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PUC DOCKET NO. 53936

APPLICATION OF STONETOWN	§	PUBLIC UTILITY COMMISSION
SPRING OAKS UTILITIES, LLC AND	§	
TRINITY SO PTN, LP FOR SALE,	§	
TRANSFER, OR MERGER OF	§	OF TEXAS
FACILITIES AND CERTIFICATE	§	
RIGHTS IN HARRIS COUNTY	§	

STONETOWN SPRING OAKS UTILITIES, LLC'S RESPONSE TO ORDER NO. 12

Stonetown Spring Oaks Utilities, LLC (Spring Oaks) files this Response to Order No. 12, and in support thereof would show the following:

I. BACKGROUND

On August 5, 2022, the Applicants filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Harris County. Specifically, Springs Oaks seeks approval to acquire facilities and to transfer all of the water and sewer service area from Trinity under water Certificate of Convenience and Necessity (CCN) No. 13240 and sewer CCN No. 21089 (the Application). Spring Oaks also seeks to obtain CCN No. 21134 for sewer utility service and CCN No. 13306 for water utility service. The requested water and sewer service area includes approximately 21 acres and 137 customer connections.

On July 5, 2023, the Administrative Law Judge (ALJ) issued Order No. 12, establishing a deadline of July 14, 2023 for Spring Oaks to provide clarification regarding the relationship between Spring Oaks and Stonetown MRE Texas, and whether the evidence in this docket is sufficient to show that Stonetown MRE Texas received notice of this proceeding. Therefore, this pleading is timely filed.

II. RESPONSE TO ORDER NO. 12

Spring Oaks respectfully directs the ALJ to its Third Supplement to the Application filed on January 11, 2023 which included, among other information, an organizational chart illustrating that Spring Oaks is a wholly-owned subsidiary of Stonetown MRE Texas.¹ Further, Stonetown

¹ See the Third Supplement to the Application (Third Supplement), Confidential Stonetown Organizational Chart (Jan. 11, 2023).

MRE Texas is listed in the Application as 100 percent owner of Spring Oaks and states that equity financing will be provided by Stonetown MRE Texas in certain instances to meet Spring Oaks' obligations.² Finally, Stonetown MRE Texas and Spring Oaks share the same officers and those officers have executed the affidavits in question on behalf of Stonetown MRE Texas.³ Consequently, Stonetown MRE Texas as the parent company and 100 percent owner of Spring Oaks is capable of satisfying Spring Oaks' obligations in this proceeding. The same parent-subsidiary relationship was present in Docket No. 53937, a notice of approval for which was recently issued on June 29, 2023.

As to the issue of notice, Spring Oaks' Supplemental Affidavit Regarding Notice filed on May 30, 2023 in this proceeding indicates that Stonetown Texas MRE is the sole landowner of the certificated area. Further, the evidentiary record reflects that Stonetown MRE Texas has been an active participant throughout the processing of Spring Oaks' Application.⁴ Consequently, there is sufficient evidence in the record to show that Stonetown MRE Texas received notice of this proceeding.

III. CONCLUSION

Therefore, based on the foregoing discussion, Spring Oaks respectfully requests that the ALJ issue a Notice of Approval in this proceeding and requests any and all other relief to which Spring Oaks is entitled.

² See Application at Question 9 and Question 12B, respectively.

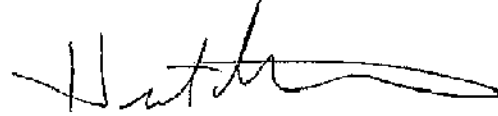
³ See the Affidavits of Roy Lapidus and Adam Minnick attached to the Supplement to the Application filed Sept. 22, 2022; See also Stonetown MRE Texas, LLC's Certificate of Formation, provided as a confidential attachment to the Third Supplement filed Jan. 11, 2023.

⁴ See Application at Question 9 and Question 12B, respectively.

Date: July 14, 2023

Respectfully submitted,

JACKSON WALKER L.L.P.

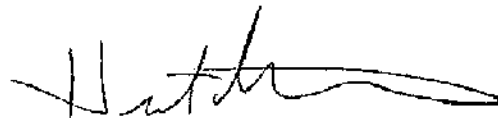


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CERTIFICATE OF SERVICE

I certify that a copy of this document was served on all parties of record on this date via the Commission's Interchange in accordance with the Commission's Second Order in Docket No. 50664 suspending PUC Procedural Rule 22.74.



Heath D. Armstrong