



Filing Receipt

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After review of the application, the administrative law judge (ALJ) has determined that the materials contained in the application do not constitute a capital improvements plan that meets the Commission's expectations or the requirements of TWC § 13.244(d)(3) or 16 TAC § 24.233(a)(6).

By June 21, 2023, the applicants must file a capital improvements plan conforming with the Commission's discussions in Docket Nos. 51646 and 52391⁵ and the requirements in TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6).

By July 7, 2023, Commission Staff must file a recommendation on whether the applicants' capital improvement plan satisfies the requirements of the Commission, TWC § 13.244(d)(3), and 16 TAC § 24.233(a)(6).

Loan Documentation

The requirements of 16 TAC § 24.11(e)(5) apply either when an applicant is proposing service to a new CCN area or a substantial addition to its current CCN area requiring capital improvements in excess of \$100,000. Under 16 TAC § 24.11(e)(5)(A), for a sale, transfer, or merger application, the owner must submit loan approval documents indicating funds are available for the purchase of an existing system plus any improvements necessary to provide continuous and adequate service to the existing customers.

It appears that capital improvements in excess of \$100,000 are required for the system at issue. If capital improvements in excess of \$100,000 are required, the applicants must provide, by June 21, 2023, loan documentation in accordance with 16 TAC § 24.11(e)(5)(A) or request a good cause exception under 16 TAC § 24.2(b).

By July 7, 2023, Commission Staff must file a recommendation on the loan documentation or the request for a good cause exception.

Notice

Under 16 TAC § 24.239(e)(1), notice of a sale, transfer, or merger application must be provided to affected customers and other affected parties. Under TWC § 13.246(a-1) and 16 TAC § 24.235(b)(2), notice of an application for an amendment to a CCN must be mailed to each owner

⁵ *Id.*, Corrected Order (Feb. 22, 2023).

of a tract of land that is at least 25 acres and is wholly or partially included in the area proposed to be certified.

Attached to the proof of notice filed by Texas Water Utilities is a confidential list of persons and entities who received notice of the application. However, there is insufficient evidence in the record to support a finding that notice has been provided to each owner of a tract of land that is at least 25 acres and is wholly or partially included in the area proposed to be certified according to the most current tax appraisal rolls of the applicable central appraisal district at the time the Commission received the application for the amendment. Specifically, the record does not identify the tracts of land that are at least 25 acres and are wholly or partially in the requested area nor does the record show who owns those tracts of land. Further, there is no affidavit attesting that notice was mailed to each owner of a tract of land that is at least 25 acres and is wholly or partially included in the area proposed to be certified. Therefore, the record does not show that notice has been mailed to each owner of a tract of land that is at least 25 acres and is wholly or partially included in the area proposed to be certified.

By June 21, 2023, the applicants must supplement their proof of notice by providing an updated affidavit and attachments with the information outlined above.

By July 7, 2023, Commission Staff must file a supplemental recommendation on the applicants' supplemented notice.

Need for Service and Mapping

It is unclear from the record whether Texas Water Utilities seeks to amend its CCN to include customers currently served by CS Water Corporation through its public water system but not currently located within the certificated service area of CS Water Corporation's CCN number 11441.

If Texas Water Utilities seeks to amend its CCN to include uncertificated area, by June 21, 2023, the applicants must file a list of customers currently receiving service from CS Water Corporation who are not within the certificated service area of CS Water Corporation's CCN number 11441, a map showing their location, and copies of their applications for service or most recent monthly bill.

By July 7, 2023, Commission Staff must file a supplemental recommendation on the supplemental materials.

Signed at Austin, Texas the 31st day of May 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink that reads "Katie Moore Marx". The signature is written in a cursive style with a large initial 'K'.

KATIE MOORE MARX
ADMINISTRATIVE LAW JUDGE