



## **Filing Receipt**

**Filing Date - 2024-08-09 04:29:19 PM**

**Control Number - 54617**

**Item Number - 120**

**SOAH DOCKET NO. 473-24-13127  
PUC DOCKET NO. 54617**

<b>APPLICATION OF TEXAS WATER UTILITIES, LP AND SOUTHERN HORIZONS DEVELOPMENT, INC. FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN LIBERTY AND MONTGOMERY COUNTIES</b>	§ § § § § § §	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
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**TEXAS WATER UTILITIES, L.P.'S ERRATA TO THE REDACTED DIRECT TESTIMONY OF BRIAN D. BAHR, ERRATA TO THE DIRECT TESTIMONY OF STEVE SULLIVAN, AND MOTION TO ADMIT EVIDENCE**

Texas Water Utilities, L.P. (TWU), on behalf of itself and Southern Horizons, Development, Inc. (collectively, Applicants), files these Errata to the Redacted Direct Testimony of Brian D. Bahr and the Direct Testimony of Steve Sullivan, which were admitted as Exhibits TWU-1 and TWU-3, respectively, at the July 23, 2024 hearing on the merits.

**I. ERRATA**

TWU submits these Errata to the Redacted Direct Testimony of Brian D. Bahr and the Direct Testimony of Steve Sullivan to correct the amount of acreage TWU has requested to decertify and to remove references to Docket No. 52445. Below is a description of each change made in these errata.

**Direct Testimony of Brian D. Bahr**

- Page 6, lines 8 to 11: Delete the text starting with “At the time” and ending with “88 acres.”
- Page 6, lines 12 to 13: Delete the text starting with “is comprised” and ending with “decertification of which.”
- Page 6, footnote 2: Delete the entire footnote.
- Page 12, lines 18 to 19: Delete the text starting with “The 107 that” and ending with “Docket No. 52445.”
- Page 12, line 19: Add “The areas to be decertified” before “does not include.”
- Page 21, line 8: Replace “10.7” with “98.7.”

**Direct Testimony of Steve Sullivan**

- Page 9, lines 3 to 4: Delete the text starting with “As explained by” and ending with “has been approved.”
- Page 9, line 5: Replace “10.7” with “98.7.”
- Page 9, line 8: Replace “10.7” with “98.7.”

A redlined version of the errata to Mr. Bahr’s testimony is provided as Attachment A to this pleading, and a clean version of the errata is included as Attachment B. A redlined version of the errata to Mr. Sullivan’s testimony is provided as Attachment C to this pleading, and a clean version of each page of the errata is included as Attachment D. Both clean copies are formatted to preserve the original line numbers and pagination.

**II. MOTION TO ADMIT ERRATA**

TWU moves to admit Attachments B and D into the record for this proceeding as Exhibit TWU-1A and Exhibit TWU-3A, respectively. Attachments B and D have been marked accordingly and will be uploaded to the folder of TWU’s admitted exhibits on the ShareFile site created for this proceeding if and when this motion is granted. TWU is authorized to represent that the Staff of the Public Utility Commission of Texas supports the admission of these errata, which are consistent with the Proposed Findings of Fact and Conclusions of Law that Applicants and Commission Staff will be filing contemporaneously with this pleading.

**III. CONCLUSION**

TWU respectfully requests the entry of an Order admitting its Errata to the Redacted Direct Testimony of Brian D. Bahr and the Direct Testimony of Steve Sullivan into the record for this proceeding as Exhibits TWU-1A and TWU-3A. Additionally, TWU requests any further relief to which it has shown itself entitled.

Respectfully submitted,

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**ATTORNEYS FOR TEXAS WATER  
UTILITIES, L.P.**

**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 August 9, 2024, in accordance with the Order Suspending Rules, issued in Project No. 50664.



Eleanor D' Ambrosio

# **ATTACHMENT A**

1 If the application is approved, the total area that will be added to Texas Water Utilities'  
2 water CCN is 629.5 acres (the requested area). A copy of the application, including all  
3 supplements, is provided as Attachment BDB-2. Confidential portions of the  
4 application and supplements are provided as Attachment BDB-2a.

5 **Q. WHY IS TEXAS WATER UTILITIES REQUESTING TO DECERTIFY A**  
6 **PORTION OF THE AREA CURRENTLY CERTIFICATED TO SOUTHERN**  
7 **HORIZONS?**

8 A. ~~At the time the STM application was filed, Docket No. 52445 had been pending before~~  
9 ~~the Commission for 18 months. The applicant in Docket No. 52445 was requesting to~~  
10 ~~decertify 88 acres held by Southern Horizons under CCN number 12863 and to obtain~~  
11 ~~a CCN to serve those 88 acres.<sup>2</sup> The 98.7 acres Texas Water Utilities is requesting to~~  
12 ~~decertify is comprised of the 88 acres that have already been decertified via Docket~~  
13 ~~No. 52445 and 10.7 additional acres, the decertification of which is needed to align the~~  
14 CCN boundaries with the property boundaries of the area served by Southern  
15 Horizons..

16 **Q. WHAT FACILITES WILL BE TRANSFERRED TO TEXAS WATER**  
17 **UTILITIES?**

18 A. The Southern Crossing Water System Phase 2, public water system (PWS)  
19 identification number 1460158, and the Southern Oaks Water System Phase 2, PWS  
20 identification number 1460150, will be transferred to Texas Water Utilities.

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<sup>2</sup> ~~Application of HydroTex, LLC for a Certificate of Convenience and Necessity and for Decertification of a  
Portion of Southern Horizons Development, Inc.'s Certificate of Convenience and Necessity in Liberty County;  
Docket No. 52445, Notice of Approval at Finding of Fact No. 7 (Mar. 22, 2204).~~

1 **Q. SHOULD THE COMMISSION REQUIRE TEXAS WATER UTILITIES TO**  
2 **PROVIDE FINANCIAL ASSURANCE?**

3 A. No, the Commission should not require Texas Water Utilities to provide financial  
4 assurance because we have demonstrated adequate financial capability for providing  
5 continuous and adequate service to the requested area as required by TWC § 13.301(c).

6 **Q. WHAT IMPACT DOES THIS TRANSACTION HAVE ON THE**  
7 **ENVIRONMENTAL INTEGRITY OF THE REQUESTED AREA?**

8 A. There will be no impact to the environmental integrity of the land that is currently  
9 certificated to Southern Horizons and will be transferred to Texas Water Utilities  
10 because this area will continue to be served using existing facilities, and therefore, no  
11 additional construction is required. There will also be no impact on the environmental  
12 integrity of the uncertificated area to be added to the CCN, which will also be served  
13 under the Southern Horizons' PWSes to be transferred.

14 **Q. WHAT IS THE EFFECT, IF ANY, ON THE LAND TO BE INCLUDED IN THE**  
15 **CERTIFICATED AREA?**

16 A. As indicated in the response to the previous question, there will be no physical effect  
17 on the land in the requested area. All but 98.7 acres of the area that was at one time  
18 certificated to Southern Horizons will remain certificated. ~~The 10.7 that was not~~  
19 ~~already decertified in Docket No. 52445.~~ The area to be decertified does not include any  
20 current customers. In addition, the 102.5 acres of uncertificated area is already served  
21 by the existing PWSes and is requested as a "clean up" to the current CCN boundary  
22 to align the CCN boundary with the property lines and area actually served.

1 **Q. IS AMENDING TEXAS WATER UTILITIES' WATER CCN NECESSARY**  
2 **FOR THE SERVICE, ACCOMMODATION, CONVENIENCE, OR SAFETY**  
3 **OF THE PUBLIC?**

4 A. Yes. Given the desire of the current owner of Southern Horizons to sell the utility and  
5 retire from water utility operation, and Texas Water Utilities' desire to acquire said  
6 system, amending Texas Water Utilities' CCN is necessary to facilitate its service to  
7 the Southern Horizons customers to be transferred.

8 **Q. SHOULD THE COMMISSION DECERTIFY THE 98,740.7 ACRES TEXAS**  
9 **WATER UTILITIES HAS REQUESTED TO BE DECERTIFIED FROM**  
10 **SOUTHERN HORIZONS' EXISTING CCN?**

11 A. Yes. As described earlier, this area doesn't have any current customers and merely  
12 reflects a clean-up of the CCN boundaries and should be approved by the Commission.

13 **Q. SHOULD THE COMMISSION AMEND TEXAS WATER UTILITIES' CCN**  
14 **TO INCLUDE THE 102.5 ACRES OF UNCERTIFICATED AREA WATER**  
15 **UTILITIES HAS REQUESTED?**

16 A. Yes. As described earlier, this request was made in order to align the CCN boundary  
17 with the property lines and area to be served; it should be approved by the Commission.

18 **IX. CONCLUSION**

19 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

20 A. Yes, it does.



# **ATTACHMENT B**

1 If the application is approved, the total area that will be added to Texas Water Utilities'  
2 water CCN is 629.5 acres (the requested area). A copy of the application, including all  
3 supplements, is provided as Attachment BDB-2. Confidential portions of the  
4 application and supplements are provided as Attachment BDB-2a.

5 **Q. WHY IS TEXAS WATER UTILITIES REQUESTING TO DECERTIFY A**  
6 **PORTION OF THE AREA CURRENTLY CERTIFICATED TO SOUTHERN**  
7 **HORIZONS?**

8 A.

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10

11

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12

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Horizons..

16 **Q. WHAT FACILITES WILL BE TRANSFERRED TO TEXAS WATER**  
17 **UTILITIES?**

18 A. The Southern Crossing Water System Phase 2, public water system (PWS)

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identification number 1460158, and the Southern Oaks Water System Phase 2, PWS

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identification number 1460150, will be transferred to Texas Water Utilities.

1 **Q. SHOULD THE COMMISSION REQUIRE TEXAS WATER UTILITIES TO**  
2 **PROVIDE FINANCIAL ASSURANCE?**

3 A. No, the Commission should not require Texas Water Utilities to provide financial  
4 assurance because we have demonstrated adequate financial capability for providing  
5 continuous and adequate service to the requested area as required by TWC § 13.301(c).

6 **Q. WHAT IMPACT DOES THIS TRANSACTION HAVE ON THE**  
7 **ENVIRONMENTAL INTEGRITY OF THE REQUESTED AREA?**

8 A. There will be no impact to the environmental integrity of the land that is currently  
9 certificated to Southern Horizons and will be transferred to Texas Water Utilities  
10 because this area will continue to be served using existing facilities, and therefore, no  
11 additional construction is required. There will also be no impact on the environmental  
12 integrity of the uncertificated area to be added to the CCN, which will also be served  
13 under the Southern Horizons' PWSes to be transferred.

14 **Q. WHAT IS THE EFFECT, IF ANY, ON THE LAND TO BE INCLUDED IN THE**  
15 **CERTIFICATED AREA?**

16 A. As indicated in the response to the previous question, there will be no physical effect  
17 on the land in the requested area. All but 98.7 acres of the area that was at one time  
18 certificated to Southern Horizons will remain certificated.

19 The area to be decertified does not include any  
20 current customers. In addition, the 102.5 acres of uncertificated area is already served  
21 by the existing PWSes and is requested as a "clean up" to the current CCN boundary  
22 to align the CCN boundary with the property lines and area actually served.

1 **Q. IS AMENDING TEXAS WATER UTILITIES' WATER CCN NECESSARY**  
2 **FOR THE SERVICE, ACCOMMODATION, CONVENIENCE, OR SAFETY**  
3 **OF THE PUBLIC?**

4 A. Yes. Given the desire of the current owner of Southern Horizons to sell the utility and  
5 retire from water utility operation, and Texas Water Utilities' desire to acquire said  
6 system, amending Texas Water Utilities' CCN is necessary to facilitate its service to  
7 the Southern Horizons customers to be transferred.

