



## Filing Receipt

**Received - 2022-10-13 11:26:04 AM**  
**Control Number - 53290**  
**ItemNumber - 31**

**DOCKET NO. 53290**

<b>APPLICATION OF SOUTHEAST</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER SUPPLY CORPORATION AND</b>	<b>§</b>	
<b>CONCORD ROBBINS WATER SUPPLY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>CORPORATION FOR SALE,</b>	<b>§</b>	
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN LEON COUNTY</b>	<b>§</b>	

**ORDER NO. 8**  
**APPROVING SALE AND TRANSFER TO PROCEED**

This Order addresses the application of Southeast Water Supply Corporation and Concord Robbins Water Supply Corporation for approval of the sale, transfer, or merger of facilities and certificate rights in Leon County. The applicants seek approval of the sale and transfer of all facilities and service area held under Southeast WSC's certificate of convenience and necessity (CCN) number 12180 to Concord Robbins WSC, the cancellation of Southeast WSC's CCN number 12180, and the amendment of Concord Robbins WSC's CCN number 11717 to include the facilities and service area previously included in Southeast WSC's CCN number 12180. The administrative law judge (ALJ) approves the transaction between Southeast WSC and Concord Robbins WSC and the transaction may be completed as proposed.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicants**

1. Southeast WSC is a Texas non-profit water supply corporation organized under chapter 67 of the Texas Water Code (TWC).
2. Southeast WSC is registered with the Texas secretary of state under file number 0100898601.
3. Southeast WSC operates, maintains, and controls facilities for providing retail water service in Leon County under water CCN number 12180.
4. Southeast WSC owns and operates four public water systems registered with the Texas Commission on Environmental Quality (TCEQ) under the following identification names

- and numbers: Southeast WSC System 1, identification number 1450027; Southeast WSC System 2, identification number 1450028; Southeast WSC System 3, identification number 1450029; and Southeast WSC System 4, identification number 1450031.
5. Concord Robbins WSC is a Texas non-profit water supply corporation organized under chapter 67 of the TWC.
  6. Concord Robbins WSC is registered with the Texas secretary of state under file number 0049830901.
  7. Concord Robbins WSC operates, maintains, and controls facilities for providing water service in Leon County under water CCN number 11717.
  8. Concord Robbins WSC owns and operates two public water systems registered with the TCEQ under the following identification names and numbers: Concord-Robbins WSC 1, identification number 450018; and Lakeside Village 1, identification number 450021.

#### **Application**

9. On March 1, 2022, Southeast WSC and Concord Robbins WSC filed the application at issue in this proceeding.
10. In the application, the applicants seek approval of the sale and transfer of all facilities and service area held under Southeast WSC's CCN number 12180 to Concord Robbins WSC, the cancellation of Southeast WSC's CCN number 12180, and the amendment of Concord Robbins WSC's CCN number 11717 to include the facilities and service area previously included in Southeast WSC's CCN number 12180.
11. On March 14, 21, 22, 24, and 25, 2022, the applicants filed supplements to the application.
12. On April 13, 2022, the applicants filed a copy of a letter, dated April 7, 2022, from the United States Department of Agriculture to Concord Robbins WSC regarding its consent to the proposed merger.
13. The requested area is located approximately ten miles southeast of downtown Buffalo, Texas, and is generally bounded on the north by a line approximately three miles north of and parallel to State Highway 7 East, on the east by Leon and Houston county line, on the

south by Old San Antonio Road and the Leon and Madison county line, and on the east by Farm-to-Market Road 39 South.

14. The requested area includes 87,681 acres and 1,340 existing customers.
15. In Order No. 3 filed on April 19, 2022, the ALJ found the application, as supplemented, administratively complete.

#### **Notice**

16. On May 4, 2022, the applicants filed the affidavit of Elaine Trefrey, president of Concord Robbins WSC, attesting that notice of the application was provided to current customers, neighboring utilities, and affected parties on April 29, 2022.
17. On June 20, 2022, the applicants filed proof of supplemental notice, consisting of corrected maps, and the affidavit of Ms. Trefrey, attesting that supplemental notice was provided to current customers, neighboring utilities, and affected parties on June 17, 2022.
18. In Order No. 5 filed on July 12, 2022, the ALJ found the supplemental notice sufficient.

#### **Evidentiary Record**

19. In Order No. 7 filed on October 12, 2022, the ALJ admitted the following evidence into the record: (a) the application and all attachments filed on March 1, 2022; (b) the applicants' first supplement to the application filed on March 14, 2022; (c) the applicants' second supplement to the application filed on March 21, 2022; (d) the applicants' third supplement to the application filed on March 22, 2022; (e) the applicants' fourth supplement to the application filed on March 24, 2022 ; (f) the applicants' fifth supplement to the application filed on March 25, 2022; (g) a copy of a letter, dated April 7, 2022, from the United States Department of Agriculture to Concord Robbins WSC regarding consent to the proposed merger filed on April 13, 2022; (h) Commission Staff's recommendation on administrative completeness and notice and proposed procedural schedule filed on April 18, 2022; (i) applicants' supplemental proof of notice filed on June 20, 2022; (j) Commission Staff's recommendation on sufficiency of notice filed on July 8, 2022; (k) Commission Staff's first request for information filed on August 4, 2022; (l) Concord Robbins WSC's response to Commission Staff's first request for information filed on August 16, 2022; (m) Commission Staff's second request for information filed on August

19, 2022; (n) Concord Robbins WSC's responses to Commission Staff's second request for information filed on August 29, 2022; and (o) Commission Staff's recommendation on approval of the sale and all attachments filed on September 19, 2022.

**Concord Robbins WSC's Compliance History**

20. Concord Robbins WSC does not have any violations listed in the TCEQ database.
21. Concord Robbins WSC does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
22. Concord Robbins WSC demonstrated a compliance history that is adequate for approval of the transfer to proceed.

**Adequacy of Existing Service**

23. There are currently 1,340 customers currently receiving water service from Southeast WSC's four water systems.
24. Southeast WSC does not have any violations listed in the TCEQ database.
25. There is no evidence in the record that Southeast WSC has failed to comply with any Commission or TCEQ order.

**Need for Additional Service**

26. There is a continuing need for service because Southeast WSC is currently serving 1,340 customers in the requested area.
27. This is an application to transfer only existing facilities, customers, and service area.
28. There have been no specific requests for additional service within the 87,681-acre requested area.

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

29. Approving the sale and transfer to proceed and granting the CCN amendment will obligate Concord Robbins WSC to provide continuous and adequate water service to current and future customers in the 87,681-acre requested area.
30. All retail public utilities in the proximate area were provided notice of the transaction taking place in this application and none filed a protest or motion to intervene.

31. Because this is an application to transfer only existing customers and service area, there will be no effect on any other retail public utility servicing the proximate area.
32. There will be no effect on landowners as the requested area is currently certificated.

**Ability to Serve: Managerial and Technical**

33. Concord Robbins WSC owns and operates two public water systems registered with TCEQ and does not have any active violations listed in the TCEQ database.
34. The Commission's complaint records, which date back to 2017, show one complaint against Concord Robbins WSC. The investigation determined Concord Robbins WSC acted consistently with 16 Texas Administrative Code (TAC) § 24.161.
35. Concord Robbins WSC employs TCEQ-licensed operators who will be responsible for operating the public water systems being transferred.
36. No additional construction is necessary for Concord Robbins WSC to provide service to the requested area.
37. Concord Robbins WSC has access to an adequate supply of water and is capable of providing drinking water that meets the requirements of chapter 341 of the Texas Health and Safety Code, chapter 13 of the TWC, and the TCEQ's rules.
38. Concord Robbins WSC has the technical and managerial capability to provide adequate and continuous service to the requested area.

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

39. Concord Robbins WSC has a debt-service-coverage ration that is greater than 1.25, satisfying the leverage test.
40. Concord Robbins WSC has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after completion of the transaction, satisfying the operations test.
41. Concord Robbins WSC demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

**Financial Assurance**

42. There is no need to require Concord Robbins WSC to provide a bond or other financial assurance to ensure continuous and adequate service.

**Regionalization or Consolidation**

43. It will not be necessary for Concord Robbins WSC to construct a physically separate water system to serve the requested area.
44. Because the requested area will not require construction of a physically separate water system, consideration of regionalization or consolidation with another retail public utility is not required.

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

45. Southeast WSC is currently serving customers and has sufficient capacity. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities will need to be constructed. At a minimum, an interconnect would need to be installed in order to connect to a neighboring retail public utility. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

**Environmental Integrity and Effect on the Land**

46. The existing customers will continue to be served with existing facilities.
47. There will be no effects on environmental integrity or the land as a result of the proposed transaction.

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

48. The rates charged to existing customers will be lower than the current rates charged by Southeast WSC as a result of the proposed transaction.
49. There will be no change to the reliability and quality of water service from Concord Robbins WSC, as service is already provided through existing facilities.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. The applicants provided notice of the application that complies with TWC §§ 13.246(a) and 13.301(a)(2), and 16 TAC § 24.239(a) through (c).

2. After consideration of the factors in TWC § 13.246(c), Concord Robbins WSC demonstrated that it is capable of rendering continuous and adequate service to every customer within the requested area, as required by TWC § 13.251.
3. Concord Robbins WSC demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area as required by TWC §§ 13.241(a) and 13.301(b) and 16 TAC § 24.239(e).
4. The applicants demonstrated that the sale and transfer of Southeast WSC's certificated service area and existing facilities under CCN number 12180 to Concord Robbins WSC will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public as required by TWC §§ 13.246(b) and 13.301(d) and (e).

### **III. Ordering Paragraphs**

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

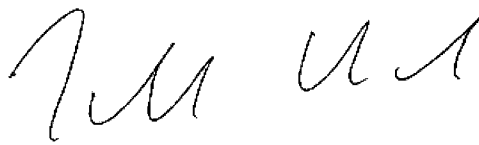
1. The transaction between the applicants in this proceeding is approved and may be completed as proposed.
2. As soon as possible after the effective date of the transfer but not later than 30 days after the effective date, the applicants must file proof that the transfer has been completed and customer deposits, if any, have been addressed.
3. The applicants have 180 days from the date of this Order to complete the transaction.
4. Under 16 TAC § 24.239(m), if the transaction is not completed within this period, or an extension is not granted, this approval is void and the applicants must reapply for approval.
5. The applicants are advised that requested area and associated facilities will remain under CCN number 12180 and will be held by Southeast WSC until the final order or notice of approval is issued in this matter, in accordance with Commission rules.
6. In an effort to finalize this case as soon as possible, the applicants must continue to file monthly updates regarding the status of the closing and submit documents evidencing that the transaction was completed.



7. Within 15 days following the filing of the applicants' proof that the transaction has been completed and customer deposits, if any, have been addressed, Commission Staff must file a recommendation regarding the sufficiency of the documents and propose a schedule for continued processing of this docket.

**Signed at Austin, Texas the 13th day of October 2022.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

A handwritten signature in black ink, appearing to read 'J. Huhn', is written above a horizontal line.

---

**JEFFREY J. HUHN**  
**ADMINISTRATIVE LAW JUDGE**