



Control Number: 54617



Item Number: 54

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APPLICATION OF TEXAS WATER  
UTILITIES, LP AND SOUTHERN  
HORIZONS DEVELOPMENT, INC.  
FOR SALE, TRANSFER, OR MERGER  
OF FACILITIES AND CERTIFICATE  
RIGHTS IN LIBERTY AND  
MONTGOMERY COUNTIES

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PUBLIC UTILITY COMMISSION  
OF TEXAS

FILED IN COLLECTION  
FILED

### ORDER REQUESTING BRIEFING ON THRESHOLD ISSUES

This Order requests briefing on issues related to the application of Texas Water Utilities, L.P. and Southern Horizons Development, Inc. for approval of the sale, transfer, or merger of facilities and certificate rights in Liberty and Montgomery Counties. In their lists of issues, Commission Staff and Texas Water Utilities identified several threshold issues. Therefore, the Commission identifies the following threshold issues that need to be addressed.

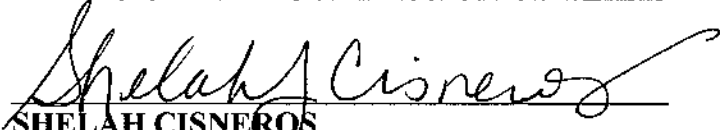
1. Under Texas Water Code (TWC) § 13.3011, is the Commission required to grant an acquiring utility's request to charge its existing filed rates for another water or sewer system owned by the acquiring utility to customers in the acquired utility's service area?
2. If the Commission is not required to grant a request under TWC § 13.3011(a), what criteria, if any, should the Commission use to determine whether to grant such a request?
3. If the Commission is not required to grant a request under TWC § 13.3011(a) and does not do so, what rates may the Commission authorize the acquiring utility to charge the customers of the acquired system in light of the prohibition in TWC § 13.3011(b)?
4. Does a request for a hearing to contest approval of rates under TWC § 13.3011(a) constitute proper grounds for a hearing under 13.301(e) and 16 Texas Administrative Code (TAC) § 24.239(h)?

- a. In addressing this question, please address whether the determination of which rate to implement might result in public-interest concerns under TWC § 13.301(e)(5) and 16 TAC § 24.239(h)(5).
- b. In addressing subpart 4a, please specifically address whether the rate determination may be relevant to the probable improvement of service or lowering of cost to consumers in the requested area resulting from approving the transaction under TWC § 13.246(c)(8) and 16 TAC § 24.239(h)(5)(H).

Briefs on these issues are due by 3:00 p.m. on October 27, 2023 and must not exceed 20 pages. Reply briefs are due by 3:00 p.m. on November 3, 2023 and must not exceed 10 pages. The parties' briefs will be fully considered by the Commission in developing a preliminary order for this docket.

**Signed at Austin, Texas the 13th day of October 2023.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
**SHELAH CISNEROS**  
**COMMISSION COUNSEL**