8 **Q. SHOULD THE COMMISSION DECERTIFY THE 98.7 ACRES TEXAS**  
9 **WATER UTILITIES HAS REQUESTED TO BE DECERTIFIED FROM**  
10 **SOUTHERN HORIZONS' EXISTING CCN?**

11 A. Yes. As described earlier, this area doesn't have any current customers and merely  
12 reflects a clean-up of the CCN boundaries and should be approved by the Commission.

13 **Q. SHOULD THE COMMISSION AMEND TEXAS WATER UTILITIES' CCN**  
14 **TO INCLUDE THE 102.5 ACRES OF UNCERTIFICATED AREA WATER**  
15 **UTILITIES HAS REQUESTED?**

16 A. Yes. As described earlier, this request was made in order to align the CCN boundary  
17 with the property lines and area to be served; it should be approved by the Commission.

18 **IX. CONCLUSION**

19 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

20 A. Yes, it does.

# **ATTACHMENT C**

1 **Q. HAS SOUTHERN HORIZONS EVER PROVIDED SERVICE TO THE AREA**  
2 **THAT TEXAS WATER UTILITIES HAS REQUESTED TO DECERTIFY?**

3 A. No. ~~As explained by Mr. Bahr, 88 of the acres to be decertified are no longer included~~  
4 ~~in Southern Horizons' CCN now that Docket No. 52445 has been approved.~~ Southern  
5 Horizons has not provided service in the additional 98.7 ~~40.7~~ acres Texas Water  
6 Utilities has requested to decertify. This is because the area to be decertified does not  
7 reflect the actual property boundaries of the area served by our two PWSes. Approving  
8 both the decertification of these 98.7 ~~40.7~~ acres and the certification of the 102.5 acres  
9 will properly align the property boundaries of the areas we serve with Texas Water  
10 Utilities' post-transaction CCN boundaries.

11 **Q. HAS SOUTHERN HORIZONS FAILED TO COMPLY WITH ANY**  
12 **COMMISSION OR TCEQ ORDER?**

13 A. No. We are in compliance with the two TCEQ enforcement orders currently in effect  
14 for the Southern Crossing Water System Phase 2 PWS, which are provided as  
15 Attachment SCS-3. There are no enforcement orders in effect for the Southern Oaks  
16 Water System PWS. Over the years, we have never failed to comply with a TCEQ or  
17 Commission order.

18 **Q. SHOULD THE COMMISSION CANCEL SOUTHERN HORIZONS' WATER**  
19 **CCN NUMBER 12863?**

20 A. If the Commission approves the transaction between Texas Water Utilities and  
21 Southern Horizons, then the Commission should cancel water CCN number 12863.  
22 Once the transaction is approved, all of the service area currently certificated to  
23 Southern Horizons will have either been transferred to Texas Water Utilities or

# **ATTACHMENT D**

1 **Q. HAS SOUTHERN HORIZONS EVER PROVIDED SERVICE TO THE AREA**  
2 **THAT TEXAS WATER UTILITIES HAS REQUESTED TO DECERTIFY?**

3 A. No.

4 Southern  
5 Horizons has not provided service in the additional 98.7 acres Texas Water  
6 Utilities has requested to decertify. This is because the area to be decertified does not  
7 reflect the actual property boundaries of the area served by our two PWSes. Approving  
8 both the decertification of these 98.7 acres and the certification of the 102.5 acres  
9 will properly align the property boundaries of the areas we serve with Texas Water  
10 Utilities' post-transaction CCN boundaries.

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17 Commission order.

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20 A. If the Commission approves the transaction between Texas Water Utilities and  
21 Southern Horizons, then the Commission should cancel water CCN number 12863.  
22 Once the transaction is approved, all of the service area currently certificated to  
23 Southern Horizons will have either been transferred to Texas Water Utilities or