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DOCKET NO. 51262

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

2021 FEB -9 PM 3:03
PUBLIC UTILITY COMMISSION
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OF TEXAS

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 Hausman to transfer its issued and outstanding stock shares in Forest Glen to BVRT.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants and Interested Parties

1. Forest Glen is a Texas corporation registered with the Texas secretary of state under filing number 0030347100.
2. Forest Glen holds certificate of convenience and necessity (CCN) number 21070 that obligates Forest Glen to provide retail sewer service in its certificated service area in Medina County.
3. Hausman is a Texas limited liability company registered with the Texas secretary of state under filing number 0802130641.
4. At the time of the application's filing, Hausman owned a 50.33% interest in Forest Glen.
5. BVRT is a Texas limited liability company registered with the Texas secretary of state on under filing number 0802341619.
6. At the time of the application's filing, BVRT owned a 49.67% interest in Forest Glen.

Application

7. On September 8, 2020, Forest Glen filed an application to transfer Hausman's issued and outstanding shares of stock in Forest Glen to BVRT.

8. The transaction will result in BVRT owning Forest Glen in its entirety.
9. Forest Glen filed confidential supplements to the application on September 9, October 6, December 1 and December 2, 2020.
10. The application states that the stock will transfer upon Commission approval of this application, but in no event before the 61st day after the application was filed.
11. In Order No. 4 filed on November 13, 2020, the administrative law judge (ALJ) found the application administratively complete.

Notice

12. The application includes a certificate of service, signed by Randall B. Wilburn, counsel for Forest Glen, certifying that the application was served, via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail, or certified return receipt requested to Hausman and BVRT on September 8, 2020.
13. Forest Glen, Hausman, and BVRT are the only affected entities and are aware of the transaction they are entering.

Evidentiary Record

14. On December 15, 2020, the parties filed a joint motion to admit evidence.
15. In Order No. 5 filed on January 7, 2021, the ALJ admitted the following evidence into the record: (a) the application of Forest Glen and attachments filed on September 8, 2020; (b) Forest Glen's confidential supplements to the application filed on September 9, October 6, December 1 and December 2, 2020; (c) Commission Staff's supplemental recommendation on administrative completeness filed on November 12, 2020; and (d) Commission Staff's recommendation on final disposition (redacted) and attachments, filed on December 8, 2020.

Adequacy of Financial, Managerial, and Technical Capability—Texas Water Code §§ 13.302; 16 Texas Administrative Code § 24.243

16. Forest Glen has a debt to equity ratio of less than one, satisfying the leverage test.
17. 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.

18. Forest Glen will continue to own all utility property, easements, and permits used to provide sewer service within its certificated area under CCN number 20170.
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. Forest Glen and BVRT have demonstrated the required financial, managerial, and technical capability for providing continuous and adequate sewer service to the area served by Forest Glen.

Informal Disposition

21. More than 15 days have passed since the completion of notice provided in this docket.
22. No party requested a hearing and no hearing is necessary.
23. Forest Glen, Hausman, BVRT, and Commission Staff are the only parties to this proceeding.
24. Commission Staff recommended approval of the application.
25. 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 §§ 13.041 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. This docket was processed in accordance with the requirements of the Administrative Procedure Act¹ and Commission rules.
4. Notice complies with 16 TAC § 22.55.

¹ Tex. Gov't Code §§ 2001.001–.903.

5. BVRT, through its affiliation with Forest Glen, has demonstrated that its financial, managerial, and technical capability for providing continuous and adequate service to the sewer service areas under Forest Glen's CCN number 21070 will not change as a result of the approval of this transaction in accordance with TWC § 13.302(b) and 16 TAC § 24.243(b).
6. Forest Glen has demonstrated that the application meets the requirements in TWC § 13.302 and 16 TAC § 24.243.
7. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves Hausman to transfer its issued and outstanding stock shares in Forest Glen to BVRT.
2. The Commission approves the stock transfer as of the date this Notice of Approval is signed.
3. Forest Glen must file copies of the closing documents evidencing the completed transaction within 30 days after completion.
4. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 9th day of February 2021.

PUBLIC UTILITY COMMISSION OF TEXAS



GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE