



Filing Receipt

Filing Date - 2024-02-06 10:27:08 AM

Control Number - 54393

Item Number - 72

DOCKET NO. 54393

APPLICATION OF CSWR-TEXAS	§	
UTILITY OPERATING COMPANY, LLC	§	
AND INTERMEDIARY SOLUTIONS	§	PUBLIC UTILITY COMMISSION
HOLDING LLC FOR THE SALE,	§	
TRANSFER, OR MERGER OF	§	OF TEXAS
FACILITIES AND CERTIFICATE	§	
RIGHTS IN LUBBOCK COUNTY	§	

**JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE
AND PROPOSED NOTICE OF APPROVAL**

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ATTACHMENTS: Map, Certificate, and Tariff Pages
Proposed Notice of Approval

DOCKET NO. 54393

APPLICATION OF CSWR-TEXAS UTILITY OPERATING COMPANY, LLC AND INTERMEDIARY SOLUTIONS HOLDING LLC FOR THE SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN LUBBOCK COUNTY	§ § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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**JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE
AND PROPOSED NOTICE OF APPROVAL**

Intermediary Solutions Holding LLC (Intermediary Solutions), 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 Proposed Notice of Approval. In support thereof, the Parties show the following:

I. BACKGROUND

On October 23, 2023, CSWR-Texas and Intermediary Solutions filed closing documents reflecting the consummation of CSWR-Texas's acquisition of Intermediary Solutions' facilities and certificated service area, plus the addition of certain uncertificated areas. Staff filed its recommendation on the sufficiency of the closing documents on November 27, 2023 requesting that the applicants' closing documentation be found sufficient.

II. JOINT MOTION TO ADMIT EVIDENCE

The Parties move to admit the following evidence into the record of this proceeding:

- A. CSWR-Texas's capital improvement plan documents and all attachments and confidential attachments, filed on October 18, 2023 (Interchange Nos. 54-56);
- B. CSWR-Texas's Notice of Completed Transaction and highly sensitive attachment, filed on October 23, 2023 (Interchange Nos. 59-60);
- C. Commission Staff's recommendation on sufficiency of closing documents, filed on November 27, 2023 (Interchange No. 63);
- D. Intermediary Solutions' consent form, filed on January 3, 2024 (Interchange No. 65); and

- E. CSWR-Texas's consent forms, filed on January 24 and 29, 2024 (Interchange Nos. 70 and 71);
- F. The map, certificate, and tariff pages attached to the joint supplemental motion to admit evidence and joint proposed notice of approval filed on February 6, 2024.

III. PROPOSED NOTICE OF APPROVAL

The Parties move for adoption of the attached Notice of Approval. CSWR-Texas has numerous pending dockets in which Commission 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, Commission Staff respectfully recommends that after issuance of the Notice of Approval, the Commission require Commission Staff to file the most current comprehensive tariff with Central Records. The clean tariff filing will include the updated, approved tariff pages from that docket. In this instance, CSWR-Texas and Commission Staff submit the attached relevant tariff pages to add Intermediary Solutions' facilities, rates, and service area under CCN No. 12179 to CSWR-Texas's water tariff under CCN No. 13290.

Since Commission Staff is uncertain as to when the Notices of Approval will be filed in each docket, it 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.

IV. CONCLUSION

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the attached Proposed Notice of Approval be adopted. For convenience purposes, a copy is attached in its native format.

