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DOCKET NO. 54019

APPLICATION OF CSWR-TEXAS	§	PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY, LLC	§	
AND VILLE D'ALSACE WATER	§	OF TEXAS
SUPPLY, LLC FOR SALE, TRANSFER,	§	
OR MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN MEDINA	§	
COUNTY	§	

**COMMISSION STAFF’S CLARIFICATION REGARDING REQUEST FOR
EXTENSION AND RECOMMENDATION ON CSWR-TEXAS’S UPDATED CAPITAL
IMPROVEMENT PLAN**

I. INTRODUCTION

On August 31, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Ville D'Alsace Water Supply, LLC (collectively, applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Medina County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

On November 7, 2023, the administrative law judge (ALJ) filed Order No. 15, directing the Staff (Staff) of the Public Utility Commission of Texas to file a recommendation on CSWR-Texas’s capital improvement plan by November 10, 2023. On November 10, 2023, Staff filed a request for extension requesting that Staff’s deadline to file a recommendation on CSWR-Texas’s capital improvement plan and CSWR-Texas’s additional information be extended until November 20, 2023. On November 13, 2023, CSWR-Texas filed a response opposing Staff’s extension request. On November 14, 2023, the ALJ filed Order No. 16 requiring Staff to file a response indicating whether it continues to require an extension in light of CSWR-Texas’s November 13, 2023 response by November 15, 2023.

II. CLARIFICATION REGARDING STAFF’S REQUEST FOR EXTENSION

On November 10, 2023, Staff filed a request for extension requesting that Staff’s deadline to file a recommendation on CSWR-Texas’s capital improvement plan and CSWR-Texas’s additional information be extended until November 20, 2023. Staff noted that CSWR-Texas included supplemental notice information and information regarding a customer outside of Ville D’ Alsace’s CCN area that is currently served by Ville D’ Alsace. Upon further review, Staff

determined that, as part of CSWR-Texas's updated capital improvement plan information filed on October 30, 2023, in response to Order No 14, CSWR-Texas included a corrected response to Order No. 8, which CSWR-Texas originally filed on June 15, 2023. Staff notes that in CSWR-Texas's response to Order No. 14, CSWR-Texas did not include new, supplemental notice or customer information as Staff mentioned in its November 10, 2023 request for extension. Staff filed a recommendation regarding the sufficiency of the notice mentioned in that pleading on August 24, 2023, and recommended that the supplemental notice be deemed sufficient.¹ Further, the information regarding the customer outside of Ville D' Alsace's CCN area, and currently served by Ville D' Alsace, is located in the uncertificated area that CSWR-Texas is including in its CCN amendment request in this proceeding.² Therefore, Staff recommends that CSWR-Texas did not provide any new information alongside CSWR-Texas's updated capital improvement plan filed in response to Order No. 14, and Staff no longer requires an extension.

III. RECOMMENDATION ON CSWR-TEXAS'S UPDATED CAPITAL IMPROVEMENT PLAN

Staff has reviewed the updated capital improvement plan information provided by CSWR-Texas on October 30, 2023 and, as described in the attached memorandum of Patricia Garcia, Infrastructure Division, recommends that CSWR-Texas's capital improvement plan is sufficient and complies with TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6). Specifically, CSWR-Texas is proposing to make improvements to Ville D' Alsace's water system, and CSWR-Texas provided an updated capital improvement plan, which included a budget, an estimated timeline for construction, and a keyed map showing where facilities will be located. Therefore, Staff recommends that CSWR-Texas's capital improvement plan is sufficient.

IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that CSWR-Texas did not include any additional information other than updated capital improvement plan information in its response to Order No. 14 and that CSWR-Texas's capital improvement plan is sufficient and complies with TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6).

¹ Commission Staff's Recommendation on Closing Documents, Recommendation on Supplemental Information, Proposed Procedural Schedule, and Motion to Admit Evidence at 2-3 (Aug. 24, 2023).

² See CSWR-Texas's Amended Application at 1 (Oct. 5, 2022).

Date: November 14, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Margaux Fox
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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 November 14, 2023 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Margaux Fox
Margaux Fox

Public Utility Commission of Texas

Memorandum

TO: Margaux Fox, Attorney
Legal Division

FROM: Patricia Garcia, Infrastructure Analysis Section Director
Infrastructure Division

DATE: November 14, 2023

RE: Docket No. 54019 – *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*

1. Application

On August 31, 2022, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Ville D’ Alsace Water Supply Company (Ville D’ Alsace) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Medina County, Texas, under Texas Water Code (TWC) §§ 13.242 through 13.250 and § 13.301 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237 and § 24.239.

Specifically, CSWR-Texas, water Certificate of Convenience and Necessity (CCN) No. 13290, seeks approval to acquire facilities and to transfer all of the water service area from Ville D’ Alsace under water CCN No. 12757.

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

- The requested area includes 133 customer connections and approximately 266 acres, comprised of:
 - 11.6 acres of uncertificated area;
 - 254.4 acres of transferred area from Ville D’ Alsace (CCN No. 12757)
- The application proposes the subtraction of approximately 254.4 acres from CCN No. 12757 and the addition of approximately 266 acres to CCN No. 13290.

2. Capital Improvements Plan

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

CSWR-Texas is proposing to make improvements to Ville D' Alsace's water system. CSWR-Texas provided a capital improvement plan which included a budget, an estimated timeline for construction, and a keyed map showing where facilities will be located.

3. Recommendation

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