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DOCKET NO. 52477

APPLICATION OF HARRISON	§	PUBLIC UTILITY COMMISSION
WILLIAMS FOR APPROVAL OF	§	
CHANGE IN OWNERSHIP IN PINE	§	OF TEXAS
KNOB ESTATE WATER, INC. UNDER	§	
TWC § 13.302		

JOINT MOTION TO ADMIT EVIDENCE AND PROPOSED NOTICE OF APPROVAL

On August 26, 2021, Harrison Williams (Mr. Williams) filed a request for approval of a water utility stock transfer pursuant to Texas Water Code (TWC) § 13.302 and 16 Texas Administrative Code (TAC) § 24.243. Under the transaction, Scott and Judy Robinson (collectively, the Robinsons) would sell 100% of their stock and ownership interest in Pine Knob Estate Water, Inc. (Pine Knob) to Mr. Williams. On October 26, 2021, December 3, 2021, December 16, 2021, and December 21, 2021, Mr. Williams filed supplemental information. On January 25, 2022, the Staff (Staff) of the Public Utility Commission of Texas (Commission) filed a final recommendation.

On February 11, 2022, the administrative law judge (ALJ) filed Order No. 11, establishing a deadline of February 22, 2022 for Mr. Williams and Staff (collectively, the Parties) to file a joint motion to admit evidence and proposed notice of approval. Therefore, this pleading is timely filed.

I. JOINT MOTION TO ADMIT EVIDENCE

The Parties respectfully request that the following items be admitted into evidence:

1. Mr. Williams' Application and all attachments, filed on August 26, 2021 (Interchange Item No. 1);
2. Mr. Williams' Confidential-Stock Transfer Agreement (Attachments A-J) Bate Stamp: 1-44, filed on October 26, 2021 (Interchange Item No. 7);
3. Mr. Williams' Response to Staff Questions, filed on December 3, 2021 (Interchange Item No. 16);
4. Mr. Williams' Clarification on Financials, filed on December 16, 2021 (Interchange Item No. 18);
5. Mr. Williams' Confidential-Financial Forms Bate Stamp- 1 to 6, filed on December 21, 2021 (Interchange Item No. 19);

6. Commission Staff's Supplemental Recommendation on Administrative Completeness, Notice, and Procedural Schedule, filed on January 7, 2022 (Interchange Item No. 20); and
7. Commission Staff's Final Recommendation and Request to Restyle the Docket, filed on January 25, 2022, and accompanying Confidential-Unredacted Memorandum, filed on January 26, 2022 (Interchange Item Nos. 23 and 24).

II. JOINT PROPOSED NOTICE OF APPROVAL

The Parties have agreed on the attached Joint Proposed Notice of Approval to allow the transaction to proceed, which would allow Mr. Williams to acquire 100% of the stock and ownership interest in Pine Knob from the Robinsons, resulting in a change in ownership of Pine Knob. The Parties respectfully request that the Commission adopt the jointly proposed findings of fact, conclusions of law, and ordering paragraphs.

III. CONCLUSION

For the reasons detailed above, the Parties respectfully request that the Commission grant the Joint motion to Admit Evidence and adopt the attached Joint Proposed Notice of Approval.

Dated: February 22, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Sneha Patel
Managing Attorney

/s/ Scott Miles
Scott Miles
State Bar No. 24098103
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7228
(512) 936-7268 (facsimile)
Scott.Miles@puc.texas.gov

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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 February 22, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Scott Miles
Scott Miles

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JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application filed by Harrison Williams (Mr. Williams) under Texas Water Code (TWC) § 13.302 and 16 Texas Administrative Code (TAC) § 24.243 for approval of a change in ownership of Pine Knob Estate Water, Inc. (Pine Knob) from Scott and Judy Robinson (collectively, the Robinsons) to Mr. Williams. The Commission approves the application.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicant

1. Pine Knob is a Texas for-profit corporation registered with the Texas secretary of state under filing number 800104045.
2. Pine Knob operates, maintains, and controls facilities for providing retail water and sewer service under water CCN No. 12948 in Montgomery and Harris counties.
3. Mr. Williams is currently the president of Flow-Tech Utility, LLC, which operates and maintains 26 wastewater treatment facilities and 62 water treatment facilities.
4. Mr. Williams owns 5 active water systems and 1 active sewer system.
5. Mr. Williams is a class B-licensed water and wastewater operator.
6. Mr. Williams has over 20 years of experience in the water and wastewater utility industry.

