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DOCKET NO. 53331

APPLICATION OF CROSS TIMBERS	§	PUBLIC UTILITY COMMISSION
WATER SUPPLY CORPORATION AND	§	
STONEBRIDGE WATER SUPPLY	§	OF TEXAS
CORPORATION FOR SALE,	§	
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN DENTON COUNTY	§	

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

Cross Timbers WSC (Cross Timbers WSC), Stonebridge Water Supply Corporation (Stonebridge WSC), and the Staff (Staff) of the Public Utility Commission of Texas (Commission), (collectively, the Parties), representing the public interest, file this Supplemental Joint Motion to Admit Evidence and Proposed Notice of Approval. In support thereof, the Parties would show the following:

I. BACKGROUND

On March 10, 2022, Cross Timbers WSC and Stonebridge WSC, (collectively, Applicants) filed an application for approval of the sale, transfer, or merger, of facilities and certificate rights in Denton County. Specifically, Stonebridge WSC seeks to sell and transfer all of its facilities and water service area under Certificate of Convenience and Necessity (CCN) No. 12415 to Cross Timbers WSC water CCN No. 10197. The Applicants also seek the cancellation of Stonebridge WSC's water CCN NO. 12415. The requested water service area includes approximately 127 acres and 16 customer connections.

On November 17, 2022, the Applicants filed closing documents reflecting the consummation of the sale of Stonebridge WSC to Cross Timbers WSC and the cancellation of Stonebridge WSC's water CCN. On December 2, 2022, the administrative law judge (ALJ) filed Order No. 8, finding the closing documents to be sufficient and requiring Staff and the Applicants to jointly file a Proposed Notice of Approval by January 12, 2023. On January 25, 2023, the ALJ filed Order No. 10, requesting that the Parties file the map and certificate, accompanied by a joint supplemental motion to admit evidence reflecting the addition of these items into the record, by February 2, 2023. Therefore, this pleading is timely filed.

II. SUPPLEMENTAL JOINT MOTION TO ADMIT EVIDENCE

The Parties move to admit the following evidence into the record of this proceeding:

- a) Cross Timbers WSC's notice of completed transaction filed on November 17, 2022 (Interchange Item No. 24);
- b) Staff's recommendation on sufficiency of closing documents filed on December 2, 2022 (Interchange Item No. 25);
- c) Applicants' consent forms filed on December 27, 2022 (Interchange Item No. 27);
- d) The attached map and certificate.

III. PROPOSED NOTICE OF APPROVAL

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

IV. CONCLUSION

The Parties respectfully request that the Commission grant the Supplemental Joint Motion to Admit Evidence and file a Notice of Approval consistent with the Joint Proposed Notice of Approval.

Dated: February 2, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on February 2, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Forrest Smith
Forrest Smith

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APPLICATION OF CROSS TIMBERS	§	PUBLIC UTILITY COMMISSION
WATER SUPPLY CORPORATION AND	§	
STONEBRIDGE WATER SUPPLY	§	OF TEXAS
CORPORATION FOR SALE,	§	
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN DENTON COUNTY	§	

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Cross Timbers Water Supply Corporation (Cross Timbers WSC) and Stonebridge Water Supply Corporation (Stonebridge WSC) for the sale, transfer, or merger of facilities and certificate rights in Denton County. The Commission approves the sale and transfer of all facilities and water service area held by Stonebridge WSC's water Certificate of Convenience and Necessity (CCN) No. 12415 to Cross Timbers WSC's water CCN No. 10197 and the cancellation of Stonebridge WSC's water CCN No. 12415, to the extent provided in this Notice of Approval.

I. Findings of Fact

Applicants

1. Stonebridge WSC is a Texas corporation registered with the Texas secretary of state under file number 0119657601.
2. Stonebridge WSC is a member-owned, non-profit water supply corporation that owns, operates, maintains, and controls facilities for providing retail water service in Denton County under Water CCN No. 12415.
3. Stonebridge WSC owns and operates a public water system (PWS) that is registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 0610085.

4. Cross Timbers WSC is a member-owned, non-profit water supply corporation registered with the Texas secretary of state under file number 20253301.
5. Cross Timbers WSC operates, maintains, and controls facilities for providing water service in Denton County under water CCN No. 10197.
6. Cross Timbers WSC owns one public water system registered with the TCEQ under PWS identification number 0610020.

Application

7. On March 10, 2022, Cross Timbers WSC and Stonebridge WSC (Applicants) filed the application at issue in this proceeding in Denton County.
8. On April 11, April 27, and June 1, 2022, Cross Timbers WSC filed supplemental information.
9. In the application, the Applicants seek approval of the following transaction: (a) Cross Timbers WSC will acquire all of Stonebridge WSC's facilities and service area under water CCN No. 12415 and (b) Stonebridge WSC's water CCN No. 12415 will be cancelled.
10. The requested area is located approximately 4 miles south of downtown Bartonville, Texas and is generally bounded on the north by the town of Argyle; on the east by the town of Bartonville; on the south by Bartonville; and on the west by Argyle.
11. The requested area includes approximately 127 acres and includes 69 customers; 77 acres will have single certification and 50 acres will have dual certification with Argyle WSC's CCN No. 10199.
12. In Order No. 3 filed on June 13, 2022, the ALJ deemed the application, as supplemented, administratively complete.

Notice

13. On June 14, 2022, the Applicants filed the affidavit of Jackson Wolf, general manager for Cross Timbers WSC, attesting that notice of the application was mailed to current customers, neighboring utilities, county authorities, municipalities, ground water conservation districts, and affected parties on June 11, 2022.
14. On July 18, 2022, the Applicants filed a list of customers who were provided in person notices.
15. In Order No. 4, filed on July 19, 2022, the ALJ found the notice sufficient.

Evidentiary Record

16. On October 7, 2022, the parties jointly moved to admit evidence.
17. In Order No. 6, filed on October 13, 2022, the ALJ admitted the following evidence into the record of this proceeding: (a) the application for the sale, transfer, or merger and all attachments filed on March 10, 2022; (b) Applicants' supplemental information to the application filed on March 17, 2022 and April 5, 2022; (c) Applicants' customer deposit information filed on April 11, 2022; (d) Applicants' general location map and detailed map filed on April 27, 2022; (e) Applicants' water rate comparison filed on June 1, 2022; (f) Commission Staff's supplemental recommendation on administrative completeness and proposed notice filed on June 8, 2022; (g) Applicants' proof of notice filed on June 14, 2022; (h) Applicants' copy of the notice, list of parties notified, and map sent to affected parties filed on July 18, 2022; (i) Commission Staff's recommendation on sufficiency of notice filed on July 18, 2022; (j) Applicants' supplement to the application filed on July 18, 2022; and (k) Commission Staff's recommendation on approval of the transaction filed on September 2, 2022.
- 19) In Order No. _____, filed on _____, 2023, the ALJ admitted the following evidence into the record: (1) Cross Timbers WSC's notice of completed transaction filed on November 17, 2022; (2) Staff's recommendation on closing documents filed on December 2, 2022; (3) Consent forms filed on December 27, 2022 from Cross Timbers WSC, Stonebridge WSC, and Argyle WSC; and (4) the map and certificate attached to the supplemental joint motion to admit evidence and proposed notice of approval filed on February 2, 2023.

System Compliance.

20. Cross Timbers WSC does not have any violations listed in the TCEQ database.
21. Cross Timbers WSC has one TCEQ-approved public water system.
22. The Commission's complaint records show no complaints against Cross Timbers WSC.
23. No additional construction is necessary for Cross Timbers WSC to serve the requested area.
24. Stonebridge WSC has a TCEQ approved public water system registered under PWS identification number 0610085.
25. The Commission's complaint records show no complaints against Stonebridge WSC.

26. The last TCEQ compliance investigation of the Stonebridge WSC system was on June 1, 2020. No violations or concerns were noted as a result of that investigation.

Adequacy of Existing Service

27. Stonebridge WSC currently provides water service to 16 existing customers through its public water system, number 0610085 and such service has been continuous and adequate.
28. No additional construction is necessary for Cross Timbers WSC to serve the requested area.

Need for Additional Service

29. There is a continuing need for service because Stonebridge WSC is currently serving 16 existing water customers in the requested area.
30. There is no evidence of specific requests for additional service within the requested area.

Effects of Approving the Transaction and Granting the Amendment

31. Approving the transaction to proceed and granting the CCN amendment will obligate Cross Timbers WSC to provide continuous and adequate service to existing and future customers in the requested area.
32. Because this application is to transfer only existing facilities, customers, and service area, there will be no effect on any other retail public utility serving the proximate area.
33. There will be no adverse effect on landowners in the requested area because the requested area is currently certificated.
34. Any landowners in the requested area that do not currently receive service from Stonebridge WSC will need to request service from Cross Timbers WSC if they require service after the transaction has been completed.

Ability to Serve: Managerial and Technical

35. Cross Timbers WSC will employ a TCEQ-licensed operator who will be responsible for the testing and operation of the public water system being transferred.
36. No additional construction is necessary for Cross Timbers WSC to provide service to the requested area.
37. Cross Timbers WSC has the technical and managerial capability to provide adequate and continuous service to the requested area.

38. Cross Timbers 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.

Ability to Serve: Financial Ability and Stability

39. Cross Timbers WSC has a debt-to-equity ratio that is less than one, satisfying the leverage test.
40. Cross Timbers WSC has demonstrated that it 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. Cross Timbers WSC has demonstrated the financial ability and stability to provide continuous and adequate service to the requested area.

Financial Assurance

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

Regionalization or Consolidation

43. Because the requested area will not require construction of a physically separate water system, consideration of regionalization or consolidation is not required.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

44. The requested area is currently being served by Stonebridge WSC and there will be no changes to land uses or existing CCN boundaries.
45. Utilities within a two-mile radius were noticed and no protests or requests to intervene were filed in this docket.
46. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed. At a minimum, an interconnect would need to be installed in order to connect to a neighboring retail public water utility. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

Environmental Integrity and Effect on the Land)

47. There will be no effect on the land or environmental integrity because the proposed transaction will continue to be served using existing infrastructure and no additional construction is necessary.

Improvement in Service or Lowering of Cost to Consumers

48. There will be no change in the quality of service or cost of service to consumers as a result of the transaction.

II. Conclusions of law

The Commission makes the following conclusions of law.

1. The Commission has authority over this proceeding under TWC §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, 13.254, and 13.301.
2. Cross Timbers WSC and Stonebridge WSC are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Cross Timbers WSC and Stonebridge 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 Texas Administrative Code (TAC) § 24.239.
5. The Commission processed this application as required by the TWC, the Administrative Procedures Act,¹ and the Commission rules.
6. Cross Timbers WSC and Stonebridge WSC completed the sale and transfer within the time required by 16 TAC § 24.239(m).
7. The Applicants complied with the requirements of 16 TAC § 24.239(k) with respect to customer deposits.
8. After consideration of the factors in TWC § 13.246(c), Cross Timbers WSC has demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested area as required by TWC § 13.301(b) and 16 TAC § 24.239.
9. It is not necessary for Cross Timbers WSC to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).

¹ Tex. Gov't Code §§ 2001.001-.903.

10. Stonebridge WSC and Cross Timbers WSC demonstrated that the sale and transfer of the water facilities and service area held under CCN No. 12415 from Stonebridge WSC to Cross Timbers WSC will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public as required by TWC § 13.301(d) and (e).
11. Cross Timbers WSC must record a certified copy of the certificate granted and map approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Denton County within 31 days after receiving this Notice of Approval and submit to the Commission evidence of the recording as required by TWC § 13.257(r) and (s).
12. 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 Stonebridge WSC's facilities and certificate rights under CCN No. 12415 to Cross Timbers WSC and the cancellation of Stonebridge WSC's water CCN may proceed and be consummated.
2. The Commission approves the map attached to this Notice of Approval.
3. The Commission issues the certificate attached to this Notice of Approval.
4. Cross Timbers WSC must provide service to every customer or qualified service applicant for service within the approved areas under CCN No. 10197 that requests service and meets the terms of Cross Timbers WSC's water service, and such service must be continuous and adequate.
5. Cross Timbers WSC must comply with the recording requirements of TWC § 13.257(r) and (s) for the area in Denton County affected by the application and file in this docket proof of the recording no later than 45 days after receipt of the Notice of Approval.
6. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

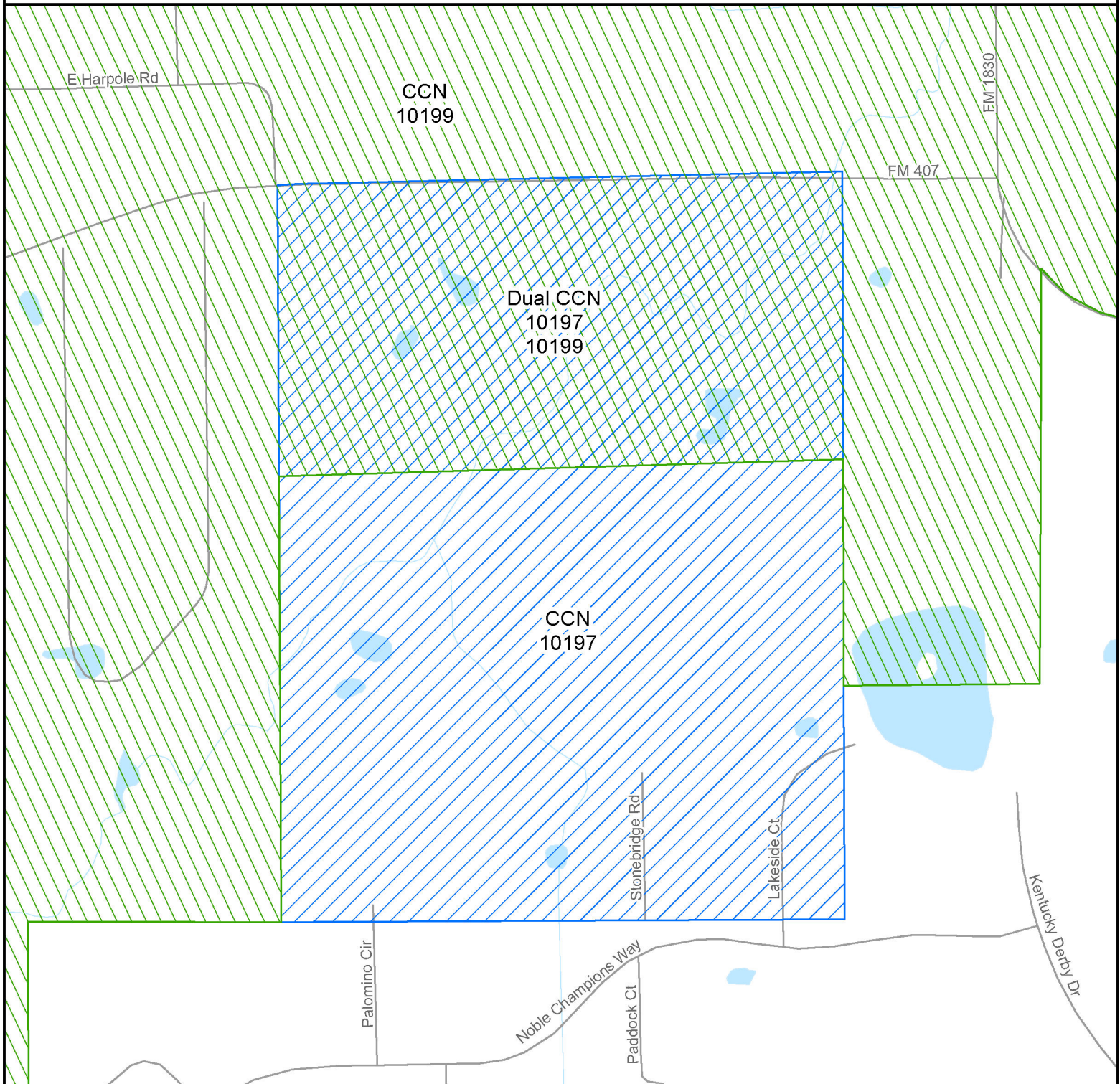
Signed at Austin, Texas, on the ____ day of ____ 2023

PUBLIC UTILITY COMMISSION OF TEXAS

CHRISTINA DENMARK
ADMINISTRATIVE LAW JUDGE


Cross Timbers Water Supply Corporation
Portion of Water CCN No. 10197
PUC Docket No. 53331

Transferred all of Stonebridge Water Supply Corporation, CCN No. 12415 in Denton County



Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Water CCN

-  10197 - Cross Timbers WSC
-  10199 - Argyle WSC

0 250 500
Feet



Map by: Komal Patel
Date: December 14, 2022
Project: 53331CrossTimbers.mxd



Public Utility Commission of Texas

By These Presents Be It Known To All That

Cross Timbers 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, Cross Timbers Water Supply Corporation is entitled to this

Certificate of Convenience and Necessity No. 10197

to provide continuous and adequate water utility service to that service area or those service areas in Denton County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53331 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 Cross Timbers 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.