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DOCKET NO. 53290

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

**SUPPLEMENTAL AGREED MOTION TO ADMIT EVIDENCE AND PROPOSED
NOTICE OF APPROVAL**

On March 1, 2022, the Southeast Water Supply Corporation (Southeast WSC) and Concord Robbins Water Supply Corporation (Concord WSC) (collectively, the Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Leon County. Concord WSC, water CCN No. 11717, seeks approval to acquire facilities and to transfer all of the water service area from Southeast WSC under water CCN No. 12180.

On July 6, 2023, the administrative law judge (ALJ) filed Order No. 12, requiring the parties to file a supplemental agreed motion to admit evidence and proposed notice of approval by July 20, 2023. Therefore, this pleading is timely filed.

I. MOTION TO ADMIT EVIDENCE

The Parties request the entry of the following items into the record of this proceeding:

- (a) The application filed on March 1, 2022 (Interchange Item No. 1);
- (b) First supplement filed on March 14, 2022 (Interchange Item No. 3);
- (c) Second Supplement filed on March 21, 2022 (Interchange Item No. 4);
- (d) Third Supplement filed on March 22, 2022 (Interchange Item No. 5);
- (e) Fourth Supplement filed on March 24, 2022 (Interchange Item No. 6);
- (f) Fifth Supplement filed on March 25, 2022 (Interchange Item No. 7);
- (g) USDA Letter filed on April 13, 2022 (Interchange Item No. 10);
- (h) Commission Staff's Recommendation on Administrative Completeness and Notice and Proposed Procedural Schedule filed on April 18, 2022 (Interchange Item No. 11);
- (i) Second Proof of Notice filed on June 20, 2022 (Interchange Item No. 17);

- (j) Commission Staff's Recommendation on Sufficiency of Notice filed on July 8, 2022 (Interchange Item No. 18);
- (k) Commission Staff's First Request for Information filed on August 4, 2022 (Interchange Item No. 20);
- (l) Concord WSC's Responses to Commission Staff's First Request for Information filed on August 16, 2022 (Interchange Item No. 21);
- (m) Commission Staff's Second Request for Information filed on August 19, 2022 (Interchange Item No. 25);
- (n) Concord WSC's Responses to Commission Staff's Second Request for Information filed on August 29, 2022 (Interchange Item No. 27); and
- (o) Commission Staff's Recommendation on Approval of Sale filed on September 19, 2022 (Interchange Item No. 28).

The Parties request the entry of the following additional items into the record of this proceeding:

- a) January update and merger contract filed on January 22, 2023 (Interchange Item No. 33);
- b) Completion letter and certificate of resolution filed on March 6, 2023 (Interchange Item No. 34);
- c) Affidavits from both presidents filed on March 13, 2023 (Interchange Item No. 35);
- d) Commission Staff's Recommendation on Sufficiency of Closing Documents filed on March 22, 2023 (Interchange Item No. 36);
- e) CCN letter filed on April 6, 2023 (Interchange Item No. 38);
- f) Applicants' Consent Forms filed on May 1, 2023 (Interchange Item No. 39);
- g) Applicants' landowner affidavit, landowner list, copies of notice filed on June 16, 2023 (Interchange Item No. 42);
- h) Applicants' copy of map containing appraisal district information of landowner parcels overlayed with the requested area filed on June 20, 2023 (Interchange Item No. 43);
- i) Commission Staff's Supplemental Recommendation on Sufficiency of Notice filed on June 30, 2023 (Interchange Item No. 44); and
- j) The attached map and certificate.

II. PROPOSED NOTICE OF APPROVAL

The Parties move for the adoption of the attached Notice of Approval.

III. CONCLUSION

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the attached proposed notice of approval be adopted.

Dated: July 20, 2023

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

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Division Director

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DOCKET NO. 53290

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 July 20, 2023, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Arnett D. Caviel

Arnett D. Caviel

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CONCORD ROBBINS WATER SUPPLY	§	OF TEXAS
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FACILITIES AND CERTIFICATE	§	
RIGHTS IN LEON COUNTY	§	

PROPOSED NOTICE OF APPROVAL

This Order addresses the application of Southeast Water Supply Corporation (Southeast WSC) and Concord Robbins Water Supply Corporation (Concord Robbins WSC) (collectively, the Applicants) for the sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Leon County. The Commission approves the sale and transfer of all of Southeast WSC's facilities and certificated water service area under CCN number 12180 to Concord WSC, the cancellation of Southeast WSC's CCN number 12180, and the amendment of Concord WSC's CCN number 11717 to include the area previously included in Southeast WSC's CCN number 12180.

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 owns, operates, and controls water facilities for providing water service under CCN number 12180 in Leon County.
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 1450018; and Lakeside Village 1, identification number 1450021.

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 and April 6, 2023 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 June 20, 2022, the applicants filed the affidavit of Elaine Trefry, President of Concord Robbins WSC attesting that notice was provided to current customers, neighboring utilities, and affected parties on June 17, 2022.
17. In Order No. 5 filed on July 12, 2022, the ALJ found the supplemental notice sufficient.
18. In Order No. 11 filed on June 2, 2023, the ALJ required that the Applicants supplement their proof of notice by providing a copy of applicable appraisal district maps overlaid with the requested area, a list of the landowners with properties wholly or partially in the requested area, the acreage owned by each listed owner, and an affidavit attesting that notice was provided to any owner of a tract of land that is at least 25 acres and is wholly or partially included in the requested area.
19. On June 16, 2023, the Applicants filed a landowner affidavit, landowner list, copies of notice.
20. On June 20, 2023, the Applicants filed a copy of map containing appraisal district information of landowner parcels overlaid with the requested area.

Evidentiary Record

21. On October 3, 2022, the parties jointly moved to admit evidence.
22. In Order No. 7 filed on October 12, 2022, the ALJ admitted the following into evidence into the record: (a) The application filed on March 1, 2022; (b) First supplement filed on March 14, 2022; (c) Second Supplement filed on March 21, 2022; (d) Third Supplement filed on March 22, 2022; (e) Fourth Supplement filed on March 24, 2022; (f) Fifth Supplement filed on March 25, 2022; (g) USDA Letter 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) Second 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 WSC's Responses 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 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 Sale filed on September 19, 2022.
23. In Order No. 13 filed on _____, the ALJ admitted the following evidence into the record:
- (a) January update and merger contract filed on January 22, 2023; (b) Completion letter and certificate of resolution filed on March 6, 2023; (c) Affidavits from both presidents filed on March 13, 2023; (d) Commission Staff's Recommendation on Sufficiency of Closing Documents filed on March 22, 2023; (e) CCN letter filed on April 6, 2023; (f) Applicants' Consent Forms filed on May 1, 2023; (g) Applicants' landowner affidavit, landowner list, copies of notice filed on June 16, 2023; (h) Applicants' copy of map containing appraisal district information of landowner parcels overlayed with the requested area filed on June 20, 2023; (i) Commission Staff's Supplemental Recommendation on Sufficiency of Notice filed on June 30, 2023; and (j) The attached map and certificate.

Sale

24. In Order No. 8 filed on October 13, 2022, 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.
25. On March 6, 2023, the applicants filed notice and a certificate of resolution which indicated that the transaction had closed on March 1, 2023.
26. On March 13, 2023, the applicants filed signed affidavits by Elaine Trefry, president of Concord Robbins WSC and Edward Mabry, president of Southeast WSC attesting that Southeast WSC held no customer deposits.
27. In Order No. 10 filed on March 27, 2023, the ALJ found the closing documentation sufficient.

Concord Robbins WSC's Compliance History

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

Adequacy of Existing Service

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

Need for Additional Service

34. There is a continuing need for service because Southeast WSC is currently serving 1,340 customers in the requested area.
35. This is an application to transfer only existing facilities, customers, and service area.
36. 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

37. 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.
38. 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.
39. 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.
40. There will be no effect on landowners as the requested area is currently certificated.

Ability to Serve: Managerial and Technical

41. 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.

42. 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.
43. Concord Robbins WSC employs TCEQ-licensed operators who will be responsible for operating the public water systems being transferred.
44. No additional construction is necessary for Concord Robbins WSC to provide service to the requested area.
45. 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.
46. Concord Robbins WSC has the technical and managerial capability to provide adequate and continuous service to the requested area.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

47. 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.

Ability to Serve: Financial Ability and Stability

48. Concord Robbins WSC has a debt-service-coverage ration that is greater than 1.25, satisfying the leverage test.
49. 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.
50. 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

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

Environmental Integrity

52. The existing customers will continue to be served with existing facilities.

53. There will be no effects on environmental integrity or the land as a result of the proposed transaction.

Improvement in Service or Lowering of Cost to Consumers

54. The rates charged to existing customers will be lower than the current rates charged by Southeast WSC as a result of the proposed transaction.
55. 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.

Regional or Consolidation

56. It will not be necessary for Concord Robbins WSC to construct a physically separate water system to serve the requested area.
57. 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.

Map and Certificate

58. On April 20, 2023, Commission Staff emailed to the applicants the final proposed map and certificate related to this docket.
59. On May 1, 2023, Southeast WSC filed its consent form concurring with the final proposed map.
60. On May 1, 2023, Concord Robbins WSC filed its consent form concurring with the final proposed map and certificate.
61. On July 20, 2023, the final map and certificate were included as attachments to the agreed motion to admit evidence.

III. Conclusions of Law

The Commission makes the following conclusions of law:

1. The Commission has authority over this proceeding under Texas Water Code (TWC) §§ 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. Southeast WSC and Concord Robbins WSC are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).

3. Southeast WSC and Concord Robbins WSC's application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.
4. Notice of the application was provided in compliance with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC §§ 24.235 and 24.239.
5. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,¹ TWC, and Commission rules.
6. Southeast WSC and Concord Robbins WSC completed the sale and transfer within the time required by 16 TAC § 24.239(m).
7. Southeast WSC and Concord Robbins WSC have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
8. After consideration of the factors in TWC § 13.246(c), Concord Robbins WSC has demonstrated that it is capable of rendering continuous and adequate service to every customer within the requested area, as required by TWC § 13.251.
9. Concord Robbins WSC has demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service in the requested area as required by TWC §§ 13.241(a) and 13.301(b).
10. Regionalization or consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water system is not required.
11. Southeast WSC and Concord Robbins WSC demonstrated that the sale and transfer of the facilities and certificated service area under CCN number 12180 from Southeast WSC to Concord Robbins WSC under water CCN number 11717 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).
12. It is not necessary for Concord Robbins WSC to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
13. Concord Robbins WSC must record a certified copy of its certificate granted and the associated map approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Leon 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).

¹ Tex. Gov't Code §§ 2001.001-.903.

14. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

IV. Ordering Paragraphs

In accordance with the preceding findings of fact and conclusions of law, the Commission enters the following orders.

1. The Commission approves the sale and transfer of all of Southeast WSC's facilities and certificated service area under CCN number 12180 to Concord Robbins WSC, as shown on the map attached to this Notice of Approval.
2. The Commission approves the amendment of Concord Robbins WSC's water CCN number 11717 to include the requested area, as shown on the attached map.
3. The Commission cancels Southeast WSC's water CCN number 12180.
4. The Commission approves the map attached to this Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.
6. Concord Robbins WSC must provide service to every customer or applicant for service within the approved area under water CCN number 11717 who requests water service and meets the terms of Concord Robbins WSC's service policies, and such service must be continuous and adequate.
7. Concord Robbins WSC must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Leon County affected by this 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.
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 _____ day of _____ 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

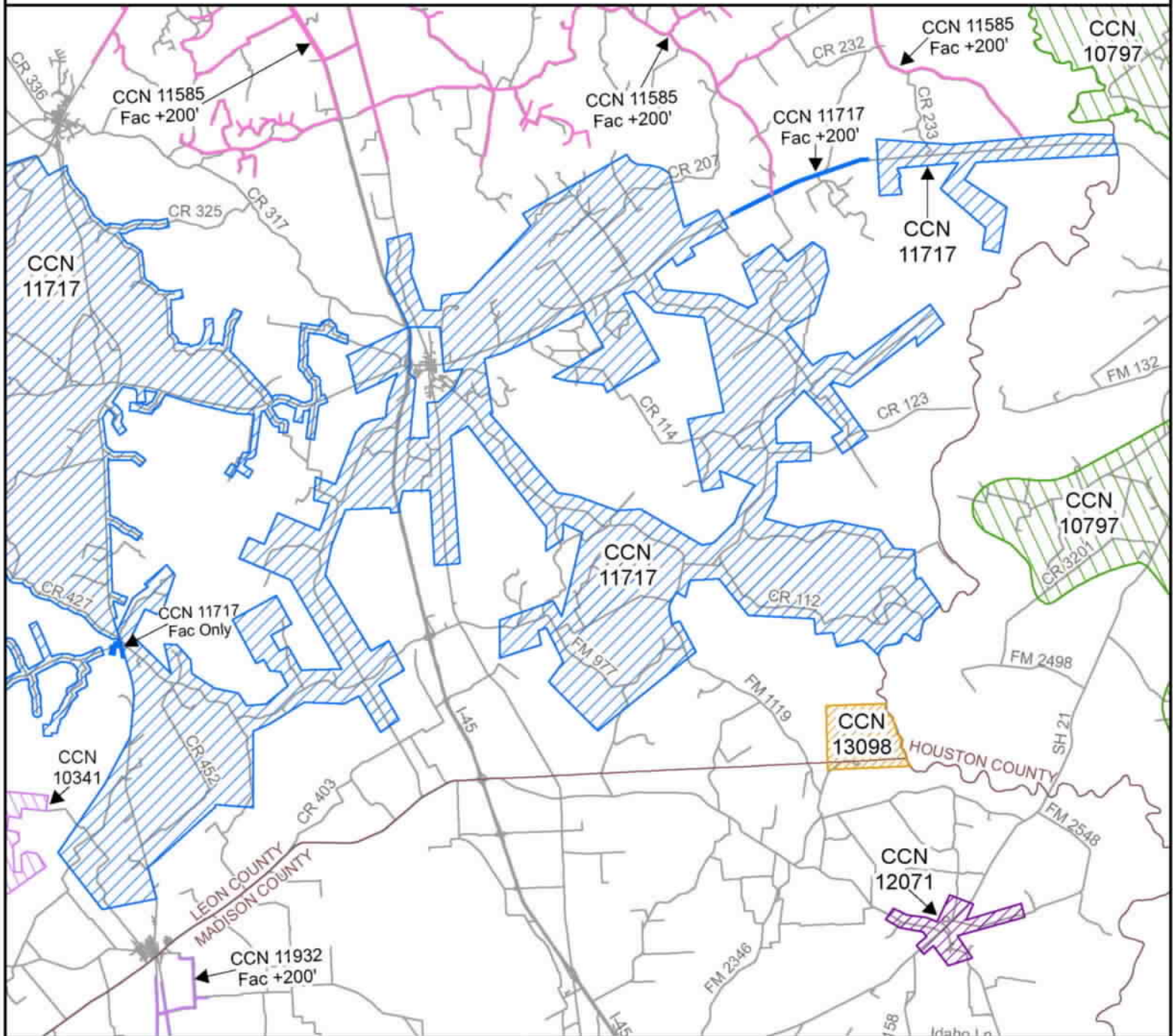
JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE

Concord-Robbins Water Supply Corporation

Portion of Water CCN No. 11717

PUC Docket No. 53290

Transferred all of Southeast Water Supply Corporation, CCN No. 12180 in Leon County



Water CCN

-  11717 - Concord-Robbins WSC
-  10797 - Consolidated WSC
-  13098 - C & R WS Inc
-  12071 - City of Midway
-  10341 - Hilltop Lakes WSC

Water CCN Facilities +200'

-  11717 - Concord-Robbins WSC
-  11585 - Flo Community WSC
-  11932 - Madison County WSC

Water CCN Facility Only

-  11717 - Concord-Robbins WSC





Public Utility Commission of Texas

By These Presents Be It Known To All That

Concord-Robbins Water Supply Corporation

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, Concord-Robbins Water Supply Corporation is entitled to this

Certificate of Convenience and Necessity No. 11717

to provide continuous and adequate water utility service to that service area or those service areas in Leon County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53290 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 Concord-Robbins Water Supply Corporation 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.