Application

7. On August 26, 2021, Mr. Williams filed an application for approval to purchase 100% of the stock and ownership interest in Pine Knob from the Robinsons, in accordance with TWC § 13.302 and 16 TAC § 24.243.

8. On October 26, 2021, December 3, 2021, December 16, 2021, and December 21, 2021, Mr. Williams filed supplemental information.
9. In Order No. 9, filed on January 12, 2022, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

Adequacy of Financial Capability

10. Mr. Williams has a debt to equity ratio of less than one, satisfying the leverage test.
11. Based on the historical profits of another entity owned by Mr. Williams, where no operating shortages are expected, and the amount of cash Mr. Williams has available, Mr. Williams has demonstrated that he has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations, satisfying the operations test.
12. Mr. Williams has demonstrated adequate financial capability for providing continuous and adequate service.
13. Additional financial assurance is not necessary for approval of the proposed transaction.

Adequacy of Managerial and Technical Capability

14. The application provides a new address for Pine Knob following the transfer to Mr. Williams.
15. Pine Knob's most recent inspection by the Texas Commission on Environmental Quality occurred in 2017, with no documented violations.
16. The proposed transaction will not change or alter the service provided to existing customers served by Pine Knob or the rates charged for such services within the service areas under CCN No. 12948.
17. Mr. Williams has demonstrated adequate managerial and technical capability for providing continuous and adequate service.

Notice

18. Mr. Williams, the Robinsons, and Pine Knob are the only persons or entities affected by the transaction and each are aware of the transaction.
19. In Order No. 9, filed on January 12, 2022, the ALJ found the notice sufficient.

Evidentiary Record

20. On February 22, 2022, Mr. Williams and Commission Staff filed a joint motion to admit evidence.
21. In Order No. ___ filed on February, __2022, the ALJ admitted the following evidence into the record of this proceeding: (a) Mr. Williams' application and all attachments, filed on August 26, 2021; (b) Mr. Williams' confidential-stock transfer agreement (attachments A-J) Bate Stamp: 1-44, filed on October 26, 2021; (c) Mr. Williams' response to staff questions, filed on December 3, 2021; (d) Mr. Williams' clarification on financials, filed on December 16, 2021; (e) Mr. Williams' confidential-financial forms Bate Stamp- 1 to 6, filed on December 21, 2021; (f) Commission Staff's supplemental recommendation on administrative completeness, notice, and procedural schedule, filed on January 7, 2022; and (g) Commission Staff's final recommendation and request to restyle the docket, filed on January 25, 2022, and accompanying confidential-unredacted memorandum, filed on January 26, 2022.

Informal Disposition

22. More than 15 days have passed since the completion of notice provided in this docket.
23. No person filed a protest or motion to intervene.
24. Mr. Williams and Commission Staff are the only parties to this proceeding.
25. No party requested a hearing and no hearing is needed.
26. Commission Staff recommended that the application be approved.
27. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law:

1. The Commission has authority over this proceeding under TWC §§ 13.041 and 13.302.
2. Pine Knob is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).

3. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,¹ the TWC and Commission rules.
4. Notice complies with 16 TAC § 22.55.
5. Mr. Williams has demonstrated that he has the adequate financial, managerial, and technical capability for providing continuous and adequate service to certificate service areas for CCN. No 12948, in accordance with TWC § 13.302(b) and 16 TAC § 24.243(b).
6. Mr. Williams has demonstrated that the application meets the requirements in TWC § 13.302 and 16 TAC § 24.243.
7. 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 application.
2. The stock and ownership interest in Pine Knob may be transferred from the Robinsons to Mr. Williams.
3. Water CCN No. 12948 will remain in the name of Pine Knob Estate Water, Inc.
4. Mr. Williams must comply with 16 TAC § 24.243(g) and (h) and file a copy of the closing documents evidencing the completed transaction within 30 days after completion or a written status update within 30 days after the entry of this Order and every 30 days thereafter until the transaction has been completed.
5. Under 16 TAC § 24.243(i), if the transaction is not consummated within the 180-day period, or an extension has not been granted, this approval is void and Mr. Williams will have to reapply for approval.
6. The Commission denies all other motions and any other requests for general and specific release that have not been expressly granted.

¹ Tex. Gov't Code §§ 2001.001–2001.903.

Signed at Austin, Texas _____ day of _____ 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE