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DOCKET NO. 55336

APPLICATION OF SP UTILITY	§	PUBLIC UTILITY COMMISSION
COMPANY, INC. AND ALBURY	§	
MANOR UTILITY COMPANY, INC.	§	OF TEXAS
FOR SALE, TRANSFER, OR MERGER	§	
OF FACILITIES AND CERTIFICATE	§	
RIGHTS IN HARRIS COUNTY	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application of SP Utility Company, Inc. and Albury Manor Utility Company, Inc. for approval of the sale, transfer, or merger of facilities and certificate rights in Harris County. The Commission approves the following: (1) the sale and transfer to SP Utility of all facilities and service areas held by Albury Manor Utility under certificate of convenience and necessity (CCN) number 11507; (2) the amendment of SP Utility's CCN number 12978 to include the facilities and service area previously held by Albury Manor Utility under CCN number 11507; and (3) the cancellation of Albury Manor Utility's CCN number 11507, to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. SP Utility is a Texas corporation registered with the Texas secretary of state under filing number 800200690.
2. SP Utility operates, maintains, and controls facilities for providing retail water service under CCN number 12978 in Brazoria, Fort Bend, Harris, and Montgomery counties.
3. Albury Manor Utility is a Texas corporation registered with the Texas secretary of state under filing number 0049150700.
4. Albury Manor Utility operates, maintains, and controls facilities for providing retail water service under CCN number 11507 in Harris County.

5. Albury Manor Utility owns a public water system that is registered with the Texas Commission on Environmental Quality (TCEQ) as Albury Manor Utility Company, under public water system identification number 1012052.

Application

6. On August 8, 2023, the applicants filed the application at issue in this proceeding.
7. SP Utility filed supplements to the application on September 11 and December 14 and 18, 2023, and March 4, 2024.
8. In the application, as supplemented, the applicants seek approval of the following:
 - a. the sale and transfer of all of Albury Manor Utility's facilities and service areas, held under CCN number 11507, to SP Utility;
 - b. the amendment of SP Utility's water CCN number 12978 to include the facilities and service areas previously included in Albury Manor Utility's CCN number 11507; and
 - c. the cancellation of Albury Manor Utility's water CCN number 11507.
9. The requested area includes approximately 102 acres and 49 current customer connections.
10. The requested area is located approximately 2.5 miles southeast of downtown Tomball, Texas, and is generally bounded on the north by Spell Road; on the east by Mystic Stone Drive; on the south by Boudreaux Road; and on the west by Huffsmith Kohrville Road.
11. In Order No. 5 filed on January 31, 2024, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

Notice

12. On February 29, 2024, SP Utility filed:
 - a. the affidavit of Harrison Williams, president of SP Utility, attesting that notice was provided to all current customers, neighboring utilities, and affected parties on January 29, 2024. Attached to the affidavit were copies of the notice and maps provided by the applicants, and a list of customers, neighboring utilities, and affected parties that received notice; and

- b. the affidavit of Mr. Williams, attesting that notice was provided to each owner of a tract of land that is at least 25 acres and is wholly or partially located in the requested area on January 29, 2024.
- 13. In Order No. 6 filed on March 12, 2024, the ALJ found the notice sufficient.

Evidentiary Record

- 14. In Order No. 9 filed on May 21, 2024, the ALJ admitted the following evidence into the record of this proceeding:
 - a. the application and all attachments filed on August 8, 2023;
 - b. revised maps filed on September 11, 2023;
 - c. SP Utility's additional information filed on December 14 and 18, 2023;
 - d. Commission Staff's second supplemental recommendation on administrative completeness, notice, and proposed procedural schedule filed on January 22, 2024;
 - e. SP Utility's proof of notice filed on February 29, 2024;
 - f. SP Utility's additional financial information and affidavit filed on March 4, 2024;
 - g. Commission Staff's recommendation on sufficiency of notice and proposed procedural schedule filed on March 7, 2024; and
 - h. Commission Staff's recommendation on approval of the sale, including confidential attachment FB-1, filed on April 1, 2024.
- 15. In Order No. 18 filed on January 23, 2025, the ALJ admitted the following evidence into the record of this proceeding:
 - a. the executed closing agreement filed on October 7, 2024;
 - b. Commission Staff's recommendation on sufficiency of closing documents and proposed procedural schedule filed on October 22, 2024;
 - c. Albury Manor Utility's executed consent form filed on December 11, 2024;
 - d. SP Utility's executed consent form filed on December 13, 2024; and

- e. the final map, certificate, and tariff pages attached to the joint supplemental motion to admit evidence and proposed Notice of Approval filed on December 18, 2024.

Sale

16. In Order No. 12 filed on May 22, 2024, the ALJ approved the sale and transaction to proceed and required the applicants to file proof that the transaction had closed and that the customer deposits, if any, had been addressed.
17. On October 7, 2024, the applicants filed proof that the transaction had closed and confirmed that there were no outstanding customer deposits that needed to be addressed.
18. In Order No. 15 filed on October 22, 2024, the ALJ found the closing documentation sufficient.

Purchaser's Compliance History

19. The Commission's complaint records, which date back to 2017, show 55 complaints against SP Utility, with one open complaint that is being addressed.
20. The remaining complaints have been reviewed and closed by the Commission's Consumer Protection Division.
21. SP Utility has violations listed in the TCEQ database.
22. SP Utility does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
23. SP Utility demonstrated a compliance history that is adequate for approval of the proposed transaction to proceed.

Adequacy of Existing Service

24. There are currently 49 existing customers in the requested area being served by Albury Manor Utility.
25. The last TCEQ compliance investigation of the Albury Manor Utility Company public water system was on November 7, 2018.
26. Albury Manor Utility does not have any unresolved violations listed in the TCEQ database.
27. The Commission's complaint records, which date back to 2017, show no complaints against Albury Manor Utility.

28. There is no evidence in the record that Albury Manor Utility has failed to comply with any Commission or TCEQ order.
29. No additional construction or capital improvements are necessary for SP Utility to continue providing continuous and adequate service to the requested area.

Need for Additional Service

30. There are currently 49 existing customer connections in the requested area that are receiving service from Albury Manor Utility and have an ongoing need for service.
31. This application is to transfer only existing facilities, customers, and service areas.
32. There is no evidence in the record indicating a need for additional service.

Effect of Approving the Transaction and Granting the Amendment

33. SP Utility will be the certificated entity for the requested area and be required to provide continuous and adequate water service to current and future customers in the requested area.
34. There will be no effect on landowners in the requested area because the requested area is currently certificated and served by Albury Manor Utility.
35. All retail public utilities in the proximate area were provided notice of the application and none filed a protest or motion to intervene.
36. There will be no effect on any retail public utility providing service the proximate area.

Ability to Serve: Managerial and Technical

37. SP Utility owns and operates several public water systems in Texas registered with the TCEQ.
38. SP Utility employs or contracts with TCEQ-licensed operators who will be responsible for the operation of the public water system being transferred.
39. SP Utility has the managerial and technical capability to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from Other Utilities

40. Albury Manor Utility is currently serving customers in the requested area and has sufficient capacity.

41. 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 to connect to a neighboring retail public utility.
42. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

43. It will not be necessary for SP Utility to construct a physically separate water system to serve the requested area.
44. 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.

Ability to Serve: Financial Ability and Stability

45. Flow Tech Utility, LLC, an affiliate of SP Utility, is capable, available, and willing to cover temporary cash shortages and has a debt-to-equity ratio of less than one, satisfying the leverage test.
46. Flow-Tech provided a written guarantee of coverage of temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages in the first year five years of operations after completion of the transaction, satisfying the operations test.
47. No capital improvements are necessary for SP Utility to provide continuous and adequate service to the requested area.
48. SP Utility has demonstrated that it has the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance

49. There is no need to require SP Utility to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land

50. There will be no effect on environmental integrity or the land as a result of the transaction because no addition construction is needed to provide service to the requested area.

Improvement in Service or Lowering of Cost to Consumers

51. SP Utility will continue to provide water service to Albury Manor Utility's existing customers in the requested area.
52. The current rates charged to existing customers will not change as a result of the proposed transaction because SP Utility will adopt the rates currently in effect in the tariff for the acquired water system upon final approval of the application.
53. Reliability and quality of water service is expected to improve under SP Utility's management.

Map, Certificate, and Tariff Pages

54. On December 5, 2024, Commission Staff emailed the proposed final map, certificate, and tariff to SP Utility and the proposed final map to Albury Manor Utility.
55. On December 11, 2024, Albury Manor Utility filed its consent form concurring with the proposed final map.
56. On December 13, 2024, SP Utility filed its consent form concurring with the proposed final map, certificate, and tariff.
57. On December 18, 2024, the final map, certificate, and relevant tariff pages were filed as attachments to the joint supplemental motion to admit evidence and proposed notice of approval.

Informal Disposition

58. More than 15 days have passed since the completion of notice provided in this docket.
59. No person filed a protest or motion to intervene.
60. SP Utility, Albury Manor Utility, and Commission Staff are the only parties to this proceeding.
61. No party requested a hearing, and no hearing is needed.
62. Commission Staff recommended approval of the application.
63. 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 Texas Water Code (TWC) §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. SP Utility and Albury Manor Utility are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. 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.
4. The application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.227 and 24.233.
5. The Commission processed this application as required by the TWC, Administrative Procedure Act,¹ and Commission rules.
6. SP Utility and Albury Manor Utility complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. SP Utility and Albury Manor Utility completed the sale within the time required by 16 TAC § 24.239(m).
8. After consideration of the factors in TWC § 13.246(c), SP Utility 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. SP Utility demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area as required by TWC §§ 13.241(a) 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 system is not required.
11. It is not necessary for SP Utility to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).

¹ Tex. Gov't Code §§ 2001.001–.903.

12. SP Utility and Albury Manor Utility demonstrated that the sale and transfer of Albury Manor Utility's facilities and service area under CCN number 11507 to SP Utility will serve the public interest and is necessary for the continued service, accommodation, convenience, or safety of the public under TWC §§ 13.246(b) and 13.301(d) and (e).
13. Under TWC § 13.257(r) and (s), SP Utility must record a certified copy of its approved map and certificate, along with a boundary description of its service area, in the real property records of Harris County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording.
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 facilities, customers, and service area held under Albury Manor Utility's CCN number 11507 to SP Utility, to the extent provided in this Notice of Approval and as shown on the attached map.
2. The Commission cancels Albury Manor Utility's CCN number 11507.
3. The Commission amends SP Utility's CCN number 12978 to include the facilities, customers, and service area previously included in Albury Manor Utility's CCN number 11507, as described in this Notice of Approval and shown on the attached map.
4. The Commission approves the map and relevant tariff pages attached to this Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.
6. SP Utility must provide service to every customer or applicant for service within the approved area under CCN number 12978 that requests service and meets the terms of SP Utility's water service policies, and such service must be continuous and adequate.

7. SP Utility must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Harris County affected by the application and must submit to the Commission evidence of the recording no later than 45 days after the date of this Notice of Approval.
8. Within ten days of the date of this Notice of Approval, Commission Staff must provide the Commission with a clean copy of SP Utility's most current comprehensive tariff, including the tariff pages approved by this Notice of Approval, to be stamped *Approved* and retained by Central Records.
9. The Commission denies all other motions and any other requests for general or specific relief that are not expressly granted.

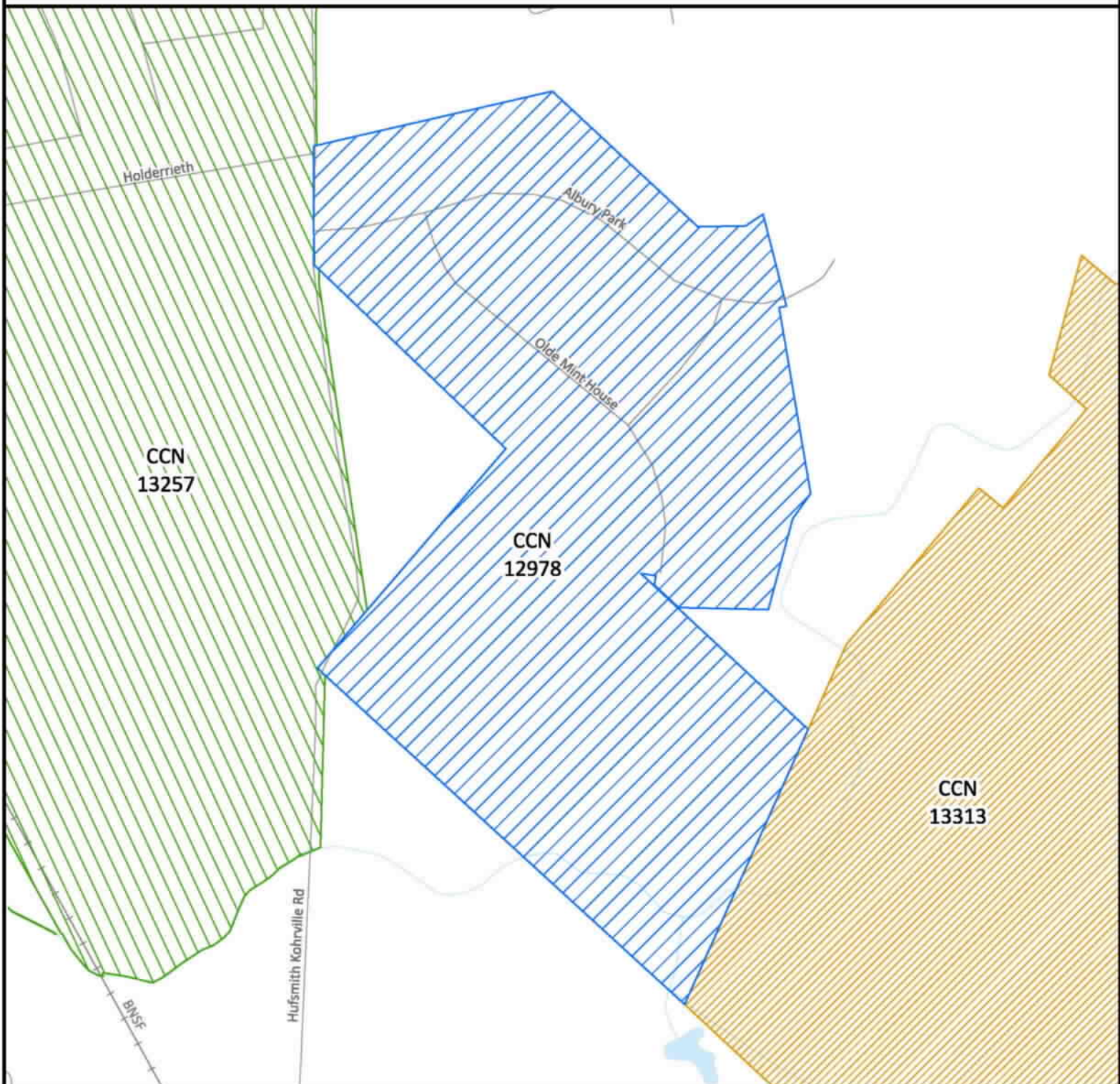
Signed at Austin, Texas on the 23rd day of January 2025.

PUBLIC UTILITY COMMISSION OF TEXAS




ERIC YOON
ADMINISTRATIVE LAW JUDGE

PUCT Docket No. 55336
SP Utility Company, Inc.
Portion of Water CCN No. 12978
Transfer all of Albury Manor Utility Company, Inc., CCN No. 11507 in Harris County



ft 0 275 550

Water CCN

-  12978 - SP Utility Company Inc
-  13257 - City of Tomball
-  13313 - Inline Utilities LLC

Mapping Section
Infrastructure Division

Date: November 5, 2024
Project: 55336.aprx





Public Utility Commission of Texas

By These Presents Be It Known To All That

SP Utility Company, Inc.

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, SP Utility Company, Inc. is entitled to this

Certificate of Convenience and Necessity No. 12978

to provide continuous and adequate water utility service to that service area or those service areas in Brazoria, Fort Bend, Harris, and Montgomery counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 55336 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 SP Utility Company, Inc. 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.



WATER UTILITY TARIFF

Docket Number 55336

SP Utility Company, Inc.
(Utility Name)

P.O. Box 690521
(Business Address)

Houston, TX 77269
(City, State, Zip Code)

(832) 534-8545
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

12978

This tariff is effective in the following county(ies):

Brazoria, Fort Bend, Harris, and Montgomery

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Cypresswood Estates Subdivision: PWS ID 1700918

FM 2854 Tract: Non-Public Water System

Savannah Plantation: PWS ID 0200599

Tejas Trails Subdivision: PWS ID 0790593

Johnsons Water Service/Oleander Road Mobile Home Development: PWS ID 0200158

Blue Heron Estates Subdivision: PWS ID 0790615

Mount Houston Square: PWS ID 1011957

Albury Manor Utility Company: PWS ID 1012052

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SECTION 1.0 – RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$19.12</u> (including 0 gallons)	<u>\$2.10</u> (per 1,000 gallons to 15,000 gallons)
1"	<u>\$31.93</u>	<u>\$2.87</u> (per 1,000 gallons above 15,000 gallons)
2"	<u>\$101.88</u>	

North Harris County Regional Water Authority

(NHCRWA) Use Fee:\$3.91 (per 1,000 gallons of water usage)
(Docket No. 55558, Effective October 1, 2023)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card _____, Other (specify) _____
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$300.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) ACTUAL COST
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) ACTUAL COST
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE ACTUAL RELOCATION COST. NOT TO EXCEED TAP FEE
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

SECTION 1.0 – RATE SCHEDULE (CONTINUED)

Section 1.02 – Miscellaneous Fees

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00) \$25.00
b) Customer's request that service be disconnected \$50.00

TRANSFER FEE \$25.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$20.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0—EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

Pass Through Provision

The North Harris County Regional Water Authority's well pumpage fees will be passed through to the customers as an adjustment to the gallonage charge on the monthly water bills, in accordance with the following formula:

$R = G / (1 - L)$, Where:

R = proposed pass-through rate;

G = new gallonage charge from source (per 1000 gallons);

L = actual line loss