

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, MAY 10, 2024

240530044

JOINT PETITION OF

RESTON RELAC LLC,

CASE NO. PUR-2024-00062

and

springRELAC LLC

For approval of acquisition or
disposition of control of utility
pursuant to Chapter 5 of Title 56
of the Code of Virginia, and
for approval of rates

2024 MAY 10 A 11:45
SOS - CLERK'S OFFICE
COMMONWEALTH OF VIRGINIA

ORDER FOR NOTICE AND COMMENT

On April 29, 2024, Reston RELAC LLC ("Reston RELAC") along with springRELAC LLC ("Spring") (collectively, the "Joint Petitioners"), pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"),¹ filed with the State Corporation Commission ("Commission"), a Joint Petition for approval of the disposition of control of Reston/Lake Anne Air Conditioning Corp. ("RELAC") by Reston RELAC and acquisition of control of RELAC by Spring.²

The Joint Petition states that Reston RELAC owns all of the common stock of RELAC and "currently services approximately 345 customers, of which two are condo associations consisting of approximately 300 customers, and 15 commercial customers in Reston, Fairfax County, Virginia."³ According to the Joint Petition, "[t]he sale of RELAC stock will allow

¹ Code § 56-88 *et seq.* ("Utility Transfers Act").

² Joint Petition at 1.

³ *Id.* at 2.

Spring to operate all assets, properties, and rights held or used by RELAC to supply air conditioning service to its customers."⁴

The Joint Petition states that Reston RELAC and Spring have entered into a Stock Purchase Agreement ("Agreement") whereby "Reston RELAC agrees to sell, and Spring agrees to purchase, all of the common stock of RELAC" and that "[c]losing of the proposed transaction is scheduled to occur within thirty (30) days after [Commission approval of the Joint Petition]."⁵ According to Joint Petitioners, after the transfer, "RELAC will continue to provide service and charge the same rates under the same tariff terms and conditions as currently authorized in Case No. PUE-2011-00130 for the 2024 season."⁶ Further, Joint Petitioners state that Spring will acquire RELAC common stock for the purchase price indicated in the Agreement and that such price will be paid in full at the time of the closing of the transaction.⁷ Joint Petitioners included with the Joint Petition a copy of the Agreement and a transaction summary ("Transaction Summary") providing the details of the proposed transfer.⁸

According to the Joint Petition, adequate service at just and reasonable rates will not be impaired or jeopardized by the proposed transfer. Moreover, Joint Petitioners state that Spring intends to make service quality improvements to the system and provides the details pertaining to such improvements in the Transaction Summary.⁹

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.* The Agreement is Exhibit A to the Joint Petition, and the Transaction Summary is Exhibit B to the Joint Petition.

⁹ *Id.* at 3. *See also* Exhibit B at 2-5.

In the Transaction Summary, Joint Petitioners report that "[d]ue to extreme heat warnings predicted for early May, the cooling system opened on April 27, 2024, and is currently facilitating cooled water to property lot lines via the licensed utility in conjunction with the Service Agreement executed by the parties...."¹⁰ Joint Petitioners included a copy of the Service Agreement with the Joint Petition.¹¹

In addition to authority to transfer control, Joint Petitioners seek expedited consideration of the Joint Petition and interim authority to operate the system pending a final order on the Joint Petition from the Commission.¹²

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; Joint Petitioners should provide public notice of the Joint Petition; interested persons should have an opportunity to file comments on the Joint Petition; and the Commission's Staff ("Staff") should be directed to investigate the Joint Petition and file a report containing Staff's findings and recommendations ("Staff Report"). Further, we find that a Hearing Examiner should be assigned to rule on any discovery matters that arise during the course of this proceeding.

To promote administrative efficiency and timely service of filings upon participants, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

¹⁰ Exhibit B at 5, ¶ 20.

¹¹ See Exhibit C.

¹² Exhibit B at 5, ¶ 20.

Finally, the Commission also finds that Spring shall be authorized to provide service to customers on an interim basis pending a Final Order on the Joint Petition.

Accordingly, IT IS ORDERED THAT:

- (1) This case is docketed and assigned Case No. PUR-2024-00062.
- (2) All pleadings in this matter shall be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").¹³ Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Office of the Commission Clerk, Document Control Center at (804) 371-9838 to arrange the delivery.
- (3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, the parties and Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.
- (4) As provided by § 12.1-31 of the Code and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matter that may arise during the course of this proceeding. A copy of each

¹³ 5 VAC 5-20-10 *et seq.*

filing made with the Office of the Clerk in this matter shall also be sent electronically to the Office of Hearing Examiners.¹⁴

(5) Unofficial copies of the Joint Petition and the Commission's Order for Notice and Comment may be downloaded from the Commission's website:

scc.virginia.gov/pages/Case-Information.

(6) On or before May 24, 2024, Joint Petitioners shall provide to customers of Reston RELAC the following notice via electronic mail, first-class mail or hand-delivery:

NOTICE OF A JOINT PETITION BY
RESTON RELAC LLC, AND SPRINGRELAC LLC
FOR APPROVAL OF ACQUISITION OR
DISPOSITION OF CONTROL OF UTILITY
PURSUANT TO CHAPTER 5 OF TITLE 56
OF THE CODE OF VIRGINIA, AND
FOR APPROVAL OF RATES
CASE NO. PUR-2024-00062

On April 29, 2024, Reston RELAC LLC ("Reston RELAC") along with springRELAC LLC ("Spring") (collectively, the "Joint Petitioners"), pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission"), a Joint Petition for approval of the disposition of control of Reston/Lake Anne Air Conditioning Corp. ("RELAC") by Reston RELAC and acquisition of control of RELAC by Spring.

The Joint Petition states that Reston RELAC owns all of the common stock of RELAC and "currently services approximately 345 customers, of which two are condo associations consisting of approximately 300 customers, and 15 commercial customers in Reston, Fairfax County, Virginia." According to the Joint Petition, "[t]he sale of RELAC stock will allow Spring to operate all assets, properties, and rights held or used by RELAC to supply air conditioning service to its customers."

The Joint Petition states that Reston RELAC and Spring have entered into a Stock Purchase Agreement ("Agreement") whereby "Reston RELAC agrees to sell, and Spring agrees to

¹⁴ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

purchase all common stock of RELAC" and that "[c]losing of the proposed transaction is scheduled to occur within thirty (30) days after [Commission approval of the Joint Petition]." According to Joint Petitioners, after the transfer, "RELAC will continue to provide service and charge the same rates under the same tariff terms and conditions as currently authorized in Case No. PUE-2011-00130 for the 2024 cooling season." Further, Joint Petitioners state that Spring will acquire RELAC common stock for the purchase price indicated in the Agreement and that such price will be paid in full at the time of the closing of the transaction. Joint Petitioners included with the Joint Petition a copy of the Agreement and a transaction summary ("Transaction Summary") providing the details of the proposed transfer.

According to the Joint Petition, adequate service at just and reasonable rates will not be impaired or jeopardized by the proposed transfer. Moreover, Joint Petitioners state that Spring intends to make service quality improvements to the system and provides the details pertaining to such improvements in the Transaction Summary.

In the Transaction Summary, Joint Petitioners reported that "[d]ue to extreme heat warnings predicted for early May, the cooling system opened on April 27, 2024, and is currently facilitating cooled water to property lot lines via the licensed utility in conjunction with the Service Agreement executed by the parties...." Joint Petitioners included a copy of the Service Agreement with the Joint Petition.

In addition to authority to transfer control, Joint Petitioners seek expedited consideration of the Joint Petition.

TAKE NOTICE that the Commission may adopt findings and recommendations that differ from those appearing in the Joint Petition and supporting documents.

The details of these and other proposals are set forth in the Joint Petition. Interested persons are encouraged to review the Joint Petition and supporting exhibits for the details of these proposals.

The Commission entered an Order for Notice and Comment that, among other things, directed Joint Petitioners to provide notice of their Joint Petition and provided interested persons an opportunity to comment on the Joint Petition. The Commission also authorized Spring to provide service to

customers on an interim basis pending a Final Order on the Joint Petition.

To promote administrative efficiency and timely service of filings upon participants, the Commission will, among other things, direct that all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. At this time, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, the parties and Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

An electronic copy of the Joint Petition and the Commission's Order for Notice and Comment may be viewed at and download from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before June 21, 2024, any interested person may file comments on the Joint Petition by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments or by filing such comments with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00062.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Comment, all filings shall

comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

RESTON RELAC LLC, AND SPRINGRELAC LLC

(7) On or before May 24, 2024, Joint Petitioners shall serve a copy of this Order for Notice and Comment on the following officials, to the extent the position exists, in each county, city, and town in which the system operates to provide service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(8) On or before June 7, 2024, Joint Petitioners shall file proof of the notice required by Ordering Paragraphs (6) and (7) above, including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the Commission. Concurrent with the proof of notice filed with the Clerk of the Commission, Joint Petitioners shall provide to Staff a list containing the name, address, and electronic mail address (if applicable) of each customer notified and indicating the means by which each customer received such notice.

(9) On or before June 21, 2024, any interested person or entity may file comments on the Joint Petition by following the instructions on the Commission's website:

scc.virginia.gov/casecomments/Submit-Public-Comments or by filing such comments with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00062.

(10) The Staff shall investigate the Joint Petition. On or before July 12, 2024, Staff shall file with the Clerk of the Commission a Staff Report containing its findings and

recommendations on the Joint Petition. The Staff shall promptly serve a copy of the Staff Report on Joint Petitioners. If feasible, Joint Petitioners' response to any comments filed in the case and to the Staff Report, shall be appended to the Staff Report. If infeasible, Joint Petitioners shall file a response to any comments filed in the case and the Staff Report within seven (7) calendar days of filing the Staff Report.

(11) All documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(12) Spring is authorized to provide service to customers on an interim basis pending a Final Order on the Joint Petition.

(13) Finally, the Commission is extending the statutory deadline for this proceeding as provided for by Code § 56-88.1, from June 28, 2024, to October 26, 2024.

(14) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.