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Filing Date - 2024-05-03 02:39:02 PM

Control Number - 54171

Item Number - 96

DOCKET NO. 54171

APPLICATION OF TEXAS WATER UTILITIES, L.P. 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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**THIRD SUPPLEMENTAL JOINT MOTION TO ADMIT EVIDENCE
AND PROPOSED NOTICE OF APPROVAL**

Texas Water Utilities, L.P. (Texas Water Utilities) on behalf of itself and CS Water Corporation (CS Water) (collectively, Applicants), the Staff (Staff) of the Public Utility Commission of Texas (Commission), and the Office of Public Utility Counsel (OPUC) (collectively, Movants) file this Third Supplemental Joint Motion to Admit Evidence and Proposed Notice of Approval. Pursuant to Order No. 22 issued on March 7, 2024, this pleading is timely filed on or before May 3, 2024.

I. THIRD SUPPLEMENTAL MOTION TO ADMIT EVIDENCE

Movants request the admission of the following evidence into the record for this proceeding:

- a. Texas Water Utilities' notice of intent to close, filed on December 15, 2023 (Interchange Item No. 81);
- b. Texas Water Utilities' and CS Water's notice of completed transaction, filed on February 12, 2024 (Interchange Item Nos. 88 and 89);
- c. Commission Staff's recommendation on the sufficiency of the closing documents, filed on March 6, 2024 (Interchange Item No. 92);
- d. Texas Water Utilities' and CS Water's consent forms, filed on April 19, 2024 (Interchange Item Nos. 94 and 95); and
- e. The final maps, certificates, and tariff pages included with this motion as Attachment B.

II. PROPOSED NOTICE OF APPROVAL AND TARIFF CHANGES

Movants respectfully request that the Commission adopt the findings of fact, conclusions of law, and ordering paragraphs contained in the Proposed Notice of Approval, being provided as Attachment A. In addition, the Movants request approval of a change to the tariff approval process to effectuate the tariff changes relevant to this proceeding. In addition to the tariff changes in this proceeding, Texas Water Utilities has various recent or upcoming tariff-related deadlines in which new information and pages are being added to Texas Water Utilities' comprehensive tariffs. Further, each of these dockets is in a different stage of review and approval. Because it is not possible to know exactly when a Notice of Approval or Final Order will be filed in each docket, a docket may potentially produce an approved final tariff that includes information that is still being addressed in another docket. This process for filing and seeking approval of the comprehensive tariffs in a given docket has caused significant confusion in the past and has necessitated numerous delays and tariff corrections across Texas Water Utilities' dockets. As such, Movants recommend that it is administratively simpler and more efficient to file and seek approval of the relevant tariff pages for each docket and to then include the relevant information from the approved tariff pages in the most current comprehensive tariffs to be filed as clean copies with Central Records in each docket.

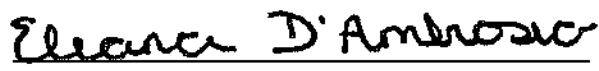
III. CONCLUSION

Movants respectfully request that the Commission grant the Third Supplemental Joint Motion to Admit Evidence and adopt the attached Proposed Notice of Approval.

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 May 3, 2024, in accordance with the Order Suspending Rules, issued in Project No. 50664.

Eleanor D'Ambrosio
Eleanor D'Ambrosio

DOCKET NO. 54171

APPLICATION OF TEXAS WATER UTILITIES, L.P. 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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PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Texas Water Utilities, L.P.¹ (Texas Water Utilities) and CS Water Corporation (CS Water) for approval of the sale, transfer, or merger of facilities and certificate rights in Bosque County. The Commission approves (1) the sale and transfer to Texas Water Utilities of all facilities held by CS Water located within the service area of CS Water's certificate of convenience and necessity (CCN) number 11441; (2) the sale and transfer of all service area within CS Water's CCN number 11441 to Texas Water Utilities; (3) the amendment of Texas Water Utilities' CCN number 12983 to include all facilities previously held by CS Water and the service area previously included in CS Water's CCN number 11441; and (4) the cancellation of CS Water's CCN number 11441. Additionally, the Commission determines the ratemaking rate base for the facilities being sold and transferred and the initial rates to be charged to the customers transferred from CS Water to Texas Water Utilities.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Texas Water Utilities is a limited partnership registered with the Texas secretary of state under file number 800034797.
2. Texas Water Utilities holds CCN number 12983 which obligates it to provide retail water service in its certificated service area in Bandera, Bexar, Bosque, Brazoria, Chambers,

¹ On November 15, 2022, the Commission approved the name change of Monarch Utilities I L.P. to Texas Water Utilities, L.P. in Docket No. 53636. For clarity, this Order will refer to Texas Water Utilities throughout, although many of the filings referenced were filed under the Monarch name. *See Application of Monarch Utilities I L.P. for a Certificate of Convenience and Necessity Name Change*, Docket No. 53636, Notice of Approval (Nov. 15, 2022).

Comal, Cooke, Denton, Freestone, Gillespie, Grayson, Guadalupe, Hays, Henderson, Hood, Johnson, Kendall, Kerr, Liberty, Marion, Matagorda, Medina, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Travis, Trinity, Tyler, Van Zandt, Wise, and Wood counties.

3. CS Water is a Texas corporation registered with the Texas secretary of state under file number 114397600.
4. CS Water holds CCN number 11441 which obligates it to provide retail water service in its certificated service area in Bosque County.
5. CS Water owns a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 0180033.

Application

6. On May 23, 2022, prior to filing the application, Texas Water Utilities and CS Water filed their notice of intent to determine fair market value of a water system in Project No. 49859,² to initiate the Commission's fair market value process for the proposed sale of CS Water's public water system to Texas Water Utilities.
7. On September 30, 2022, the applicants filed the application at issue in this proceeding.
8. On October 4, 25, and 26, 2022, and February 10, April 7, and June 21, 2023, the applicants supplemented the application.
9. In the application, as supplemented, the applicants seek approval of the following:
 - a. the sale and transfer to Texas Water Utilities of all facilities held by CS Water located within the service area of CS Water's CCN number 11441;
 - b. the sale and transfer of all service area within CS Water's CCN number 11441 to Texas Water Utilities;
 - c. the amendment of Texas Water Utilities' CCN number 12983 to include all facilities previously held by CS Water and the service area previously included in CS Water's CCN number 11441; and

² *Notice of Intent to Determine Fair Market Value*, Project No. 49859, Monarch Utilities I L.P.'s and CS Water Corporation's Notice of Intent to Determine Fair Market Value of Water System in Bosque County (May 23, 2022).

- d. the cancellation of CS Water's CCN number 11441.
10. Additionally, in the application as supplemented, the applicants seek the following:
 - a. an order confirming the ratemaking rate base for the public water system at issue in this proceeding; and
 - b. authorization for Texas Water Utilities to charge the customers served by the public water system being acquired the rates that are in force for the majority of Texas Water Utilities' customers at the time the application was filed.
11. The requested area includes approximately 726 acres and 178 current customers.
12. The requested area is located approximately 6.5 miles west of downtown Whitney, Texas, and is generally bounded on the north by County Road 1500 and Cedron Creek; on the east by the Brazos River and Lake Whitney; on the south by King Creek; and on the west by Farm-to-Market Road 56.
13. In Order No. 3 filed on November 1, 2022, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

Notice

14. On November 21, 2022, the applicants filed the affidavit of George Freitag, Texas regulatory manager for Texas Water Utilities, attesting that notice was provided to current customers, neighboring utilities, and affected parties on November 18, 2022.
15. In Order No. 5 filed on December 14, 2022, the ALJ found the notice sufficient.
16. On April 26, 2023, the applicants filed the affidavit of Brian Bahr, director of rates and regulatory affairs for Texas Water Utilities, attesting that new notice was provided to current customers, neighboring utilities, and affected parties on April 19, 2023.
17. In Order No. 12 filed on May 8, 2023, the ALJ found the reissued notice sufficient.
18. On June 21, 2023, Texas Water Utilities filed the affidavit of Mr. Bahr attesting that notice was provided on June 16, 2023, to all owners of tracts of land of 25 acres or more that are wholly or partially located in the requested area.
19. On July 14 and 27, 2023, Texas Water Utilities filed supplemental mapping showing the tracts of land of 25 acres or more wholly or partially located within the requested area.

20. In Order No. 17 filed on August 31, 2023, the ALJ found the supplemental proof of notice to landowners sufficient.

Intervenors

21. In Order No. 2 filed on November 1, 2022, the ALJ granted the motion to intervene of the Office of Public Utility Counsel (OPUC).
22. In Order No. 13 filed on May 24, 2023, the ALJ granted the motion to intervene of Juan Li and Joseph Riley.

Evidentiary Record

23. In Corrected Order No. 18 filed on October 4, 2023, the ALJ admitted the following evidence into the record:
- a. the application and all attachments filed on September 30, 2022;
 - b. the supplements to the application filed on October 4, 25, and 26, 2022, and February 10, 2023;
 - c. Commission Staff's recommendation on administrative completeness and notice and proposed procedural schedule filed on October 31, 2022;
 - d. Texas Water Utilities' proof of notice and attachment filed on November 21, 2022;
 - e. Commission Staff's recommendation on the sufficiency of notice filed on December 12, 2022;
 - f. Commission Staff's recommendation on approval of the sale and on the CCN amendment filed on January 31, 2023;
 - g. Texas Water Utilities' proof of re-notice in compliance with Order No. 10 filed on April 26, 2023;
 - h. Texas Water Utilities' confidential list of notice recipients filed on April 27, 2023;
 - i. Commission Staff's recommendation on the sufficiency of new notice filed on May 4, 2023;
 - j. copies of agreed orders resolving TCEQ enforcement actions opened against Texas Water Utilities in the past five years, attached to Texas Water Utilities' supplemental motion to admit evidence filed on May 31, 2023;

- k. Texas Water Utilities' response to Order No. 14 filed on June 21, 2023;
 - l. Texas Water Utilities' supplemental landowner map filed on July 14, 2023;
 - m. Commission Staff's response to Order No. 15 filed on July 18, 2023; and
 - n. Texas Water Utilities' supplemental landowner map in response to Order No. 16 filed on July 27, 2023.
24. In Order No. __ filed on __ __, 2024, the ALJ admitted the following additional evidence into the record of this proceeding:
- a. Texas Water Utilities' notice of intent to close, filed on December 15, 2023;
 - b. Texas Water Utilities and CS Water's notice of completed transaction, filed on February 12, 2024;
 - c. Commission Staff's recommendation on the sufficiency of the closing documents, filed on March 6, 2024;
 - d. Texas Water Utilities and CS Water's consent forms, filed on April 19, 2024; and
 - e. The final maps, certificates, and tariff pages attached to the third supplemental joint motion to admit evidence, filed on May 3, 2024.

Sale

25. The 120-day deadline for the Commission to notify all known parties to the transaction and OPUC whether the Commission will hold a public hearing to determine if the transaction will serve the public interest was October 16, 2023. No order making a determination to hold a hearing was issued by that deadline.
26. On December 15, 2023, Texas Water Utilities filed its notice of intent to close.
27. On February 12, 2024, the applicants filed proof that the sale had closed and customer deposits had been refunded to customers as part of their final bill from CS Water.
28. In Order No. 22 filed on March 7, 2024, the ALJ found the closing documentation sufficient.

Purchaser's Compliance History

29. The Commission's records, which date back to 2017, show 400 informal complaints against Texas Water Utilities. However, Texas Water Utilities is a large utility that

operates multiple public water systems and sewer systems and serves approximately over 50,000 water and wastewater connections.

30. The informal complaints have been evaluated by the Commission's Consumer Protection Division.
31. Texas Water Utilities has been subject to an enforcement action by the TCEQ in the past five years for non-compliance with rules, orders, or state statutes.
32. Texas Water Utilities has resolved, or is in the process of resolving, the compliance issues related to the open TCEQ enforcement actions listed in the application.
33. Texas Water Utilities does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
34. Texas Water Utilities demonstrated a compliance history that is adequate for approval of the proposed transaction.

Adequacy of Existing Service

35. There are currently 178 connections in the requested area that are being served by CS Water through public water system number 0180033 and such service has been continuous and adequate.
36. The last TCEQ compliance investigation of CS Water's public water system was on June 17, 2020.
37. CS Water does not have any unresolved violations listed in the TCEQ database.
38. The Commission's records, which date back to 2017, show two informal complaints against CS Water.
39. No capital improvements are necessary for Texas Water Utilities to continue providing continuous and adequate service to the requested area.
40. There is no evidence in the record that CS Water has failed to comply with any Commission or TCEQ order.

Need for Additional Service

41. There are 178 existing water customers in the requested area that are currently receiving service from CS Water and have an ongoing need for service.

- 42. This is an application to transfer only existing facilities, customers, and service area.
- 43. There is no evidence in the record indicating a need for additional service.

Effect of Approving the Transaction and Granting the Amendment

- 44. Texas Water Utilities will be required to provide continuous and adequate water service to current and future customers in the requested area.
- 45. CS Water and Texas Water Utilities are the only utilities affected by this sale and transfer.
- 46. All retail public utilities in the proximate area were provided notice of the application and no protests or adverse comments were filed.
- 47. There will be no effect on landowners in the requested area because the requested area is currently certificated.

Initial Rates

- 48. Texas Water Utilities requested approval to charge acquired customers initial rates and service charges that are shown in the water tariff issued to Texas Water Utilities at the time the application was filed.
- 49. This application was considered filed on November 1, 2022, when it was deemed administratively complete.
- 50. On the date the application was filed, Texas Water Utilities' tariff in force for its other water systems was the tariff approved in Docket No. 53215.³ The rates in the tariff approved in Docket No. 53215 are identical to the rates in the tariff approved in Docket No. 52494, which was provided with the application because it was the tariff in force at the date this application was initially submitted to the Commission.⁴

³ *Application of Monarch Utilities I L.P. to Amend Its Certificates of Convenience and Necessity in Harris, Liberty, and Montgomery Counties*, Docket No. 53215, Notice of Approval (Oct. 24, 2022).

⁴ *Application of R & N Enterprises and Monarch Utilities I, L.P. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Cooke County*, Docket No. 52494, Notice of Approval (Sept. 1, 2022).

51. The rates requested by Texas Water Utilities are as follows:

Minimum Monthly Charge 5/8" Meter – \$48.37	
0 – 2,000 gallons	\$6.48 per 1,000 gallons
2,001 – 10,000 gallons	\$7.98 per 1,000 gallons
10,001 – 20,000 gallons	\$9.05 per 1,000 gallons
20,000+ gallons	\$9.64 per 1,000 gallons

Ability to Serve: Managerial and Technical

52. Texas Water Utilities owns and operates numerous TCEQ-registered public water systems in Texas and serves approximately 30,000 connections.
53. Texas Water Utilities employs or contracts with TCEQ-licensed operators who will be responsible for the operation of the public water system being transferred.
54. Texas Water Utilities has the technical and managerial capability to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from an Adjacent Retail Public Utility

55. CS Water is currently serving customers throughout the requested area, and such service has been continuous and adequate.
56. 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 to connect to a neighboring retail public utility.
57. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

58. It will not be necessary for Texas Water Utilities to construct a physically separate water system to serve the requested area.
59. 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 and Stability

60. Texas Water Utilities' affiliate, SouthWest Water Company, is capable, available, and willing to cover temporary cash shortages, and has a debt-service ratio that is greater than 1.25, satisfying the leverage test.
61. Through SouthWest Water Company, Texas Water Utilities has sufficient cash available to cover any projected operations and maintenance shortages during the first five years after the completion of the proposed sale and transfer, satisfying the operations test.
62. Texas Water Utilities demonstrated the financial capability and stability to provide continuous and adequate water service.

Financial Assurance

63. There is no need to require Texas Water Utilities to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land

64. There will be no effect on environmental integrity of the land as the requested area will continue to be served with existing facilities.

Improvement of Service or Lowering Costs to Consumers

65. Texas Water Utilities will continue to provide water service to CS Water's existing customers in the requested area.
66. Reliability and quality of water service is expected to improve under Texas Water Utilities' management.
67. Texas Water Utilities requested authorization to charge the customers served by the public water system being acquired the rates that are in force for Texas Water Utilities customers, as shown on page nine of the version of its water tariff approved in Docket No. 52494, which was the version of its tariff in effect at the time the application was filed.⁵

⁵ *Application of R & N Enterprises and Monarch Utilities I L.P. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Cooke County*, Docket No. 52494, Notice of Approval at Ordering Paragraph No. 3 (Sept. 1, 2022).

68. If authorization is granted, rates for customers in the requested area will be higher than the rates currently charged by CS Water because Texas Water Utilities will charge its tariffed rates.

Voluntary Valuation of Acquired Utility or Facilities

69. On May 23, 2022, which was before filing the application at issue in the present docket, Texas Water Utilities and CS Water filed a notice to the Commission in Project No. 49859 of their intent to use the Commission's fair-market-value process to determine the ratemaking rate base of CS Water's water system assets to be acquired by Texas Water Utilities.
70. Texas Water Utilities included in the application copies of the three appraisal reports required by the fair-market-value process and evidence of the purchase price agreed upon between Texas Water Utilities and CS Water.
71. The appraisal reports submitted with the application were filed under confidential seal.
72. The average of the three appraisals that yields the fair market value for CS Water's public water system facilities is listed in Confidential Attachment FB-1 filed by Commission Staff on January 31, 2023.
73. The purchase price for CS Water's public water system facilities was filed under confidential seal.
74. The negotiated purchase price is less than the average fair market value for CS Water's public water system facilities; therefore, the ratemaking rate base for CS Water's public water system facilities is the negotiated purchase price.
75. The application included the amount of fees paid to the three utility valuation experts and known transaction and closing costs that will be reviewed for inclusion in Texas Water Utilities' rate base and recovery in a future Texas Water Utilities rate case.
76. No additional conditions for the acquisition based on the fair-market-value process are needed.

Maps, Certificates, and Tariffs

77. On April 5, 2024, Commission Staff emailed Texas Water Utilities and CS Water the final proposed maps, certificates, and tariffs related to this docket.

78. On April 19, 2024, Texas Water Utilities filed a consent form concurring with the proposed final map and certificate and the proposed tariff with modifications agreed to by Texas Water Utilities and Commission Staff.
79. On April 19, 2024, CS Water filed a consent form concurring with the proposed final map and certificate and the proposed tariff with modifications agreed to by CS Water and Commission Staff.
80. On May 3, 2024, the final maps, certificates, and applicable tariff pages were provided as Attachment 2 to the third supplemental joint motion to admit evidence filed by the parties.
81. It is appropriate for Texas Water Utilities and Commission Staff to only propose the final tariff pages that are relevant to this docket for approval. After this Order is filed, it is sufficient for Texas Water Utilities and Commission Staff to provide to the Commission the most current comprehensive clean water tariff that includes the final tariff pages approved in this docket, and information relevant to this docket.

Informal Disposition

82. More than 15 days have passed since the completion of notice provided in this docket.
83. No person filed a protest.
84. Texas Water Utilities, CS Water, OPUC, Juan Li and Joseph Riley, and Commission Staff are the only parties to this proceeding.
85. Commission Staff recommended approval of the application.
86. No party requested a hearing, and no hearing is needed.
87. This 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, 13.242, 13.244, 13.246, 13.251, 13.301, 13.305 and 13.3011.

2. Texas Water Utilities and CS Water are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Notice of the application was provided in compliance with TWC §§ 13.246(a) and 13.301(a)(2) and 16 TAC § 24.239(a) through (c).⁶
4. The application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.
5. The Commission processed this application as required by the TWC, the Administrative Procedure Act,⁷ and Commission rules.
6. Texas Water Utilities and CS Water have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. The Commission has 120 days from the date notice of the application is completed notify all known parties to the transaction and OPUC whether the Commission will hold a public hearing to determine if the transaction will serve the public interest under TWC § 13.301(e) and 16 TAC § 24.239(b) and (h).
8. If the Commission does not require a public hearing, the transaction may be completed as proposed at the end of the 120-day notice period under TWC § 13.301(f) and 16 TAC § 24.239(i).
9. Texas Water Utilities and CS Water completed the sale and transfer within the time frame required by 16 TAC § 24.239(m).
10. After consideration of the factors in TWC § 13.246(c), Texas Water Utilities demonstrated that it is capable of rendering continuous and adequate service to every water customer within the requested area, as required by TWC § 13.251.
11. Texas Water Utilities demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service in the requested area as required by TWC §§ 13.241(a) and 13.301(b).

⁶ After this application was filed, 16 TAC § 24.239 was amended, effective March 29, 2023. Accordingly, all references and citations to 16 TAC § 24.239 in this Notice of Approval are made to the version in effect at the time the application was filed.

⁷ Tex. Gov't Code §§ 2001.001–.903.

12. 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.
13. It is not necessary for Texas Water Utilities to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
14. Texas Water Utilities and CS Water filed their notice of intent to use the Commission's fair-market-valuation process in compliance with TWC § 13.305(c)(1) and 16 TAC § 24.238(d).
15. The Commission's executive director selected three utility valuation experts to perform appraisals of the CS Water public water system in compliance with TWC § 13.305(c)(2) and 16 TAC § 24.238(e).
16. The application included copies of the three appraisal reports completed by the utility valuation experts as required by TWC § 13.305(h)(1) and 16 TAC § 24.239(d)(1)(A).
17. The application included the purchase price agreed to by Texas Water Utilities and CS Water as required by TWC § 13.305(h)(2) and 16 TAC § 24.239(d)(1)(B).
18. The application included the ratemaking rate base determined under TWC § 13.305(g) and 16 TAC § 24.238 as required by TWC § 13.305(h)(3).
19. The application included the known transaction and closing costs incurred by Texas Water Utilities to be requested for review for inclusion in Texas Water Utilities' rate base and recovery in a future rate case as permitted by TWC § 13.305(e) and 16 TAC §§ 24.238(k), 24.239(d)(1)(C), and 24.239(d)(2).
20. The calculation of the fair market valuation for CS Water's water system complies with TWC § 13.305(f) and 16 TAC § 24.238(f) through (j).
21. The calculation of the ratemaking rate base for the CS Water public water system complies with TWC § 13.305(g) and 16 TAC § 24.238(b)(3) and (4).
22. Texas Water Utilities and CS Water demonstrated that the sale and transfer of CS Water's facilities and service areas to Texas Water Utilities will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public under TWC §§ 13.246(b) and 13.301(d) and (e).

23. Under TWC § 13.257(r) and (s), Texas Water Utilities must record a certified copy of the certificate and the map approved by this Notice of Approval, along with a boundary description of the service areas, in the real property records of Bosque County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording.
24. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the sale and transfer of 726 acres of water service area within CS Water's CCN number 11441 to Texas Water Utilities.
2. The Commission approves the sale and transfer to Texas Water Utilities of all water facilities held by CS Water located within the requested area.
3. The Commission amends Texas Water Utilities' CCN number 12983 to include all water facilities previously held by CS Water in the requested areas and the 726 acres of water service area previously included in CS Water's CCN number 11441.
4. The Commission cancels CS Water's CCN number 11441.
5. The Commission approves the maps and tariff pages attached to this Notice of Approval.
6. The Commission issues the certificates attached to this Notice of Approval.
7. The Commission determines the ratemaking rates base for CS Water's public water system to be the sales price amount stated in Commission Staff's confidential attachment FB-1 filed on January 31, 2023.
8. Texas Water Utilities may seek to include its transaction and closing costs for its acquisition of the CS Water public water system in Texas Water Utilities' rate base for recovery in a future rate case.
9. Texas Water Utilities must provide service to every customer or qualified applicant for service within the approved area under CCN number 12983 that requests water service

and meets the terms of Texas Water Utilities' water service policies, and such service must be continuous and adequate.

10. Within ten days of the date this Notice of Approval is filed, Texas Water Utilities and Commission Staff must provide to the Commission a clean copy of Texas Water Utilities' most current comprehensive water tariff to be stamped *Approved* and retained by Central Records.
11. Texas Water Utilities must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Bosque County affected by the application and file in this docket proof of the recording no later than 45 days after receipt of this Notice of Approval.
12. The Commission denies all other motions and any other requests for general or specific relief that have been expressly granted.

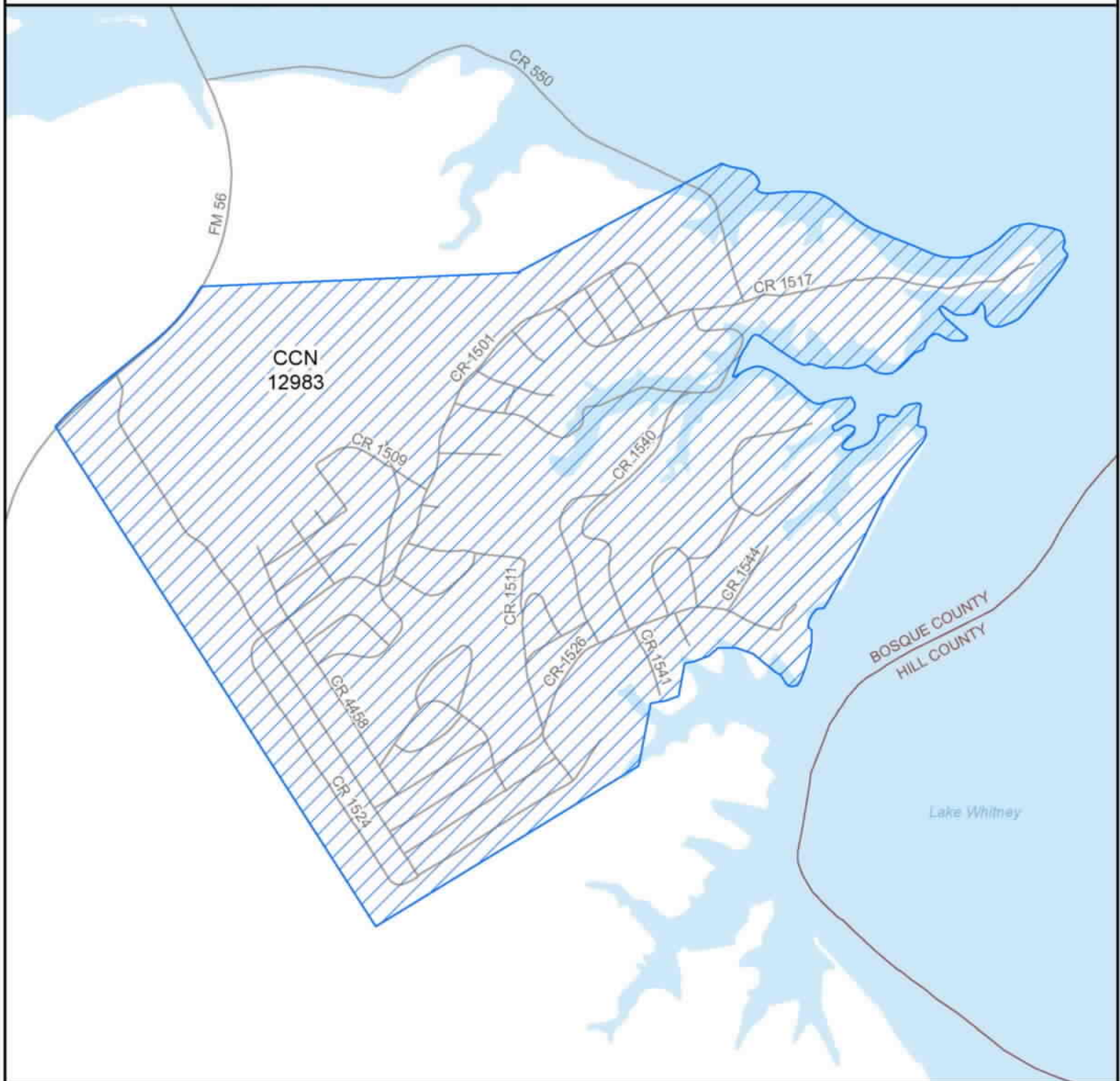
Signed at Austin, Texas the _____ day of ___, 2024.

PUBLIC UTILITY COMMISSION OF TEXAS


ISAAC TA
ADMINISTRATIVE LAW JUDGE

ATTACHMENT B

PUCT Docket No. 54171
Texas Water Utilities, L.P.
Portion of Water CCN No. 12983
Transfer all of CS Water Corporation, CCN No. 11441 in Bosque County



Water CCN

 12983 - Texas Water Utilities LP

0 625 1,250
Feet





Public Utility Commission of Texas

**By These Presents Be It Known To All That
Texas Water Utilities, L.P.**

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, Texas Water Utilities, L.P. is entitled to this

Certificate of Convenience and Necessity No. 12983

to provide continuous and adequate water utility service to that service area or those service areas in Bandera, Bexar, Bosque, Brazoria, Chambers, Comal, Cooke, Denton, Freestone, Gillespie, Grayson, Guadalupe, Harris, Hays, Henderson, Hood, Johnson, Kendall, Kerr, Liberty, Marion, Matagorda, Medina, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Travis, Trinity, Tyler, Van Zandt, Wise, and Wood counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54171 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Texas Water Utilities, L.P. 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 No. 54171

Texas Water Utilities, L.P.
(Utility Name)

12535 Reed Road
(Business Address)

Sugar Land, Texas 77478-2837
(City, State, Zip Code)

(866) 654-7992
(Area Code/Telephone)

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

12983

This tariff is effective in the following counties:

Bandera, Bexar, Bosque, Brazoria, Chambers, Comal, Cooke, Denton, Freestone, Gillespie, Grayson, Guadalupe, Harris, Hays, Henderson, Hood, Johnson, Kendall, Kerr, Liberty, Marion, Matagorda, Medina, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Travis, Trinity, Tyler, Van Zandt, Wise, and Wood

This tariff is effective in the following cities or unincorporated towns (if any):

This tariff is only effective in the portions of the subdivisions and public water systems in the environs, except for the cities of Aurora and Coffee City that have surrendered rate jurisdiction.

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

See attached 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):

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APPENDIX A – DROUGHT CONTINGENCY PLAN

APPENDIX B – APPLICATION FOR SERVICE

APPENDIX C – AGREEMENT FOR TEMPORARY WATER SERVICE

County	TCEQ Water Systems	PWS ID Number	Subdivisions
Bandera	Enchanted River Estates	0100039	Enchanted River Estates
	Lake Medina Shores	0100037	Lakeshore Beach, Wharton Dock, Lake Point, Holiday Villages of Medina, Lake Medina Shores (Medina County)
	River Bend Estates	0100042	River Bend Estates
Bexar	Bavarian Hills	0150235	Bavarian Hills
	Coolcrest Water System	0150046	Coolcrest
	Stagecoach Hills	0150096	Stagecoach Hills
	Oaks North Mobile Home Estates	0150135	Oak North Mobile Home Estates
	Country Springs Water Company	0150421	Country Bend
Bosque	CS Water	0180033	The Canyons, Cedar Shores
Brazoria	Holiday Shores	0200029	Holiday Shores
Chambers	Tower Terrace	0360069	Houston Raceway Park, West Chambers County Estates, Tower Terrace
	Greenbriar Estates	0360111	Greenbriar Estates
Comal	Oak Village North***	0460037	Oak Village North
	Rim Rock Ranch	0460211	Rim Rock Ranch
	Windmill Ranch Subdivision***	0460221	Kestrel Air Park, Windmill Ranch Subdivision
Cooke	Pleasant Ridge Addition	0490041	Pleasant Ridge Addition
	Timber Creek Addition	0490030	Timber Creek Addition
Denton	Denton Creek Estates	0610015	Denton Creek Estates, Aero Valley Airport
	Ponderosa Addition Utilities	0610175	Ponderosa Addition, Wild West Addition,
	Stonecrest Estates	0610059	Stonecrest Estates, Sunrise Circle Addition
	Wynnwood Haven Estates	0610037	Wynnwood Haven Estates, Snug Harbor
Freestone	Moody Water System	0810038	Moody Water System
Gillespie	Oakview Water System	0860107	Oakview
Grayson	Ridgecrest	0910035	Ridgecrest, Glen Eden, Hiland Shores, Lakeview, Little Mineral MHP, Millers Estates, Oak Estates, Preston Cove, Preston Forest, Preston Oaks, Preston Point Bend, Ridgecrest, Van Antwerp, VFW Post
	Rocky Point Estates	0910038	Hanna Cove Estates, Rocky Point Estates "A", Rocky Point Estates "B", Hanna Ranchettes, Mainer Cay Estates, Tiny Home Vacation Resorts
	Sherwood Shores	0910040	Cedar Mills Estates, Hillcrest Shores, Wright Acres, Sherwood Shores

County	TCEQ Water Systems	PWS ID Number	Subdivisions
	Tanglewood-on-Texoma	0910052	Angler's Estates, Cedar Oak Hills, Eagle Chase, Fairway Hollow, Greenway Bend, Lakecrest Village, Mill Creek Homesites, Oak Meadow Estates, Paradise Cove, Russwood-on-the-Lake, Simmons Shores, Sunrise Circle, Tanglewood Hills, Tanglewood Resort, Cambridge Shores, Highport, Mill Creek Meadows, Whispering Meadows, Pecan Valley Addition, The Woods of Fossil Ridge, Fossil Ridge on Lake Texoma, Tanglewood Crossing, Barnes Enterprises, Lakecrest Addition
Guadalupe	Garden Oaks	0940030	Garden Oaks
Harris	Aldine Village Subdivision	1010931	Aldine Village
	Azalea Estates	1011253	Azalea Estates
	Cedar Bayou Estates	1012174	Cedar Bayou Estates
	Cedar Bayou Park	1010112	Cedar Bayou Park West
	Cedar Oaks	1011556	Cedar Oaks
	Cottonwood Park	1010283	Airline Link Addition
	Cypress Hill	1011792	Cypress Hill
	Fairview Acres MHP	1010706	Fairacres Section 1
	Glenwood Mobile Home Subdivision	1011492	Fairacres Section 2
	Homestead Oaks	1011734	Homestead Oaks
	Los Pinos Water System	1013733	Los Pinos Subdivision
	McGee Place	1012995	McGee Place
	Orchard Crossing	1012450	Orchard Crossing
	Rollan Heights	1010640	Rollan Heights
	Spring Cypress Center	1013172	Spring Cypress Shopping Center
	Target Center Water Plant	1013316	Spring Cypress Shopping Center
	Villas of Willowbrook	1013599	Villas of Willowbrook
	Western Trails Subdivision	1010230	Western Trails
Hays	Huntington Estates	1050124	Huntington Estates
	Plum Creek***	1050028	Amberwood, Bootstring Farms, Branch View Addition, Buda Business Park, Casey-Kyle, Double R, Dove Hill Estates, Goforth Estates, Green Pastures, Interstate Business, Kyle Crossing-Home Depot, Park South, Pinafore Park, Rolling Hills Estates, South Buda Business Park, Two Way, Village at Buda, Indian Paintbrush

SYSTEM IMPROVEMENT CHARGE

Effective for all customers of all systems except Athens Water System, Ivanhoe Land of Lakes, Moody Water System, Creek Water Utility, Oak Village North, CS Water, Windmill Ranch (portions within city jurisdiction), Plum Creek (portions within city jurisdiction)

(Docket No. 55585)

METER SIZE	MONTHLY CHARGE PER CONNECTION
5/8"	\$14.62 per month
5/8"x3/4"	\$14.62 per month
3/4"	\$21.93 per month
1"	\$36.55 per month
1½"	\$73.10 per month
2"	\$116.96 per month
3"	\$219.30 per month
4"	\$365.50 per month
6"	\$731.00 per month
8"	\$1,169.60 per month
10"	\$1,681.30 per month
12"	\$3,143.30 per month

Docket No. 50944 Interim Rates Reconciliation (effective for 18 months beginning 03-01-2024)

Not applicable to customers of systems acquired after February 23, 2022.

(Docket No. 53061)

METER SIZE	MONTHLY CHARGE/(CREDIT) per CONNECTION
5/8"	(\$6.51)
5/8"x3/4"	(\$6.51)
3/4"	(\$9.77)
1"	(\$16.28)
1½"	(\$32.55)
2"	(\$52.08)
3"	(\$97.65)
4"	(\$162.75)
6"	(\$325.50)
8"	(\$520.80)
10"	(\$748.65)
12"	(\$1,399.65)

PURCHASED WATER AND OTHER PASS THROUGH RATES

All systems not otherwise specified	Passthrough Rate: <u>\$5.65</u> per 1,000 gallons (Tariff Control No. 56066)
Western Trails Subdivision, Shaded Lane Estates, Chisholm Hills Estates, Coyote Ridge Addition, Hills of Oliver Creek, Sage Brush Estates, Sky View Ranch Estates, Windmill Trail	Passthrough Rate: <u>\$0.00</u> per 1,000 gallons
Bavarian Hills, Cascade Mobile Home Park, Coolcrest Water System, Country Springs Water Company, Garden Oaks, Oaks North Mobile Home Estates, Oak Village North, Stagecoach Hills	See Below
Cascade Mobile Home Park	See Below
Coolcrest Water System	See Below
Bavarian Hills, Country Springs Water Company, Oaks North Mobile Home Estates, Stagecoach Hills	See Below
Oak Village North	See Below
Enchanted River Estates, Oakview Water System, Rim Rock Ranch, River Bend, Windmill Ranch Subdivision	See Below
Rim Rock Ranch, Windmill Ranch Subdivision	See Below
Cedar Springs MHP, Center Point, Heritage Park Water System, Hills and Dales, Platten Creek Water System, Rocky Creek Subdivision Water System, Southern Hills, Verde Park Estates, Vista Hills, Woodhaven Mobile Home Park, Oak Ridge Estates Water System, Windwood Oaks Water System	See Below
Platten Creek Water System	See Below
Rocky Creek Subdivision Water System	See Below
Westwood Water System	See Below
Huntington Estates	See Below
Spring-Cypress Shopping Center, Target Center	See Below
Cedar Bayou Park	See Below
Cedar Bayou Park, Fairview Acres Subdivision, Glenwood Subdivision, Cedar Bayou Estates Homeowners Association Inc., Peterson Place Subdivision, Rollan Heights Subdivision	See Below
Aldine Village - PWS #1010931 Subdivision Only	See Below
Cypress Hill - PWS #1011792 Subdivision Only	See Below
Inverness Point Water System, Dal-High, Oak Terrace Estates Water System, Beacon Bay Marina and RV Park, Orchard Crossing, McGee Place, Greenbriar Estates, Cedar Oaks Mobile Home Community, Homestead Oaks Mobile Home Community, Azalea Village, Cottonwood Park, Athens Water Systems Coop, Moody Water System, CS Water	No Passthrough Rate Currently Approved