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| APPLICATION OF TEXAS WATER UTILITIES, LP AND CS WATER CORPORATION FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN BOSQUE COUNTY | § § § § § § | PUBLIC UTILITY COMMISSION OF TEXAS |
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**OFFICE OF PUBLIC UTILITY COUNSEL'S
EXCEPTIONS TO THE PROPOSED INTERIM ORDER**

Respectfully submitted,

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January 19, 2024

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**OFFICE OF PUBLIC UTILITY COUNSEL'S
EXCEPTIONS TO THE PROPOSED INTERIM ORDER**

The Office of Public Utility Counsel (“OPUC”), representing the interests of residential and small commercial consumers in Texas, respectfully submits these exceptions to the Proposed Interim Order (“PIO”) issued by the Administrative Law Judge (“ALJ”) in this proceeding on January 5, 2024.¹ The PIO sets a January 19, 2024 deadline for parties to file corrections or exceptions to the PIO.² Therefore, these exceptions are timely filed.

I. INITIAL RATES

The PIO states that “[t]his Order does not address . . . the initial rates following Texas Water’s acquisition of CS Water’s facilities and service area.”³ However, in Finding of Fact No. 10, the PIO addresses Texas Water Utilities, LP’s (“Texas Water” or “TWU”) authorization request “to charge the customers served by the public water system being acquired the rates that are in force for the majority of Texas Water’s customers.”⁴

Furthermore, in Finding of Fact No. 58, the PIO includes Texas Water’s authorization request “to charge the customers served by the public water system being acquired the rates that

¹ Proposed Interim Order (Jan. 5, 2024). (PIO).

² *Id.*

³ *Id.* at 1.

⁴ *Id.* at 3.

are in force for Texas Water’s customers, as shown on page nine of its tariff.”⁵ Finding of Fact No. 59 goes on to state that “[i]f authorization is granted, rates for customers in the requested area will be higher than the rates currently charged by CS Water because Texas Water will charge its tariff’s rates.”⁶ These inclusions culminate in Ordering Paragraph No. 1, which states that “[t]he transaction between Texas Water and CS Water in this proceeding is approved and may be completed.”⁷

OPUC urges that the discrepancy between the PIO’s initially stating that it will not address initial acquisition rates and then subsequently proceeding to address initial acquisition rates be resolved in one of two simple manners. The ALJ may:

(1) amend the PIO to stay true to the first paragraph and not address initial post-acquisition rates in the order—with the consequence being that the rates that are currently in effect remain in effect until a rate review case by TWU is initiated; or

(2) amend the PIO to adopt rates that were previously proposed in this docket, specifically—that the Commission order TWU to charge initial rates and service charges that are shown in the water tariff issued to TWU (Docket No. 52494) at the time the application was filed that were in effect for TWU’s water systems on June 1, 2022.^{8 9}

⁵ *Id.* at 8.

⁶ *Ibid.*

⁷ *Id.* at 9.

⁸ See Water Tariff attached to TWU’s application as approved in Docket No. 52201: *See Application of Utilities Investment Company, Inc. and UIC 13 LLC and Monarch Utilities 1 L.P. for Sale, Transfer or Merger of Facilities and Certificate Rights in Harris, Liberty, and Chambers Counties*, Docket No. 52201, Stamped Approved Tariff (Sept. 6, 2022).

⁹ See OPUC’s Response to Order No. 6 Establishing Deadline for Parties to file a Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Allowing the Transaction to Proceed (Mar. 14, 2023).

II. CONCLUSION

For the reasons stated herein, OPUC respectfully requests that the PIO be modified to include findings of fact and conclusions of law consistent with these exceptions and that OPUC be granted any other relief to which it may be entitled.

January 19, 2024

Respectfully submitted,

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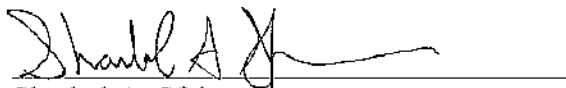
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CERTIFICATE OF SERVICE

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I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 19th day of January 2024, by facsimile, electronic mail, and/or first class, U.S. Mail.



Sharbel A. Sfeir