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DOCKET NO. 55328

APPLICATION OF SP UTILITY	§	PUBLIC UTILITY COMMISSION
COMPANY, INC. AND MUNICIPAL	§	
OPERATIONS, LLC FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN HARRIS COUNTY	§	

**COMMISSION STAFF'S RECOMMENDATION ON THE SUFFICIENCY OF THE
CLOSING DOCUMENTS**

On August 7, 2023, SP Utility Company, Inc. (SP Utility) and Municipal Operations, Inc. (Municipal) (collectively, Applicants) filed an application for the sale, transfer of facilities and certificate rights in Harris County. The Applicants filed supplemental information on August 8, 2023, August 25, 2023, December 8, 2023, February 13, 2024, March 4, 2024, and July 3, 2024.

On June 4, 2024, the administrative law judge (ALJ) filed Order No. 12, approving the sale and transfer to proceed and requiring the Applicants to file proof that the transaction has been completed and customer deposits, if any, have been addressed, no later than 30 days after the effective date. Order No. 12 also required the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of Applicants' closing documents and to propose a schedule for continued processing of this docket within 15 days of the filing of the closing documents.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by the Applicants on November 20, 2024 and the amended closing documents filed on December 22, 2024, and recommends that they are sufficient and meet the requirements of 16 Texas Administrative Code (TAC) § 24.239(a), (i), and (k)-(m). Specifically, 16 TAC § 24.239(a) 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(in), 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 closing agreement signed by both the transferor and the transferee.

Regarding customer deposits, on November 20, 2024, SP Utility submitted along with the initial closing documentation a statement that no customer deposits were held by Municipal. 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 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:

Event	Date
Deadline for Commission Staff to provide final maps, certificates, and tariffs (if applicable) to applicants for review and consent.	January 27, 2025
Deadline for applicants to file signed consent forms with the Commission.	February 10, 2025
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs.	February 24, 2025

III. CONCLUSION

For the reasons discussed above, Staff respectfully requests that an order be issued finding Applicants' closing documents sufficient and adopting the proposed procedural schedule.

Dated: December 23, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Cheri Hasz

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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 December 23, 2024, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Cheri Hasz

Cheri Hasz