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APPLICATION OF FOREST GLEN
UTILITY COMPANY FOR APPROVAL
OF CHANGE IN OWNERSHIP UNDER
TEXAS WATER CODE § 13.302

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PUBLIC UTILITY COMMISSION
OF TEXAS

JOINT MOTION TO ADMIT EVIDENCE

The Staff (“Staff”) of the Public Utility Commission of Texas (“Commission”) and Hausman Holdings, LLC and BVRT Utility Holding Company, LLC (jointly, the “Applicants”) file this Joint Motion to Admit Evidence. Staff and Applicants request that certain evidence be admitted into the record in support of the Proposed Notice of Approval. In support of their Joint Motion to Admit Evidence, Staff and the Applicants stated the following:

I. BACKGROUND

On September 8, 2020, Forest Glen Utility Company (“Forest Glen”) filed a request for approval to transfer stock in the company pursuant to Texas Water Code (“TWC”) § 13.302 and 16 Texas Administrative Code (“TAC”) § 24.243. Under the transaction, Hausman Holdings, LLC would sell its stock to BVRT Holding Company, LLC. Forest Glen provides sewer service to customers in Medina County through its sewer system under Certificate of Convenience and Necessity (“CCN”) No. 21070.

On September 11, 2020, the Commission issued a Protective Order governing the use of all information deemed confidential (“Protected Materials”) or highly confidential (“Highly Sensitive Protected Materials”). On November 6, 2020, Staff requested an extension of time to review the application. On November 6, 2020, the administrative law judge issued Order No. 3 granting the unopposed extension of time for staff review. On September 9, 2020, October 6, 2020, and December 1, 2020, Applicants filed additional information.

December 8, 2020, Staff filed its Final Recommendation. On December 15, 2020, Staff and Applicants filed their proposed notice of approval.

II. EVIDENCE TO BE ADMITTED

Staff and Applicants request that the following be admitted as evidence in the record:

1. Application of Forest Glen Utility Company to Transfer Membership Interests Pursuant to TWC § 13.302 and accompanying exhibits, filed on September 8 and 9, 2020 (Interchange Item Nos. 1 and 5);
2. Staff's supplemental recommendation on administrative completeness filed on November 12, 2020 (Interchange Item No 10);
3. Applicants' additional information, filed on October 6, 2020 and December 1, 2020 (Interchange Item Nos. 7 and 12); and
4. Staff's recommendation on final disposition, including all attachments, filed on December 8, 2020 (Interchange Item Nos. 14 and 15);

III. CONCLUSION

Staff and Applicants request that the evidence specified in the Joint Motion to Admit Evidence be admitted into the record. Staff and Applicants further request any and all other relief to which they may be entitled.

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

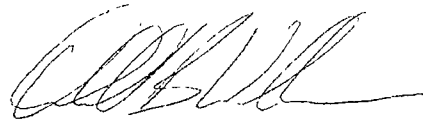
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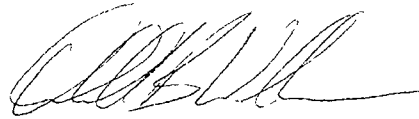


Randall B. Wilburn

**ATTORNEYS FOR HILL COUNTRY
UTILITIES, LLC**

CERTIFICATE OF SERVICE

I hereby certify that I have or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail, or Certified Mail Return Receipt Requested on all parties on the 15th day of December 2020.

A handwritten signature in black ink, appearing to read 'R. Wilburn', written over a horizontal line.

Randall B. Wilburn

DOCKET NO. 51262

APPLICATION OF FOREST GLEN	§	PUBLIC UTILITY COMMISSION
UTILITY COMPANY FOR APPROVAL	§	
OF CHANGE IN OWNERSHIP UNDER	§	OF TEXAS
TEXAS WATER CODE § 13.302	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application filed by Forest Glen Utility Company (Forest Glen), Hausman Holdings, LLC (Hausman) and BVRT Utility Holding Company, LLC (BVRT) for a transfer of issued and outstanding shares of stock in Forest Glen. The Commission approves the application.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants and Interested Parties

1. Forest Glen is a domestic for-profit corporation registered with the Texas Secretary of State on March 14, 1972, under filing number 0030347100.
2. Forest Glen operates, maintains, and controls facilities that provide retail sewer service under certificate of convenience and necessity (CCN) number 21070 in Medina County, Texas.
3. Hausman is a domestic limited liability company registered with the Texas Secretary of State on January 6, 2015, under filing number 0802130641.
4. At the time of application, Hausman owned a 50.33% interest in Forest Glen.
5. BVRT is a domestic limited liability company registered with the Texas Secretary of State on December 3, 2015, under filing number 0802341619.
6. At the time of application, BVRT owned a 49.67% interest in Forest Glen.

Application

7. On September 8, 2020, the applicants filed an application to transfer Hausman's issued and outstanding shares of stock in Forest Glen to BVRT.
8. In Order No. 4 filed on November 13, 2020, the administrative law judge (ALJ) found the application administratively complete.

Notice

9. Hausman, BVRT, and Forest Glen are the only affected entities and are aware of the transaction they are entering.
10. The persons affected by the application were given reasonable notice of the application and no additional notice was necessary.

Evidentiary Record

11. On December 15, 2020, the parties filed a Joint Motion to Admit Evidence.
12. In Order No. 5 filed on _____, 2020, the ALJ admitted the following evidence into the record: (a) the application of Forest Glen to Transfer Membership Interests Pursuant to TWC § 13.302 and accompanying exhibits, filed on September 8 and 9, 2020; (b) Commission Staff's supplemental recommendation on administrative completeness filed on November 12, 2020; (c) applicants' additional information, filed on October 6, 2020 and December 1, 2020; and Commission Staff's recommendation on final disposition, including all attachments, filed on December 8, 2020.

System Compliance—Texas Water Code (TWC) §§ 13.301(e)(3), 13.302(d); 16 Texas Administrative Code (TAC) §§ 24.239(i)(3)(A), (i)(5)(A), 24.243(d)

13. There is no evidence that Forest Glen has a history of noncompliance with the requirements of the Texas Commission on Environmental Quality (TCEQ), the Commission, or the Texas Department of State Health Services.

14. There is no evidence that Forest Glen, Hausman, or BVRT have failed to comply with any Commission or TCEQ order.

Adequacy of Existing Service—TWC §§ 13.246(c)(1), 13.302(d); 16 TAC §§ 24.239(j)(5)(B), 24.243(d)

15. Because, after the proposed transaction, Forest Glen will continue to provide the same sewer service to the area held under CCN number 21070, the proposed transaction will not affect the adequacy of existing service.

Need for Additional Service—TWC §§ 13.246(c)(2), 13.302(d); 16 TAC §§ 24.239(j)(5)(C), 24.243(d)

16. Because, after the proposed transaction, Forest Glen will continue to provide the same sewer service to the area held under CCN number 21070, the proposed transaction will not affect the need for additional service.

Effect of Approving the Transaction and Granting the Amendment—TWC §§ 13.246(c)(3), 13.302(d); 16 TAC §§ 24.239(j)(5)(D), 24.239(d)

17. After the proposed transaction, Forest Glen will continue to provide the same sewer service to the area held under CCN number 21070, but customers will benefit from the enhanced financial and organizational strength of the new ownership structure under BVRT.

Ability to Serve: Managerial and Technical—TWC §§ 13.301(e)(2), 13.302(b), (d); 16 TAC §§ 24.239(j)(5)(E), 24.243(6), (d)

18. Forest Glen will continue to own all utility property, easements, and permits used to provide sewer service within its certificated area.
19. BVRT anticipates that current Forest Glen personnel, including its licensed sewer operators, will continue to manage and operate Forest Glen immediately after the completion of the proposed transaction.
20. BVRT has demonstrated adequate managerial and technical capability for providing continuous and adequate service to the area served by Forest Glen.

Feasibility of Obtaining Service from Adjacent Retail Public Utility—TWC §§ 13.246(c)(5), 13.302(d); 16 TAC §§ 24.239(j)(5)(F), 24.243(d)

21. Because, after the proposed transaction, Forest Glen will continue to provide the same sewer service to the area held under CCN number 21070, the proposed transaction will not affect the feasibility of obtaining service from adjacent retail public utilities.

Ability to Serve: Financial Ability and Stability—TWC §§ 13.246(c)(6), 13.301(e)(4), 13.302(6), (d); 16 TAC §§ 24.239 (j)(5)(G), 24.243(b), (d)

22. Forest Glen meets the leverage test with a debt to equity ratio of 0.03, which is less than one.
23. Forest Glen has demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations, satisfying the operations test.
24. Forest Glen has demonstrated the financial stability and ability to provide continuous and adequate service .

Environmental Integrity—TWC §§ 13.246(c)(7), 13.302(d); 16 TAC §§ 24.239(j)(5)(H), 24.243 (d)

25. Because, after the proposed transaction, Forest Glen will continue to provide the same sewer service to the area held under CCN number 21070, the proposed transaction will not affect the environmental integrity of the area served.

Improvement of Service or Lowering Cost to Consumers—TWC §§ 13.246(c)(8), 13.302(d); 16 TAC §§ 24.239(j)(5)(I), 24.243(d)

26. The proposed transaction will not change or alter the services provided to existing customers served by Forest Glen or the rates charged for such services within the area served by Forest Glen.

Effect on the Land—TWC §§ 13.246(c)(9), 13.302(d)

27. Because, after the proposed transaction, Forest Glen will continue to provide the same sewer service to the area held under CCN number 21070, the proposed transaction will not have an effect on the land of the area served.

Financial Assurance—TWC §§ 13.302(c); 16 TAC § 24.243(c)

28. There is no need to require BVRT to provide a bond or other financial assurance to ensure continuous and adequate service to the area served by Forest Glen.

Informal Disposition

29. More than 15 days have passed since the completion of notice provided in this docket.
30. No party requested a hearing, and no hearing is necessary.
31. Forest Glen, Hausman, BVRT, and Commission Staff are the only parties to this proceeding.
32. Commission Staff recommended approval of the application.
33. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this proceeding under TWC §§ 13.401 and 13.302 and 16 TAC § 24.243.
2. Forest Glen is a retail public utility as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. Notice in this case complied with 16 TAC § 22.55.
4. The application meets the requirements of TWC § 13.302 and 16 TAC § 24.243.
5. BVRT, through its affiliation with Forest Glen, has demonstrated that it possesses adequate financial, managerial, and technical capability for providing continuous and adequate

service to the certificated service area served by Forest Glen in accordance with TWC § 13.302(d) and 16 TAC § 24.243(b).

6. If the proposed transaction is not completed within 180 days from the date of this Notice of Approval, or an extension is not granted, the approval is void by operation of 16 TAC § 24.243(i).
7. This docket was processed in accordance with the requirements of the Administrative Procedure Act,¹ TWC § 13.302, and 16 TAC § 24.243.
8. The requirements for informal disposition in 16 TAC 22.35 have been met in this proceeding.

III. Ordering Paragraphs

The Commission issues the following ordering paragraphs in accordance with these findings of fact and conclusions of law:

1. The Commission approves the application.
2. Hausman may transfer its issued and outstanding stock shares in Forest Glen to BVRT.
3. Within 30 days of the issuance of this Notice of Approval, BVRT must file a written update of the status of the transaction and continue to file updates every 30 days until the transaction is complete.
4. This docket will be held open until such time that BVRT notifies the Commission that the transaction is complete.
5. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted in this Notice of Approval, are denied.

¹ Tex. Gov't Code ch. 2001.

SIGNED AT AUSTIN, TEXAS on the ____ day of December 2020.

PUBLIC UTILITY COMMISSION OF TEXAS

GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE