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DOCKET NO. 55304

APPLICATION OF TEXAS WATER UTILITIES, LP AND SWWC UTILITIES, INC. DBA HORNSBY BEND UTILITY COMPANY, INC. FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN TRAVIS COUNTY	§ § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS

On July 31, 2022, Texas Water Utilities, LP (TWU) and SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc. (collectively, Applicants) filed an application for the sale, transfer, or merger of facilities and certificate rights in Travis County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

On May 7, 2024, the administrative law judge (ALJ) filed Order No. 13, approving the sale and transaction to proceed and directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of the Applicants’ closing documents and propose a procedural schedule for continued processing of this docket within 15 days following the filing of the Applicants’ closing documents. On July 18, 2024, the Applicants filed the closing documents. Fifteen days after July 18, 2024, is August 2, 2024. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by the Applicants and recommends that they be found 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 a Sale, Transfer, or Merger 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, the transaction closed on June 26, 2024, and evidence that the transaction closed was filed on July 18, 2024, within 30 days of the actual effective date of the transaction. Therefore, Staff recommends that the Applicants be found to have properly and timely filed notice of the completed transaction, which included a Bill of Sale that was signed by both the transferor and transferee.

Regarding customer deposits, the closing documents include the affidavit of Brian Bahr, Director of Rates and Regulatory Affairs for the Applicants, who attested that as of July 13, 2024, all deposits and accrued interest for customers affected by the transfer were transferred to TWU.¹ TWU also filed a confidential list that included the names and addresses of all customers who had a deposit on record with the transferor, the date such deposits were made, the amount of the deposits, the interest, if any, and the amount of the refunds, if any.²

Therefore, Staff 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 be found to have complied with the applicable closing requirements of 16 TAC § 24.239. Therefore, Staff recommends that the closing documents and customer deposit information be found sufficient.

¹ TWU's Proof of Closing at 2 (Jul. 18, 2024).

² Confidential List of Transferred Deposits (Jul. 18, 2024).

II. PROPOSED PROCEDURAL SCHEDULE

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

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable) to Applicants for review and consent	September 2, 2024
Deadline for Applicants to file signed consent forms with the Commission	September 16, 2024
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	October 8, 2024

III. CONCLUSION

For the reasons detailed above, Staff respectfully requests the entry of an order consistent with this pleading.

Date: August 2, 2024

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 will be provided to all parties of record via electronic mail on August 2, 2024 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Markel Perkins
Markel Perkins