWR-Texas's water CCN 13290 to include previously uncertificated area and the service area previously included in water CCN number 13222, as shown on the attached map, to the extent provided in this Notice of Approval.
2. The Commission cancels Lincecums's CCN number 13222.
3. The Commission approves the map and tariff pages attached to the Notice of Approval.
4. The Commission issues the certificate attached to this Notice of Approval.

5. CSWR-Texas must provide service to every customer or applicant for service within the approved area under water CCN number 13290 that requests service and meets the terms of CSWR Texas's water service, and such service must be continuous and adequate.
6. CSWR-Texas must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Brazoria County 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.
7. Within ten days of the date of the Notice of Approval or the final order in Docket No. 54565,⁴⁵ CSWR-Texas's pending rate case, whichever is later, Commission Staff must provide a clean copy of the most current comprehensive tariff, including the tariff pages approved by this Notice of Approval, to Central Records to be marked *Approved* and filed in the Commission's tariff books.
8. 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

**CHRISTINA DENMARK
ADMINISTRATIVE LAW JUDGE**

⁴⁵ *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).