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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 REGARDING SUFFICIENCY OF
CLOSING DOCUMENTS AND PROPOSED PROCEDURAL SCHEDULE**

I. INTRODUCTION

On February 14, 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), 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 April 27, 2023, the Administrative Law Judge (ALJ) filed Order No. 7 stating that by 15 days following the applicant's proof that the transactions have been consummated, Commission Staff (Staff) must file a recommendation regarding the sufficiency of the documents. Therefore, this pleading is timely filed.

II. STAFF'S RECOMMENDATION

Staff has reviewed the applicant's proof of closing and recommends that the closing documents satisfy the requirements under 16 Texas Administrative Code (TAC) § 24.243(i). Additionally, Staff reviewed the closing documents applying the requirements of TAC § 24.239(k)-(m). The documents were filed within 30 days of April 27, 2023 and were signed by

representatives for both Hearthstone and Triton. Additionally, the December 27, 2021 effective date of the transaction falls within the required 180-day period following the date of the commission order allowing the transaction to proceed. It is Staff's understanding that there are no customer deposits at issue in this proceeding. Therefore, Staff recommends that the applicant's proof of closing be found sufficient.

III. 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 Commission Staff to provide final certificates, as well as maps and tariffs (if applicable), to applicants for review and consent	June 29, 2023
Deadline for applicants to file signed consent forms with the Commission	July 6, 2023
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	July 13, 2023

IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that applicants' closing documents be found sufficient and that the above proposed procedural schedule be adopted. Staff respectfully requests that an order be issued consistent with the foregoing recommendations.

Date: June 15, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

Sneha Patel
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

DOCKET NO. 54629

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 June 15, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Markel Perkins
Markel Perkins