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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	§	

ORDER NO. 13
APPROVING TRANSACTION TO PROCEED

This Order addresses the application of 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. Under the transaction, the Robinsons would sell 100% of their stock and ownership interest in Pine Knob to Mr. Williams. The administrative law judge (ALJ) approves the sale and authorizes the transaction between Mr. Williams and the Robinsons to proceed and be consummated.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant and Other Interested Parties

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. 12 filed on March 4, 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.

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.

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

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.

III. Ordering Paragraphs

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

1. The transaction proposed in Mr. Williams' application, as supplemented, may proceed and be consummated.
2. As soon as possible after the effective date of the transaction, but not later than 30 days after the effective date, Mr. Williams must file proof that the transaction has been consummated.
3. Within 15 days following the filing the of the applicant's proof that the transaction has been consummated, Commission Staff must file a recommendation regarding the sufficiency of the documents and propose a schedule for continued processing of this docket.
4. Mr. Williams has 180 days to complete the transaction.
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 Triton Texas Holdings will have to reapply for approval.
6. Water CCN No. 12948 will remain in the name of Pine Knob Estate Water, Inc.
7. In an effort to finalize this case as soon as possible, Triton Texas Holdings must file monthly updates regarding the status of the closing if the transaction has not been consummated within 30 days after entry of this Order.

Signed at Austin, Texas the 21st day of March, 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read 'G. R. Siemankowski', written in a cursive style.

GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE

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