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DOCKET NO. 54546

APPLICATION OF TEXAS WATER UTILITIES, LP AND WOODLAND OAKS UTILITY LP FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE AND RIGHTS AND FOR A NAME CHANGE TO CERTIFICATES OF CONVENIENCE AND NECESSITY IN MONTGOMERY COUNTY	§ § § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS AND PROPOSED PROCEDURAL SCHEDULE

On January 4, 2023, On January 4, 2023, Texas Water Utilities, LP (TWU) and Woodland Oaks Utility, LP (Woodland Oaks) (collectively, the Applicants) filed an application for the sale, transfer, or merger (STM) of facilities and certificate rights in Montgomery County under the provisions of Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. On February 8, 2023, the Applicants amended the application for Woodland Oaks to request approval of a name change, so that the Commission can update Woodland Oaks' name on its water and sewer certificates of convenience and necessity (CCN) and tariffs from Woodland Oaks Utility Company, Inc. to Woodland Oaks Utility, LP.

On November 10, 2023, the administrative law judge (ALJ) filed Order No. 15, a revised order, approving the sale and transfer to proceed, and requiring the Applicants to file proof that the transaction had been consummated and to address customer deposits, if any, no later than 30 days after the effective date of the transaction. Order No. 15 also required the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of the Applicants' closing documents and to propose a schedule for continued processing of this docket within 15 days of the filing of the closing documents. On December 8, 2023, the Applicants filed proof of closing. Fifteen days from December 8, 2023 is December 23, 2023. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by Applicants and recommends that they are sufficient and meet the requirements of 16 TAC § 24.239(b), (i), and (k)-(m). Specifically, 16 TAC § 24.239(b) requires the filing of an STM application and the provision of public notice at

least 120 days before the effective date of a proposed transaction. Additionally, under 16 TAC § 24.239(i), the proposed transaction may be completed at the end of the 120-day period or at any time after the transferee receives notice that a hearing will not be required. Further, under 16 TAC § 24.239(m), the proposed transaction must be completed within 180 days following the date of the Commission order allowing the transaction to proceed. Lastly, under 16 TAC § 24.239(l), the closing documents for the transaction must include a signed contract, bill of sale, or other appropriate documents as evidence that the transaction has closed as proposed, be signed by both the transferor and transferee, and be filed within 30 days after the actual effective date of the transaction. Based on Staff’s review of the closing documents, Staff recommends that the Applicants properly and timely filed notice of the completed transaction, which included a Bill of Sale that was signed by both the transferor and the transferee.

Regarding customer deposits, the closing documents include the affidavit of Scott Stevens, Vice President of Woodland Oaks, who attested that as of November 17, 2023, the date on which the transaction was closed, Woodland Oaks held 1,181 outstanding customer deposits and that such deposits were refunded to customers in bills issued on December 4, 2023, such that there are no outstanding customer deposits transferred to TWU. The affidavit included an attachment with the names and addresses of all customers who had a deposit on record with Woodland Oaks, the date such deposit was made, the amount of the deposit, the interest, if any, and the amount of the refund, if any. Staff therefore recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (l).

For these reasons, Staff recommends that the Applicants have complied with the applicable closing requirements of 16 TAC § 24.239. Staff therefore recommends that the closing documents and customer deposit information be found sufficient.

II. PROPOSED PROCEDURAL SCHEDULE

In accordance with Staff’s recommendation that the Applicants’ closing documents be found sufficient, Staff proposes the following procedural schedule:

Events	Date
Deadline for TWU to comply with Ordering Paragraph No. 8 in Order No. 15 regarding its capital improvements plan	January 19, 2024

Deadline for Staff to file a recommendation on TWU's capital improvements plan	January 26, 2024
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable) to Applicants for review and consent	January 26, 2024
Deadline for Applicants to file signed consent forms with the Commission	February 2, 2024
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	February 12, 2024

III. CONCLUSION

Staff respectfully requests entry of an order consistent with this pleading.

Dated: December 22, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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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 December 22, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Scott Miles
Scott Miles