



Filing Receipt

Filing Date - 2023-10-04 03:32:37 PM

Control Number - 53290

Item Number - 54

DOCKET NO. 53290

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

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Southeast Water Supply Corporation and Concord Robbins Water Supply Corporation (collectively, the applicants) for approval of 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 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 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 holds CCN number 12180 which obligates it to provide retail water service in its certificated service area 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: (a) Southeast WSC System 1, identification number 1450027; (b) Southeast

- WSC System 2, identification number 1450028; (c) Southeast WSC System 3, identification number 1450029; and (d) 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 holds CCN number 11717 which obligates it to provide retail water service in its certificated service area in Leon County.
 8. Concord Robbins WSC owns and operates two public water systems registered with the TCEQ under the following identification names and numbers: (a) Concord-Robbins WSC 1, identification number 1450018; (b) 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, 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 the 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 9, 2022, the administrative law judge (ALJ) found the supplemented application administratively complete.
16. On August 2 and 7, 2023, the applicants filed affidavits regarding capital improvements.

Notice

17. On May 4, 2022, the applicants filed the affidavit of Elaine Trefry, 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.
18. On June 20, 2022, the applicants filed the affidavit of Ms. Trefry attesting that notice was provided to current customers, neighboring utilities, and affected parties on June 17, 2022.
19. In Order No. 5 filed on July 12, 2022, the ALJ found the supplemental notice sufficient.
20. In Order No. 11 filed on June 2, 2023, the ALJ requested clarification on notice.
21. On June 16 and 20, 2023, the applicants filed supplemental proof of notice to landowners owning 25 acres or more that is wholly or partially in the requested area.
22. In Order No. 14 filed on September 6, 2023, the ALJ found the notice, as supplemented, sufficient.

Evidentiary Record

23. 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 May 27, 2022;
 - i) The 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 18, 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;
24. In Order No. 15 filed on October 2, 2023, the ALJ admitted the following supplemental evidence into the record:
- a) The applicants' January update and merger contract filed on January 22, 2023;
 - b) The applicants' completion letter and certificate of resolution filed on March 6, 2023;
 - c) The applicants' 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) The applicant's letter filed on April 6, 2023;
 - f) The applicants' consent forms filed on May 1, 2023;
 - g) The map and certificate attached to the parties' July 20, 2023 supplemental agreed motion to admit evidence and proposed notice of approval;

- h) Concord WSC's capital improvements affidavit filed on August 2, 2023;
- i) Concord WSC's notarized affidavit filed on August 7, 2023; and
- j) Commission Staff's recommendation on capital improvements plan filed on August 14, 2023.

Sale

- 25. In Order No. 8 filed on October 13, 2022, the ALJ approved the sale and transaction to proceed and required the applicants to file proof that the transaction had been completed and that customer deposits had been addressed.
- 26. On March 6, 2023, the applicants filed notice and a certificate of resolution which indicated that the transaction had closed on March 1, 2023.
- 27. On March 13, 2023, the applicants filed affidavits by Ms. Trefry and Edward Mabry, president of Southeast WSC, attesting that Southeast WSC held no customer deposits.
- 28. In Order No. 10 filed on March 27, 2023, the ALJ found the closing documents sufficient.

Concord Robbins WSC's Compliance History

- 29. Concord Robbins WSC does not have any violations listed in the TCEQ database.
- 30. The Commission's complaint records, which date back to 2017, show one complaint against Concord Robbins WSC.
- 31. Concord Robbins WSC does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
- 32. Concord Robbins WSC demonstrated a compliance history that is adequate for approval of the transfer to proceed.

Adequacy of Existing Service

- 33. There are currently 1,340 customers currently receiving water service from Southeast WSC's four water systems.
- 34. Southeast WSC does not have any violations listed in the TCEQ database.
- 35. No capital improvements are necessary for Concord Robbins WSC to continue providing continuous and adequate service to the requested area.

36. There is no evidence in the record that Southeast WSC has failed to comply with any Commission or TCEQ order.

Need for Additional Service

37. There are 1,340 existing customers in the requested area that are receiving service from Southeast WSC and have an ongoing need for service.
38. This is an application to transfer only existing facilities, customers, and service area.
39. There have been no specific requests for additional service within the requested area.

Effect of Approving the Transaction and Granting the Amendment

40. Approving the sale and transfer and granting the CCN amendments will obligate Concord Robbins WSC to provide continuous and adequate water service to current and future customers in the requested area.
41. All retail public utilities in the proximate area were provided notice of the transaction proposed in this application, and none filed a protest or motion to intervene.
42. Because this is an application to transfer only existing customers and service area, there will be no effect on any other retail public utility providing service in the proximate area.
43. There will be no effect on landowners as the requested area is currently certificated.

Ability to Serve: Managerial and Technical

44. 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.
45. Concord Robbins WSC employs or contracts with TCEQ-licensed operators who will be responsible for operating the public water systems being transferred.
46. Concord Robbins WSC has the technical and managerial capability to provide adequate and continuous service to the requested area.

Regionalization or Consolidation

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

48. 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 an Adjacent Retail Public Utility

49. Southeast WSC is currently serving customers and has sufficient capacity.
50. 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.
51. It is not feasible to obtain service from an adjacent retail public utility.

Ability to Serve: Financial Ability and Stability

52. Concord Robbins WSC has a debt-service-coverage ratio that is greater than 1.25, satisfying the leverage test.
53. 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.
54. 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

55. 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 and Effect on the Land

56. The existing customers will continue to be served with existing facilities.
57. 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

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

59. 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.

Map and Certificate

60. On April 20, 2023, Commission Staff emailed to the applicants the final proposed map and certificate related to this docket.
61. On May 1, 2023, Southeast WSC filed its consent form concurring with the final proposed map.
62. On May 1, 2023, Concord Robbins WSC filed its consent form concurring with the final proposed map and certificate.
63. On May 17, 2023, the final map and certificate were included as attachments to the agreed motion to admit evidence.

Informal Disposition

64. More than 15 days have passed since the completion of notice provided in this docket.
65. No person filed a protest or motion to intervene.
66. Southeast WSC, Concord Robbins WSC, and Commission Staff are the only parties to this proceeding.
67. No party requested a hearing and no hearing is needed.
68. Commission Staff recommended approval of the application.
69. This 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 §§ 13.241, 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 § 24.239(c).¹
5. The Commission processed this application as required by the Administrative Procedure Act,² 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 demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area as required by TWC §§ 13.251 and 13.301(b).
10. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water or sewer 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 will serve the public interest and is necessary for the continued 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).

¹ After this application was filed, 16 TAC § 24.239 was amended, effective March 29, 2023. Accordingly, all references and citations to 16 TAC § 24.239 in this Notice of Approval are made to the version in effect at the time the application was filed.

² Tex. Gov't Code §§ 2001.001–.903.

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

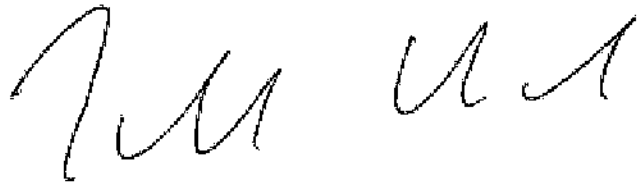
III. Ordering Paragraphs

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

1. The Commission approves the 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 amends Concord Robbins WSC's CCN number 11717 to include the requested area, as shown on the attached map.
3. The Commission cancels Southeast WSC's 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 water 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 4th day of October 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

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

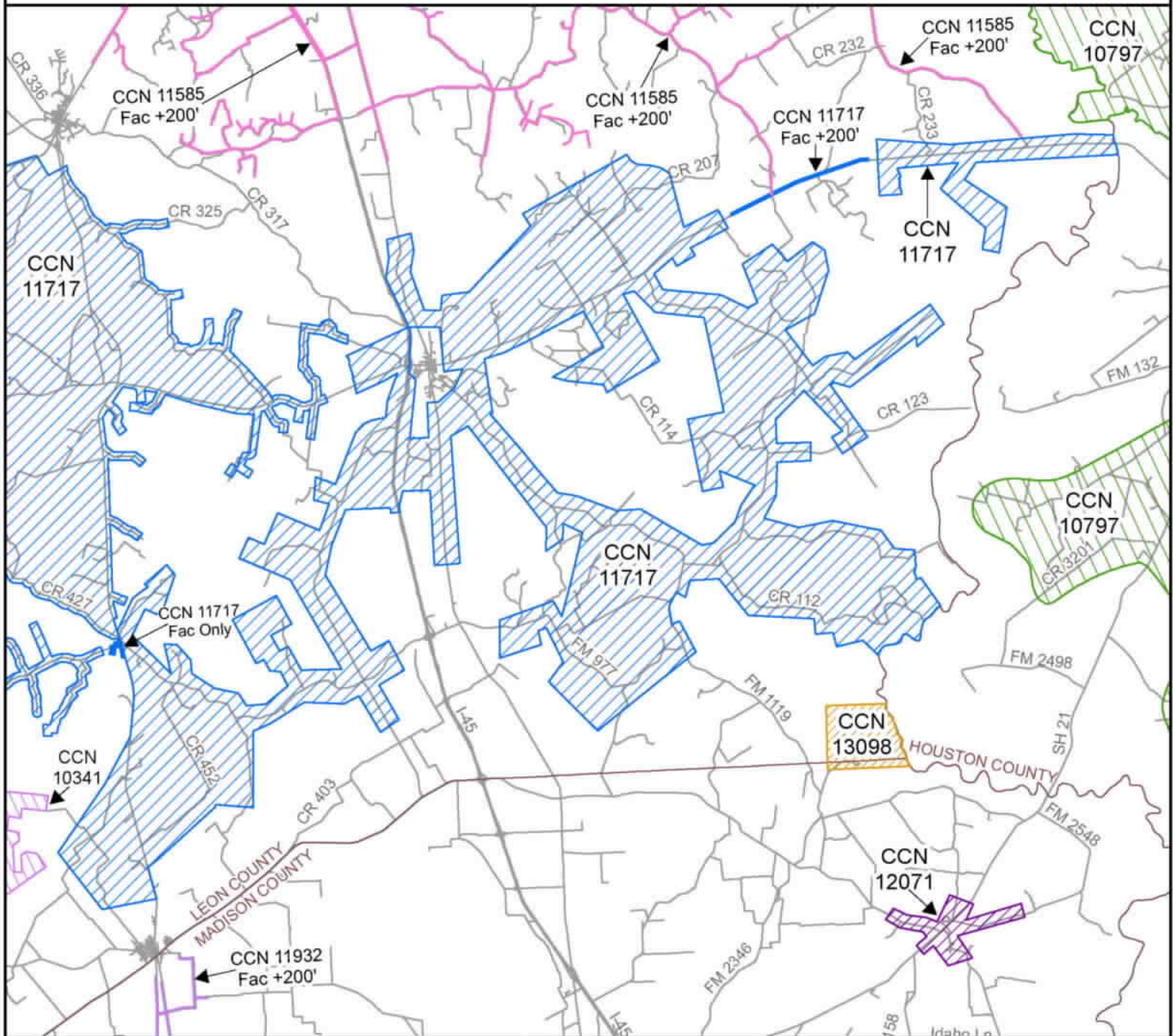
JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE

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.