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DOCKET NO. 54629

APPLICATION OF HEARTHSTONE	§	PUBLIC UTILITY COMMISSION
WATER, INC., AND TRITON TEXAS	§	
HOLDINGS LLC FOR APPROVAL OF	§	OF TEXAS
CHANGE IN OWNERSHIP UNDER	§	
TWC § 13.302	§	

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS**

I. INTRODUCTION

On February 14, 2023, Hearthstone Water, Inc., and Triton Texas Holdings LLC, filed an application for a change in ownership under Texas Water Code (TWC) § 13.302 and 16 Texas Administrative Code (TAC) § 24.243 of the controlling interests in Horseshoe Bend Water Company LLC (Horseshoe), and Lone Star Water Company (Lone Star). Horseshoe Bend provides water service under certificate of convenience and necessity (CCN) number 10263 in Parker County. Lone Star provide water service under CCN number 13279 in Denton County. The applicants seek approval to transfer and assign certain interests in Triton Texas Holdings, to Hearthstone Water immediately, followed by a merger of Triton Texas Holdings into its parent Hearthstone Water. After the merger, Hearthstone Water would be the surviving entity holding 100% of the issued and outstanding shares of stock in Horseshoe and Lone Star.

On February 15, 2023, the Administrative Law Judge (ALJ) filed Order No. 2 stating that by March 9, 2023, Commission Staff (Staff) must file comments on the administrative completeness of the petition. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS RECOMMENDATION

As detailed in the attached memorandum of Fred Bednarski III, Rate and Regulation Division, Staff has reviewed the application and recommends that it be found administratively complete. Staff’s recommendation is not a comment on the merits of the application.

III. PROPOSED PROCEDURAL SCHEDULE

Under TWC § 13.302 and 16 TAC § 24.243, a purchase or acquisition may be completed as proposed at the end of the 60-day period unless the Commission holds a public hearing. Staff

recommends the following procedural schedule to be populated with actual dates based on the date Hearthstone and Lone Star's application is deemed sufficient:

Event	Date
Deadline for Commission Staff to file a final recommendation or request a hearing	25 days from the date the application is deemed sufficient
Deadline for parties to file a joint proposed notice of approval	32 days from the date the application is deemed sufficient
Extended 60-day deadline for approval of transaction or referral for a hearing	45 days from the date the application is deemed sufficient

IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that the application be deemed administratively complete and respectfully requests the entry of an order consistent with the above recommendation.

Date: March 9, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

John Harrison
Managing Attorney

/s/ Markel Perkins
Markel Perkins
State Bar No. 24126428
1701 N. Congress Ave.
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7099
(512) 936-7268 (fax)
Markel.Perkins@puc.texas.gov

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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 March 9, 2023, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Markel Perkins
Markel Perkins

Public Utility Commission of Texas

Memorandum

TO: Markel Perkins
Legal Division

FROM: Fred Bednarski III
Rate Regulation Division

DATE: March 9, 2023

RE: Docket No. 54629 – *Application of Hearthstone Water, Inc. and Triton Texas Holdings LL for Approval of Change of Ownership Under TWC § 13.302*

On February 7, 2023, Hearthstone Water, Inc. (Hearthstone) and Triton Texas Holdings LLC (Triton) filed an application for a change in ownership under Texas Water Code (TWC) § 13.302 and 16 Texas Administrative Code (TAC) § 24.243 of the controlling interests in Horseshoe Bend Water Company LLC, (Horseshoe Bend) and Lone Star Water Company (Lone Star). Horseshoe Bend provides water service under certificate of convenience and necessity (CCN) number 10263 in Parker County. Lone Star provides water service under CCN number 13279 in Denton County. The applicants seek approval to transfer and assign certain interests in Triton to Hearthstone immediately, followed by a merger of Triton into its parent Hearthstone. Hearthstone would then be the surviving entity holding 100% of the issued and outstanding shares of stock in Horseshoe Bend and Lone Star Water.

I reviewed the answers provided pursuant to Texas Administrative Code (TAC) § 24.243. I did not identify any deficiencies in those answers for purposes of determining whether the application is administratively complete. Therefore, I recommend that the Commission deem the application administratively complete from a financial perspective.