



Control Number: 51262



Item Number: 4

Addendum StartPage: 0

**DOCKET NO. 51262**

**APPLICATION OF FOREST GLEN §  
UTILITY COMPANY FOR APPROVAL §  
OF CHANGE IN OWNERSHIP UNDER §  
TWC § 13.302 §**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**



**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE  
COMPLETENESS**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and in response to Order No. 1, files this Commission Staff's Recommendation on Administrative Completeness. Staff recommends that the application be deemed administratively incomplete. In support thereof, Staff shows the following:

**I. BACKGROUND**

On September 8, 2020, Forest Glen Utility Company (Forest Glen) filed an application for a change in ownership under Texas Water Code (TWC) § 13.302 and 16 Texas Administrative Code (TAC) § 24.243. Hausman Holdings, LLC (Hausman) currently holds a 50.33% interest in Forest Glen. BVRT Utility Holding Company, LLC (BVRT) owns the remaining 49.67%. Hausman and BVRT have entered into a stock purchase agreement to transfer all of Hausman's issued and outstanding shares of stock to BVRT resulting in BVRT owning Forest Glen in its entirety. The parties state that the transaction will occur at the time the Commission approves this application, but in no event before the 61st day after the submittal of the application.

In Order No. 1, issued September 11, 2020, Staff was directed to file a recommendation on the administrative completeness of the application by September 30, 2020. Therefore, this pleading is timely filed.

**II. ADMINISTRATIVE COMPLETENESS**

After reviewing the application, and as detailed in the attached memorandum of Leila Guerrero of the Commission's Rate Regulation Division, Staff has determined that Forest Glen has not provided all of the necessary information for the processing of this docket. Therefore, Staff respectfully recommends that the application be deemed administratively incomplete at this time and that Forest Glen be ordered to supplement the application with the information identified in

Ms. Guerrero's memorandum. Staff further recommends that Forest Glen be given a deadline of October 21, 2020 to cure the deficiencies in the application and that Staff be given a deadline of November 11, 2020 to make a supplemental recommendation on administrative completeness.

### **III. COMMENTS ON PROCEDURAL SCHEDULE**

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of this docket at this time.

### **IV. CONCLUSION**

For the reasons discussed above, Staff respectfully recommends that Forest Glen's application be deemed administratively incomplete at this time and respectfully requests the entry of an order consistent with the above recommendation.

**Dated: September 30, 2020**

Respectfully submitted,

#### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

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/s/ John Harrison  
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**DOCKET NO. 51262**

**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 September 30, 2020 in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ John Harrison  
John Harrison

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** John Harrison, Attorney  
Legal Division

**FROM:** Leila Guerrero, Regulatory Accountant/Auditor  
Rate Regulation Division

**DATE:** September 30, 2020

**RE:** **Docket No. 51262** – *Application of Forest Glen Utility Company for Approval of Change of Ownership Under TWC § 13.302*

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On September 8, 2020, Forest Glen Utility Company (Forest Glen) filed an application for a change in ownership under Texas Water Code § 13.302 and 16 Texas Administrative Code (TAC) § 24.243. Hausman Holdings, LLC (Hausman) currently holds a 50.33% interest in Forest Glen. BVRT Utility Holding Company, LLC (BVRT) owns the remaining 49.67%. Hausman and BVRT have entered into a stock purchase agreement in which Hausman will transfer all of its issued and outstanding shares of stock in Forest Glen to BVRT resulting in BVRT owning Forest Glen in its entirety. The parties state that the transaction will occur at the time the Commission approves this application, but in no event before the 61st day after the submittal of the application.

In support of this request, Forest Glen provided the following information and documents:

1. Certificate of Convenience and Necessity (CCN) and Current Tariff;
2. Certificate of Incorporation;
3. CCN Map;
4. Certificate Status, and
5. Texas Commission on Environmental Quality Inspection Reports.

However, Forest Glen failed to attach the following documents which were enumerated in the application:<sup>1</sup>

- a. Customer Information (Names, Addresses, etc.);
- b. PUC Annual Report and Utility Financial Information;
- c. Stock Transfer Agreement;
- d. Demonstration of Financial Ability, and
- e. Utility Financial Information.

Based on a review of the information in the application, Staff recommends that the application be deemed insufficient for filing and administratively incomplete. Staff further recommends that Forest Glen provide the following to ensure administrative completeness:

- 1) Exhibits B through F;

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<sup>1</sup> Application of Forest Glen Utility Company at 1 (Sep. 8, 2020). The exhibits attached to Forest Glen's filing starts with Exhibit A and then skips to Exhibit G.

- 2) A written agreement for the stock transfer signed by both Hausman and the BVRT; and
- 3) BVRT's audited annual financial statements and related auditor's reports for the year 2019, and financial statements and financial reports current as of June 30, 2020. If audited financial statements are not available, unaudited financial statements, including a balance sheet and income statement for the period ending after July 31, 2020, will suffice.