Respectfully submitted,

**ATTORNEYS FOR CSWR-TEXAS UTILITY
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**PUBLIC UTILITY COMMISSION OF TEXAS
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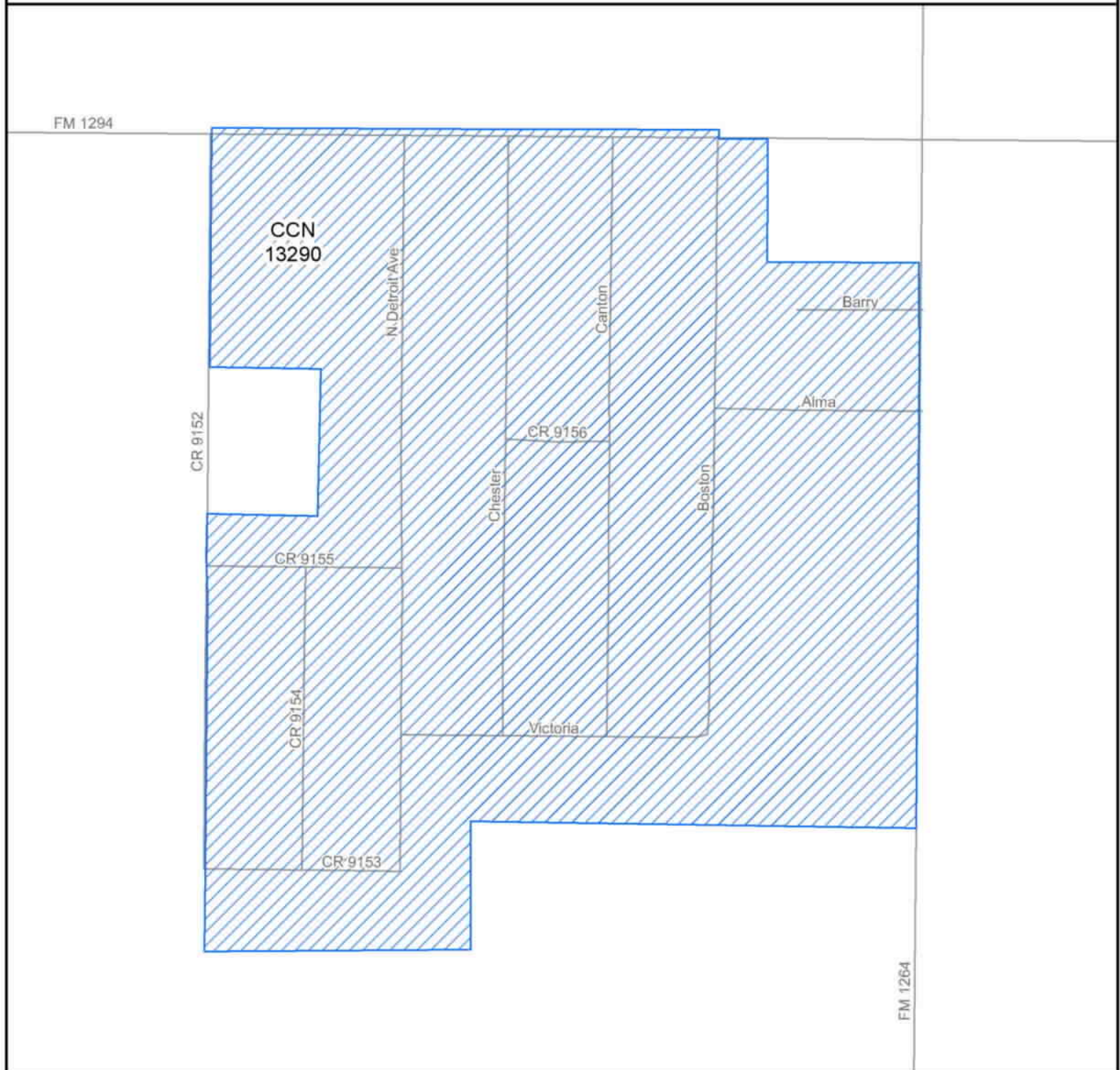
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CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of February 2024, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Second Order Suspending Rules filed in Project No. 50664.


Wendy L. Harvel

PUCT Docket No. 54393
CSWR-Texas Utility Operating Company, LLC
Portion of Water CCN No. 13290
Transfer all of Intermediary Solutions Holding, LLC, CCN No. 12179 in Lubbock County



Water CCN



13290 - CSWR-Texas Utility Operating Company LLC

0 250 500
Feet





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, 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. 54393 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: 54393

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

Rates for customers in the Laguna Tres subdivision (PWS #1110019) and Laguna Vista subdivision (PWS #1110095), who are located within the City of Granbury, are not included in this tariff and should be obtained from the City of Granbury.

City of Lubbock

Rates for customers in the Franklin Water Systems 1 subdivision (PWS #1520224) and Franklin Water Systems 3 subdivision (PWS #1520080), who are located within the City of Lubbock, are not included in this tariff and should be obtained from the City of Lubbock.

City of Rockport

Rates for customers if the Copano Cove subdivision (PWS #0040003), the Copano Heights subdivision (PWS #0040017), the Copano Ridge subdivision (PWS #0040029) and the Aransas Bay subdivision (PWS #0040018), who are located within the City of Rockport, are not included in this tariff and should be obtained from the City of Rockport.

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

See 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):

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	Gillespie	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
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
North University Estates*	1520159	Lubbock	XX
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.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$26.13</u> (Includes 2,000 gallons)	<u>\$2.29</u> per 1000 gallons (2,001 - 10,000 gallons)
1"	<u>\$57.72</u>	<u>\$2.74</u> per 1000 gallons (10,001 - up gallons)
1½"	<u>\$110.36</u>	
2"	<u>\$173.52</u>	
3"	<u>\$320.91</u>	
4"	<u>\$531.47</u>	
6"	<u>\$1057.85</u>	

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 ASSESSMENT 1.0%
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 \$500.00
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 FEE Actual 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.

SECTION 1.0 -- RATE SCHEDULE (Continued)

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 \$50.00

TRANSFER FEE \$25.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... \$5.00

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 \$30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH 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.

SECTION 1.0 -- RATE SCHEDULE (Continued)

PASS THROUGH ADJUSTMENT CLAUSE:

The utility's cost attributable to annual fee, pumpage fee and/or consumption-based fee from the Baytown Area Water Authority and/or other such governmental authority shall be passed through to all customers affected by such fees using the following calculations:

Annual Fee:

Monthly minimum charge + (Annual fee / Number of Customers affected) / 12months

Volume Charge:

Monthly gallonage charge per 1,000 gallons + (Increase or decrease in pumpage fee * 1.15)

To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 291.21 (h).

Example of a Pass Through Provision:

Adjusted Gallonage Rate (AG) = $G + [B / (1 - L)]$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

G = approved gallonage charge, per 1,000 gallons;

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

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AND INTERMEDIARY SOLUTIONS	§	PUBLIC UTILITY COMMISSION
HOLDING LLC FOR THE SALE,	§	
TRANSFER, OR MERGER OF	§	OF TEXAS
FACILITIES AND CERTIFICATE	§	
RIGHTS IN LUBBOCK COUNTY	§	

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Intermediary Solutions Holding LLC (“Intermediary Solutions”) and CSWR-Texas Utility Operating Company, LLC (“CSWR-Texas”) for the sale, transfer, or merger of facilities in Lubbock County. CSWR-Texas seeks approval of the sale and transfer of all facilities and service area held under Intermediary Solutions’ water certificate of convenience and necessity (“CCN”) number 12179 and to CSWR-Texas, the cancellation of Intermediary Solutions’ water CCN number 12179, and the amendment of CSWR-Texas’s water CCN number 13290 to include the area previously included in Intermediary Solutions’ water CCN number 12179 as well as 8.5 acres of uncertificated area.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicants

1. Intermediary Solutions is a Texas limited liability company registered with the Texas secretary of state under file number 703025822.
2. Intermediary Solutions holds water CCN number 12179 which obligates it to provide retail water service in its certificated service area in Lubbock County.
3. Intermediary Solutions owns and operates a public water system registered with the Texas Commission on Environmental Quality (“TCEQ”) as North University Estates, public water system number 1520159.
4. CSWR-Texas is a Texas limited liability company registered with the Texas secretary of state under file number 0803367893.

5. CSWR-Texas holds CCN number 13290 which obligates it to provide retail water service in its certificated service areas in 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 counties.
6. CSWR-Texas owns multiple public water systems registered with the TCEQ.

Application

7. On November 30, 2022, CSWR-Texas and Intermediary Solutions filed the application at issue in this proceeding.
8. CSWR-Texas supplemented the application on February 27, March 28, May 31, and June 7, 2023.
9. In the application, CSWR-Texas and Intermediary Solutions seek approval of the following transaction: (a) CSWR-Texas will acquire all of Intermediary Solutions' water facilities and water service area under CCN number 12179; (b) the cancellation of Intermediary Solutions' water CCN number 12179; and (c) the amendment of CSWR-Texas's water CCN number 13290 to include the area previously included in Intermediary Solutions' water CCN number 12179 and an additional 8.5 acres of uncertificated area.
10. The requested area comprises approximately 149.2 acres and 194 customer connections, comprised of 8.5 acres of uncertificated area; and 140.7 acres of transferred area from CCN No. 12179.
11. The requested area is located approximately 3.7 mile(s) southwest of downtown New Deal, Texas, and is generally bounded on the north by Farm to Market Road 1294; on the east by North University Avenue (Farm to Market Road 1264); on the south by a parallel line approximately 800 feet south of Victoria Street; and on the west by North Elgin Avenue (County Road 9152).
12. In Order No. 3 filed on January 13, 2023, the administrative law judge (ALJ) deemed the application administratively complete.

Notice

13. On February 10, 2023, CSWR-Texas filed the affidavit of Aaron Silas, Director of Regulatory Operations for CSWR-Texas, attesting that notice was provided to all current customers of Intermediary Solutions, neighboring utilities, and affected parties on January 24, 2023.
14. Also, on February 10, 2023, CSWR-Texas filed the publisher's affidavit attesting to the publication of notice in the *Lubbock Avalanche-Journal*, a newspaper of general circulation in Lubbock County, on January 26 and February 2, 2023.
15. In Order No. 4 filed on March 14, 2023, the ALJ deemed the notice sufficient.
16. On May 31, 2023, CSWR-Texas filed the affidavit of Mr. Silas attesting that each owner of a tract of land that is at least 25 acres and is wholly or partially located in the requested area received individual notice on May 18, 2023. CSWR-Texas also provided copies of the notices mailed to each owner of a tract of land that is at least 25 acres and is wholly or partially included in the requested area and a map of the landowners' locations.
17. In Order No. 9, filed on July 12, 2023, the ALJ deemed the supplemental proof of notice sufficient.

Evidentiary Record

18. In Order No. 8 filed on June 29, 2023, the ALJ admitted the following evidence into the record: (a) the application, including confidential attachments, filed on November 30, 2022; (b) CSWR-Texas's supplements to the application, filed on February 27, 2023 and March 28, 2023; (c) Commission Staff's recommendation on administrative completeness, filed on January 12, 2023; (d) CSWR-Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, including highly sensitive Exhibit B, filed on February 10, 2023; (e) Commission Staff's recommendation on sufficiency of notice, filed on March 13, 2023; (f) Commission Staff's recommendation on the transaction, including all attachments and confidential attachments, filed on April 5, 2023; (g) CSWR-Texas's response to Order No. 6 and all attachments filed on May 31, 2023; (h) CSWR-Texas's supplement to the application and all attachments filed on June 7, 2023,

and (i) Commission Staff's response to Order No. 6 and confidential attachment FB-1, both filed on June 14, 2023.

19. In Order No. ____ issued on _____, 2024, the ALJ admitted the following additional evidence into the record: (a) CSWR-Texas's capital improvement plan documents and all attachments and confidential attachments filed on October 18, 2023; (b) CSWR-Texas's Notice of Completed Transaction and highly sensitive attachment filed on October 23, 2023; (c) Commission Staff's Recommendation on CSWR-Texas's Capital Improvements Plan filed on November 3, 2023; (d) Commission Staff's recommendation on sufficiency of closing documents filed on November 27, 2023; (e) Intermediary Solutions' consent form filed on January 3, 2024; (f) CSWR-Texas's consent forms filed on January 24 and 29, 2024; and (g) the maps, certificates, and tariff pages attached to the joint supplemental motion to admit evidence and joint proposed notice of approval filed on _____, 2024.

Sale

20. On September 14, 2023, the Commission issued an Interim Order Approving the Sale and Transfer to Proceed and required the applicants to file proof that the transaction had closed and the customer deposits had been addressed.
21. On October 23, 2023, CSWR-Texas filed notice that the sale had closed on October 18, 2023, and confirmed that there were no outstanding customer deposits that needed to be addressed.
22. In Order No. 15 filed on November 29, 2023, the ALJ found the closing documents sufficient.

CSWR-Texas's Compliance History

23. CSWR-Texas has not been under an enforcement action by the Commission, TCEQ, Texas Health and Human Services, the Office of the Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.
24. The Commission's complaint records, which date back to 2017, show 12 complaints against CSWR-Texas.

25. CSWR-Texas does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
26. CSWR-Texas demonstrated a compliance history that is adequate for approval of this transaction.

Adequacy of Existing Service

27. The last TCEQ compliance investigation of the Intermediary Solutions system was on March 1, 2022. Intermediary Solutions has three violations listed in the TCEQ database.
28. There are currently 194 connections in the requested area that are being served by Intermediary Solutions through public water system number 1520159 and such service has been continuous and adequate.
29. The Commission's complaint records, which date back to 2017, show no complaints against Intermediary Solutions.
30. CSWR-Texas plans to make upgrades, renovations, and repairs to the system to return the system to compliance and to ensure that customers receive safe and reliable service.

Need for Additional Service

31. There is a continuing need for service because Intermediary Solutions is currently serving 194 customer connections in the requested area.
32. The requested area includes uncertificated area with existing facilities owned by Intermediary Solutions and existing customers served by Intermediary Solutions.
33. This is an application to transfer only existing facilities, customers, and service area.
34. There have been no specific requests for additional service within the requested area.

Effect of Approving the Transaction and Granting the Amendment

35. Approving the sale and transfer to proceed and granting the CCN amendment will obligate CSWR-Texas to provide continuous and adequate water and sewer service to current and future customers in the requested area.
36. Landowners in the requested area will be able to obtain water service from CSWR-Texas.

37. Because this application is to transfer only existing facilities, customers, and service area, there is no evidence there will be any effect on any other retail public utility servicing the proximate area.
38. There will be no effect on landowners in the requested area because the area is currently certificated.
39. All retail public utilities in the proximate area of the requested areas were provided notice of the transaction and none filed protests, adverse comments, or sought to intervene in this proceeding.

Ability to Serve: Managerial and Technical

40. CSWR-Texas owns and operates numerous TCEQ-approved public water systems.
41. 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 being transferred.
42. CSWR-Texas employs or contracts with TCEQ-licensed water operators who will operate the public water system.
43. After completion of the planned upgrades, renovations, and repairs to the water system, CSWR-Texas will be capable of providing drinking water that meets applicable state regulatory requirements.
44. CSWR-Texas has the technical and managerial capability to provide adequate and continuous service to the requested area.

Ability to Serve: Financial Ability

45. 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. Therefore, through its affiliate CSWR-Texas satisfies the leverage test.
46. 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.

47. CSWR-Texas is proposing capital improvements to Intermediary Solutions water system alongside all of CWSR-Texas's planned systems improvements and purchased systems that exceed \$100,000. Therefore, loan approval documents or firm capital commitment under 16 TAC § 24.11(e)(5) are required.
48. CSWR-Texas provided a firm capital commitment demonstrating adequate cash funding of the purchase price and planned system improvements for the Intermediary Solutions system alongside all of CSWR-Texas's other purchased systems and planned system improvements as shown in confidential attachment FB-1.
49. CSWR-Texas satisfies the requirements of 16 TAC § 24.11(e)(5)(A) and that, if necessary, a good cause exception should be granted.
50. CSWR-Texas demonstrated the financial capability and stability to provide continuous and adequate service to the requested area.
51. There is no need to require CSWR-Texas to provide a bond or other financial assurance to ensure continuous and adequate service.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

52. Intermediary Solutions is currently serving customers and has sufficient capacity.
53. 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. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

Environmental Integrity and Effect on the Land

54. The requested areas will continue to be served with existing infrastructure.
55. 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 and sewer systems.

Improvement of Service or Lowering Cost to Consumers

- 56. 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 the water system upon approval of the transaction.
- 57. CSWR-Texas will continue to provide water service to Intermediary Solutions' existing customers in the requested area.
- 58. Reliability and quality of water service is expected to improve under CSWR-Texas's management.

Regionalization or Consolidation

- 59. The construction of a physically separate system is not necessary for CSWR-Texas to serve the requested area.
- 60. Because the requested area will not require construction of a physically separate water system, considerations of regionalization or consolidation with another retail public utility is not required.

Tariffs, Maps, and Certificates

- 61. On January 3, 2024, Commission Staff emailed to Intermediary Solutions the final proposed map.
- 62. On January 3, 2024, Intermediary Solutions filed its consent form concurring with the proposed final map.
- 63. On January 3, 2024, Commission Staff emailed to CSWR-Texas the final proposed map and certificate.
- 64. On January 23, 2024, Commission Staff emailed to CSWR-Texas the tariff pages relevant to this docket.
- 65. On January 24, 2024, CSWR-Texas filed its consent forms concurring with the proposed tariff pages relevant to this docket.
- 66. On January 29, 2024, CSWR-Texas filed its consent form concurring with the proposed final map and certificate.

67. The final maps, certificates, and relevant tariff pages, were included as attachments to the joint supplemental motion to admit evidence, filed on _____, 2024.
68. 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 within ten days of this Notice of Approval.

Informal Disposition

69. More than 15 days have passed since the completion of notice provided in this docket.
70. No person filed a protest or motion to intervene.
71. Intermediary Solutions, CSWR-Texas, and Commission Staff are the only parties to this proceeding.
72. No party requested a hearing, and no hearing is needed.
73. Commission Staff recommended approval of the application.
74. 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, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. Intermediary Solutions 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,¹ and Commission Rules.
4. The application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.

¹ Tex. Gov't Code §§ 2001.001-.903.

5. CSWR-Texas and Intermediary Solutions, the applicants, provided notice of the application that complies with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.235 and 24.239.²
6. Intermediary Solutions and CSWR-Texas have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. Intermediary Solutions 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 within the requested area, as required by TWC § 13.251.
9. 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).
10. 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 the existing customers of each system.
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 Intermediary Solutions demonstrated that the sale of Intermediary Solutions' facilities and the transfer of the service area held under CCN number 12179 from Intermediary Solutions to CSWR-Texas under CCN number 13290 will serve the

² 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 Order are made to the version in effect at the time the application was filed.

public interest and is necessary for the service, accommodation, convenience, and safety of the public under TWC §§ 13.246(b) and 13.301(d) and (e).

15. Under TWC § 13.257(r) and (s), CSWR-Texas must record a certified copy of its approved map and certificate, along with a boundary description of its service area, in the real property records of Harris County no later than the 31st day after the date that CSWR-Texas receives this Notice of Approval and must submit to the Commission evidence of the recording.
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 held under Intermediary Solutions' CCN number 12179 to CSWR-Texas, to the extent provided in this Notice of Approval and as shown on the attached maps.
2. The Commission cancels Intermediary Solutions' CCN number 12179.
3. The Commission amends CSWR-Texas's CCN number 13290 to include the area previously included in Intermediary Solutions' CCN number 12179, as shown on the attached maps.
4. The Commission approves the maps and tariff pages attached to the Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.
6. CSWR-Texas must provide service to every customer or applicant for service within the approved area under CCN number 13290 that requests service and meets the terms of CSWR-Texas's service, and such service must be continuous and adequate.
7. CSWR-Texas must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Lubbock 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.
8. Within ten days of the date of the Notice of Approval, Commission Staff must provide a clean copy of the tariffs approved by this Notice of Approval to central records to be marked *Approved* and filed in the Commission's tariff books.

9. 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

REBECCA BROMLEY-WILLIAMS
ADMINISTRATIVE LAW JUDGE