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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 SUPPLEMENTAL MOTION TO ADMIT EVIDENCE AND JOINT 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 March 21, 2022, the administrative law judge (ALJ) filed Order No. 13, approving the transaction to proceed and requiring Mr. Williams to provide proof of closing and Staff to review such proof for sufficiency. On May 26, 2022, the administrative law judge (ALJ) filed Order No. 14, finding the closing documentation sufficient and establishing a deadline of June 7, 2022 for Mr. Williams and Staff (collectively, the Parties) to file a joint supplemental motion to admit evidence and proposed notice of approval. Therefore, this pleading is timely filed.

I. JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE

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

1. Mr. Williams' Proof of Closing, filed on May 9, 2022 (Interchange Item No. 31); and
2. Commission Staff's Recommendation on the Sufficiency of the Closing Documents, filed on May 24, 2022 (Interchange Item No. 32).

II. JOINT PROPOSED NOTICE OF APPROVAL

The Parties respectfully request that the Commission adopt the jointly proposed findings of fact, conclusions of law, and ordering paragraphs in the attached Proposed Notice of Approval.

III. CONCLUSION

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

Dated: June 7, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Scott Miles
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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 June 7, 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.

Sale

20. In Order No. 13, filed on March 21, 2022, the ALJ approved the transaction to proceed and required Mr. Williams to file proof that the transaction had been consummated.
21. On May 9, 2022, Mr. Williams filed proof of closing.
22. In Order No. 14, filed on May 26, 2022, the ALJ found the closing documents sufficient.

Evidentiary Record

23. On February 22, 2022, Mr. Williams and Commission Staff filed a joint motion to admit evidence.
24. 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.
25. On June 7, 2022, Mr. Williams and Commission Staff filed a joint supplemental motion to admit evidence.
26. In Order No. __, filed on June __, 2022, the ALJ admitted the following evidence into the record of this proceeding: (a) Mr. Williams' proof of closing, filed on May 9, 2022; and (b) Commission Staff's recommendation on the sufficiency of the closing documents, filed on May 24, 2022.

Informal Disposition

27. More than 15 days have passed since the completion of notice provided in this docket.
28. No person filed a protest or motion to intervene.

29. Mr. Williams and Commission Staff are the only parties to this proceeding.
30. No party requested a hearing and no hearing is needed.
31. Commission Staff recommended that the application be approved.
32. 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. Mr. Williams completed the transaction within the time required by 16 TAC § 24.243.
8. 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.

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

3. Water CCN No. 12948 will remain in the name of Pine Knob Estate Water, Inc.
4. The Commission denies all other motions and any other requests for general and specific release that have not been expressly granted.

Signed at Austin, Texas _____ **day of** _____ **2022.**

PUBLIC UTILITY COMMISSION OF TEXAS

GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE