



## Filing Receipt

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**DOCKET NO. 51382**

<b>APPLICATION OF DOGWOOD</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>ESTATES WATER COMPANY AND</b>	<b>§</b>	
<b>LAKESHORE UTILITY COMPANY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>FOR SALE, TRANSFER, OR MERGER</b>	<b>§</b>	
<b>OF FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN HENDERSON COUNTY</b>	<b>§</b>	

**NOTICE OF APPROVAL**

This Order addresses the application of Sentry Title Company, Inc. dba Lakeshore Utility Company and Rick L. Brown dba Dogwood Estates Water Company for the sale, transfer, or merger of facilities and certificate rights in Henderson County. The Commission approves the sale and transfer of all of Dogwood Estates’ facilities under water certificate of convenience and necessity (CCN) number 10823 to Lakeshore’s water CCN number 10843.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicants**

1. Lakeshore Utility is a is owned by Rick L. Brown, a sole proprietor.
2. Dogwood Estates is a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 1070043.
3. Dogwood Estates owns, operates, and controls water facilities for providing water service under CCN number 10823 in Henderson County.
4. Lakeshore is a Texas corporation registered with the Texas secretary of state under file number 0030295200.
5. Lakeshore owns a public water system registered with the TCEQ under identification number 1070181.
6. Lakeshore owns, operates, and controls facilities for providing water service under CCN number 10843 in Henderson and Smith counties.

**Application**

7. On October 2, 2020, Dogwood Estates and Lakeshore filed an application at issue in this proceeding.
8. The applicants seek approval to sell and transfer all of Dogwood Estates' facilities and water service area under water CCN number 10823 to Lakeshore's water CCN number 10843.
9. On October 29, 2020, November 6, 2020, and December 28, 2021, the applicants filed supplemental information.
10. The requested area to be transferred is located approximately two miles northeast of downtown Athens, Texas, and is generally bounded on the north by West Corsicana Street, on the east by West Cayuga Drive, on the south by Farm to Market Road (FM) 753, and on the west by FM 753.
11. The total area affected subject to this transaction is comprised of 7,238 acres and 422 current connections.
12. In Order No. 3 filed on January 6, 2021, the ALJ found the application administratively complete.

**Notice**

13. On January 29, 2021, the applicants filed the affidavit of affidavit of Bret W. Fenner, authorized representative of Lakeshore Utility Company and Tim Whatley, President of Lakeshore Utility Company, attesting that notice was provided to current customers, neighboring utilities, and affected parties on January 7 and 14, 2021.
14. In Order No. 4 filed on February 26, 2021, the ALJ found the notice sufficient.

**Evidentiary Record**

15. On May 13, 2021, the parties jointly moved to admit evidence.
16. In Order No. 6 filed on May 25, 2021, the ALJ admitted the following evidence into the record: (a) the applicants' application and all attachments filed on October 2, 2020; (b) the applicants' application supplement providing revised proposed transaction details and a revised list of assets, filed on October 29, 2020; (c) Commission Staff's recommendation on administrative completeness and proposed notice and proposed procedural schedule

filed on November 2, 2020; (d) the applicants' application supplement providing revised current acreage and customer count and a copy of the approved water tariff for Lakeshore filed on November 6, 2020; (e) Commission Staff's supplemental recommendation on administrative completeness and proposed notice and proposed procedural schedule, filed on January 5, 2021; (f) the applicants' affidavit of notice to customers and neighboring utilities, filed on January 29, 2021; (g) Commission Staff's recommendation on the sufficiency of notice, filed on February 19, 2021; and (h) Commission Staff's recommendation on approval of sale, filed on March 19, 2021.

17. In Order No. 11 filed on March 21, 2022, the ALJ admitted the following into evidence: (a) response to Order No. 6-closing documents, filed on June 29, 2021; (b) response to recommendation on sufficiency of closing documents, filed on December 28, 2021; (c) Commission Staff's supplemental recommendation on sufficiency of closing documents, filed on January 20, 2022; (d) signed consent forms, filed on March 4, 2022; and (e) the attached final maps, tariffs, and certificates

#### **System Compliance**

18. The last TCEQ compliance investigation of the Dogwood Estates system was on September 10, 2019.
19. There was an alleged violation documented during the investigation, which was resolved within 14 days and resolved as an area of concern.
20. In the Commission's complaint records, which cover the last 5 years, there is only one complaint against Dogwood Estates.

#### **Adequacy of Existing Service**

21. Dogwood Estates holds a public water system identification number registered with the TCEQ under public water system identification number 1070043.
22. Dogwood Estates is currently serving customers and has sufficient capacity.
23. No additional construction is necessary for Lakeshore to serve the requested area.

#### **Need for Additional Service**

24. There are currently 422 existing customer connections in the requested area; therefore, there is a need for service.

25. No additional service is needed at this time.

**Effect of Approving the Transaction and Granting the Amendments**

26. There will be no effect on the landowners as the area is currently certificated.

27. There will be no effect on any retail public utility servicing the proximate area.

28. All retail public utilities in the proximate area were provided notice of the transaction and CCN amendment proposed in this application and did not request to intervene.

**Ability to Serve: Managerial and Technical**

29. Dogwood Estates has a TCEQ approved public water system registered as Dogwood Estates Water Company, public water system number 1070043.

30. The last TCEQ compliance investigation of the Dogwood Estates system was on September 10, 2019.

31. The alleged violation documented during the investigation was resolved within 14 days and resolved as an area of concern.

32. The Commission's complaint records show only one complaint against Dogwood Estates in the last 5 years.

33. Lakeshore has the managerial and technical ability to provide continuous and adequate service to the requested area.

**Ability to Serve: Financial Ability and Stability**

34. Lakeshore has a debt-to-equity ratio that is less than one, satisfying the leverage test.

35. Lakeshore's 2019 financial statements and Dogwood Estates' 2019 annual report were submitted with the application and reported sufficient operating income and cash on hand to cover any operations and future maintenance shortages and to provide continuous and adequate service to the requested area.

36. Lakeshore demonstrated that it has the financial ability and stability to provide continuous and adequate service to the requested area.

**Financial Assurance**

37. There is no need to require Lakeshore to provide a bond or other financial assurance to ensure continuous and adequate service to the requested area.

**Feasibility of Obtaining Service from Adjacent Retail Public Utility**

38. Dogwood Estates is currently serving the existing customers in the requested area with existing facilities and has sufficient capacity.
39. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities will need to be constructed. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

**Environmental Integrity and Effect on the Land**

40. The environmental integrity of the land will not be affected as no additional construction is needed to provide service to the requested area.

**Improvement in Service or Lowering Cost to Consumers**

41. Lakeshore will continue to provide water service to the existing customers in the requested area.
42. There will be no change in the quality or cost of service to the customers.

**Regionalization or Consolidation**

43. The construction of a physically separate system is not necessary for Lakeshore to service the requested area; therefore, concerns of regionalization or consolidation do not apply.

**Sale**

44. In Order No. 7 filed on June 29, 2021, the ALJ approved the transaction to proceed and required the applicants to file proof that the transaction had closed and that customer deposits had been addressed.
45. On June 29, 2021, the applicants filed a bill of sale effective June 25, 2021.
46. On December 28, 2021, the applicants filed the names and addresses of all customers who have deposit on record with the transferor and the affidavit of Tim Whatley, supporting the supplemental documentation.
47. In Order No. 10 filed on January 28, 2022, the ALJ found the closing documents sufficient.

**Map, Tariff, and Certificate**

48. On February 24, 2022, Commission Staff emailed the proposed map, tariff, and certificate.
49. On March 3, 2022, Commission Staff emailed a revised tariff.

50. On March 4, 2022, the applicants filed consent forms concurring with the proposed final maps, certificate, and tariffs.
51. On March 17, 2022, the final maps, certificates, and tariffs were filed as an attachment to the joint motion to admit evidence and proposed Notice of Approval.

### **Informal Disposition**

52. More than 15 days have passed since the completion of notice provided in this docket.
53. No person filed a protest or motion to intervene.
54. Dogwood, Lakeshore and Commission Staff are the only parties to this proceeding.
55. No party requested a hearing, and not hearing is needed.
56. Commission Staff recommended approval of the application.
57. The decision is not adverse to any party.

## **II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. Notice of the application was provided in compliance with Texas Water Code (TWC) §§ 13.041, 13.241, 13.244, 13.246, 13.251 and 13.301 and 16 Texas Administrative Code (TAC) § 24.239.
2. Dogwood Estates and Lakeshore are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Notice of the Application was provided in compliance with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.239(a) through (c).
4. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,<sup>1</sup> TWC, and Commission rules.
5. The applicants completed the sale within the time frame required by 16 TAC § 24.239(m).
6. The applicants complied with the requirements of 16 TAC § 24.239(k) with respect to customer deposits.

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<sup>1</sup> Tex. Gov't Code §§ 2001.001-.903.

7. After consideration of the factors in TWC §§ 13.246(c), Lakeshore has demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area as required by TWC § 13.301(b) and 16 TAC § 24.239.
8. Lakeshore meets the requirements of TWC § 13.241(b) to provide water utility services.
9. It is not necessary for Lakeshore to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
10. The applicants demonstrated that transferring TCEQ public water system number 1070043 and the corresponding water service area held under CCN number 10823 from Dogwood Estates to Lakeshore will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public under TWC § 13.301(d) and (e).
11. The applicants must record a certified copy of its certificate granted and map approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Henderson County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording as required by TWC § 13.257(r) and (s).
12. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

### **III. Ordering Paragraphs**

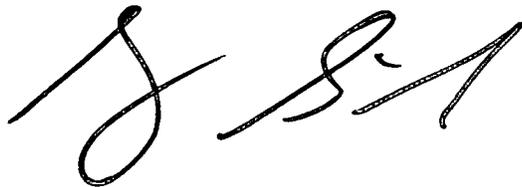
In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the sale and transfers of all water facilities held under Dogwood Estates' service area under CCN number 10823 to Lakeshore, to the extent provided in this Notice of Approval.
2. The Commission amends Lakeshore's CCN number 10843 to include the requested service area as described in this Notice of Approval and shown on the attached map.
3. The Commission approves the map and tariff attached to this Notice of Approval.
4. The Commission issues the certificate attached to this Notice of Approval.

5. Lakeshore must serve every customer and applicant for service within the approved area under water CCN number 10843 that requests water service and meets the terms of Lakeshore's service, and such service must be continuous and adequate.
6. Lakeshore must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Henderson County affected by the application and must file in this docket proof of evidence of the recording no later than 45 days after receipt of this Notice of Approval.
7. Within ten days of the date of this Notice of Approval, Commission Staff must provide a clean copy of the tariff approved by this Notice of Approval to central records to be marked *Approved* and filed in the Commission's tariff books.
8. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

**Signed at Austin, Texas the 6th day of April 2022.**

**PUBLIC UTILITY COMMISSION OF TEXAS**



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**GREGORY R. SIEMANKOWSKI  
ADMINISTRATIVE LAW JUDGE**



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

## **Lakeshore Utility Company, Inc.**

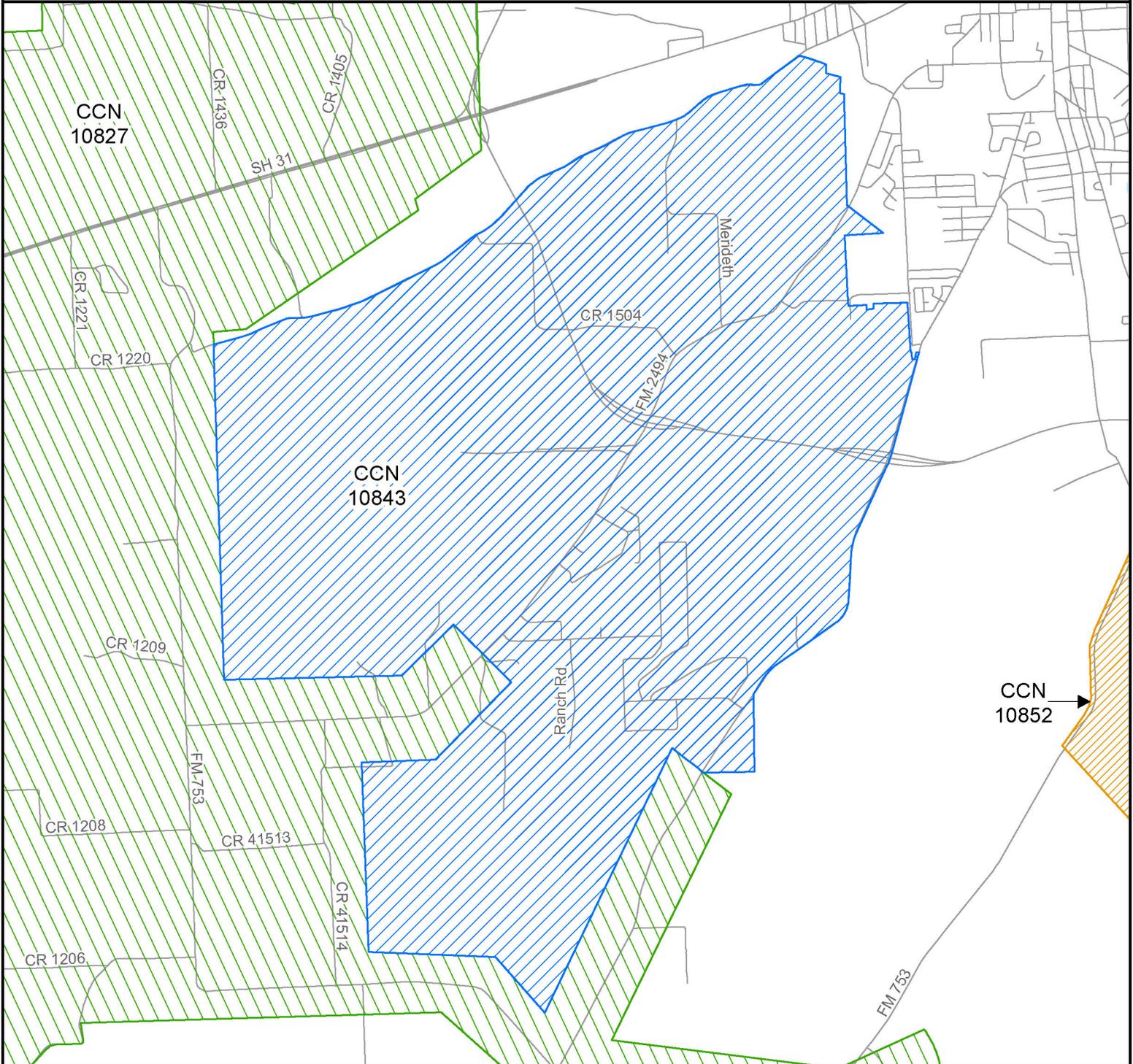
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Lakeshore Utility Co. is entitled to this

### **Certificate of Convenience and Necessity No. 10843**

to provide continuous and adequate water utility service to that service area or those service areas in Henderson and Smith Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 51382 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Lakeshore Utility Co. to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Lakeshore Utility Company, Inc.  
Portion of Water CCN No. 10843  
PUC Docket No. 51382

Transferred all of Rick Brown dba Dogwood Estates Water Company, CCN No. 10823 in  
Henderson County



**Water CCN**

-  10843 - Lakeshore Utility Company Inc
-  10827 - Crescent Heights WSC
-  10852 - Virginia Hill WSC



**WATER UTILITY TARIFF**  
**Docket Number 51382**

Lakeshore Utility Co., Inc.  
(Utility Name)

106 E. Corsicana St.  
(Business Address)

Athens, Texas 75751  
(City, State, Zip Code)

(903) 675-4316  
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

10843

This tariff is effective in the following counties:

Henderson and Smith

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

See attached list

**TABLE OF CONTENTS**

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE .....	3
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APPENDIX A – DROUGHT CONTINGENCY PLAN

APPENDIX B – APPLICATION FOR SERVICE

List of Subdivisions and Systems.

PWS #	Subdivision/Facility Name	County
1070144	Cedarview	Henderson
1070007	Clear Creek Resort, Park Harbor, Lake Oaks, Shadow Ridge	Henderson
1070041	Dixie Isle, Oak Hill Park, Magnolia Estates, Christophers Ridge, The Fourth Estates, Kings Point, Pete's Paradise, Adrian Acres, Moonlight Bay, Idlewood Bay, Windy Acres, Bluffs at Cedar Creek Lake	Henderson
1070043	Dogwood Estates, Oak Manor, Wagontree	Henderson, Smith
2120097	East Lake Woods I, East Lake Woods II, East Lake Woods III, East Lake Woods IV	Smith
1070215	Esquire Estates II, Rock-N-Roll	Henderson
1070202	Hidden Acres	Henderson
1070181	Lake Vista Village	Henderson
2120107	The Reserve	Smith
1070207	Point La Vista, Clearwater Bay, Pearl Harbor Estates, Dorchester	Henderson

**SECTION 1.0 -- RATE SCHEDULE**

Section 1.01 - Rates

**Phase I: Effective June 5, 2017**

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8"	<u>\$34.00</u> (Includes 0 gallons all meters)	<u>\$2.75</u> per 1,000 gallons
1"	<u>\$85.00</u>	
1½"	<u>\$170.00</u>	
2"	<u>\$272.00</u>	
3"	<u>\$510.00</u>	
4"	<u>\$850.00</u>	
6"	<u>\$1700.00</u>	

**Pass Through Fee Applied to Gallonage Charge** ..... \$0.03 per 1,000 gallons

**Phase II: Effective June 5, 2019**

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8"	<u>\$39.00</u> (Includes 0 gallons all meters)	<u>\$2.75</u> per 1,000 gallons
1"	<u>\$97.50</u>	
1½"	<u>\$195.00</u>	
2"	<u>\$312.00</u>	
3"	<u>\$585.00</u>	
4"	<u>\$975.00</u>	
6"	<u>\$1950.00</u>	

**Pass Through Fee Applied to Gallonage Charge** ..... \$0.03 per 1,000 gallons

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash , Check , Money Order , Credit Card , Other (Specify) \_\_\_\_\_  
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

**REGULATORY ASSESSMENT** ..... 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TCEQ.

Section 1.02 – Miscellaneous Fees

**TAP FEE** ..... \$350.00  
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

**TAP FEE (Unique costs)** ..... Actual Cost  
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL

**TAP FEE (Large meter)** ..... Actual Cost  
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER RELOCATION FEE ..... Actual Relocation Cost, Not to Exceed Tap Fee  
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE ..... \$25.00  
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

RECONNECTION FEE  
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):  
a) Nonpayment of bill (Maximum \$25.00) ..... \$25.00  
b) Customer's request that service be disconnected ..... \$35.00

TRANSFER FEE ..... \$15.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) ..... \$5.00  
A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE ..... \$20.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT ..... 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:  
INCREASES IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE RATE CHARGE UNDER THE TERMS AND CONDITIONS OF [16 TAC 24.21(b)(2)(F)] AFTER NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE PUC.

LINE EXTENSION AND CONSTRUCTION CHARGES:  
REFER TO SECTION 2.12 SPECIFIC UTILITY SERVICE RULES AND SECTION 3.02 UTILITY SPECIFIC EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

SECTION 1.0 -- RATE SCHEDULE (Continued)

**PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE - ALL WATER SUBJECT TO FEE:**

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$$AG = G + B/(1-L),$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons);
- B = change in purchased water/district gallonage charge (per 1,000 gallons);
- L = system average line loss for preceding 12 months not to exceed 0.15