



STATE OF ALABAMA
ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 304260
MONTGOMERY, ALABAMA 36130-4260

CYNTHIA LEE ALMOND, PRESIDENT

JEREMY H. ODEN, COMMISSIONER, PLACE 1

CHRIS V. BEEKER III, COMMISSIONER, PLACE 2

LUKE D. BENTLEY IV, EXECUTIVE DIRECTOR

ASBURY WATER SYSTEM, INC.,

Applicant,

**OFFICE OF THE ATTORNEY
GENERAL OF ALABAMA,**

Intervenor.

**IN RE: APPLICATION FOR APPROVAL OF
SALE OF THE ASBURY WATER SYSTEM**

DOCKET 32873

ORDER APPROVING SALE AND ORDER OF CANCELLATION

BY THE COMMISSION:

On or about May 13, 2026, Asbury Water System, Inc. ("Asbury Water" or "Applicant") filed an application with the Alabama Public Service Commission ("Commission" or "APSC") for approval of the sale of the Asbury Water System to the Water Works and Sewer Board of the City of Guntersville, ("GWSB" or "Purchaser"). The Office of the Attorney General of Alabama ("Attorney General") filed a notice of intervention on May 22, 2026. The Commission issued a ruling on May 28, 2026, setting a hearing for June 15, 2026. The hearing was held as noticed, with representatives from Asbury Water, GWSB, the Attorney General, and Commission Staff participating.

BACKGROUND

Applicant is a single tax corporation formed in 1970 in response to the need for a dependable source of water and regulated by the APSC in accordance with Title 37 of the Code of Alabama. Asbury Water requested approval to enter into a transaction for the sale of its water systems and assets to GWSB. Included with the application is the draft *Asset Purchase and Sale Agreement* (the "agreement") to be executed by

Applicant and GWSB upon approval by the Commission. Exhibit A to the agreement lists all assets to be conveyed:

- Two water tanks located on Martling Gap Road;
- Water pump located on Martling Gap Road;
- Three generators located on Martling Gap Road;
- One generator on Blue Bend Road;
- Pump station;
- 2008 Ford F-350;
- 2006 Chevrolet Silverado;
- 1974 utility trailer;
- 2004 Chevrolet 3500 truck;
- 2016 GMC Canyon;
- Any and all office equipment;
- Any and all supplies or equipment used in the operation of the water system;
- All customer accounts, including access to systems used in billing, rate paying, and other practices in the operation of the water system;
- Any and all other assets necessary in order to effectuate the sale of all of Asbury Water's assets to GWSB;
- Real property described in Book 535, Page 924, Probate Office of Marshall County, AL, together with a small pumping station building and generation situated thereon and referred to collectively as Pumping Station #1;
- Real property, pumping station building, a generator, a one-hundred-thousand-gallon capacity elevated tank and a one-million-gallon capacity ground level tank located at the intersection of Asbury Road and Martling Gap Road, PIN 60188 and PIN 29422, and referred to collectively as Pumping Station #2; and

- Real property, pumping station and generator located at the intersection of Blue Bend Rd. on the north side and Martling Rd on the east side according to a Survey prepared by J.L. Snider & Associates and referred to as Pumping Station #3.

Applicant and Purchaser specify that the above list represents all assets owned by Asbury Water except for a 3.38-acre tract of land and a 0.27-acre tract of land to be retained by the Applicant. Hr'g. Tr. 16. Asbury Water and GWSB jointly assert that GWSB will assume full operation and management of the Asbury system and its associated assets and all existing customer accounts and deposits.

The property of a utility may be lawfully sold to a purchaser engaged in the business conducted by such utility whenever such sale is consistent with the interests of the public. Code of Ala. § 37-4-40. The question of whether the proposed sale is consistent with the interests of the public shall be determined by the Commission. Code of Ala. § 37-4-41. Given this, the primary inquiry is whether the proposed transaction is consistent with the interests of the public.

APPLICANT'S POSITION AND EVIDENCE

Mr. William B. Tatum, counsel for Applicant, joined by Cheney Williams and Jeff McGlaughlin, counsel for GWSB, presented Asbury Water's position and evidence. Allen Childress, President of Asbury Water, and Robert Chandler, general manager of GWSB, testified.

Mr. Tatum outlined the background of the Application, representing that the system managed by Asbury Water has insufficient water pressure to service its customers to date, particularly the area's poultry farmers. Hr'g. Tr. 7-8, 9. According to counsel, these circumstances prompted Asbury Water to submit its September 7, 2022, request to the Commission for approval of construction of a new water tank, which was granted by the Commission on March 9, 2023, on the condition that the Marshall County Commission supply all funding. Hr'g. Tr. 7-8, 9. Mr. Tatum explained that Applicant anticipated funding the project through an approximately \$1 million grant to be issued from the Marshall County Commission; however, they were later informed that Asbury Water would not qualify for the grant because it was not a "municipality." Hr'g. Tr. 8. Mr. Tatum emphasized that the water pressure issues have continued to increase since then, leading to a complaint filed against the Applicant, all while Asbury Water continues to accrue

more customers. Hr'g. Tr. 9. Mr. Tatum went on to assert that, because Asbury Water cannot fund these much-needed capital improvements as it stands, Asbury Water and the Purchaser jointly propose that GWSB should be allowed to purchase and assume operation of the system presently managed by Asbury Water, and Asbury Water will no longer operate as a water service. Hr'g. Tr. 10.

Mr. McGlaughlin presented the GWSB's projection of potential actions and rate effects subsequent to the sale. He maintained that GWSB expects to add new customers and intends to upgrade the Asbury water system. Hr'g. Tr. 19. Mr. McLaughlin indicated a possibility that these changes may result in minor savings for small, residential users and a small increase for larger users. Hr'g. Tr. 21. He predicted that the sale would result overall in an increase in the ability to provide water service to existing and new customers and affirmed that Asbury customers will pay the same rates as Guntersville customers after the sale. Hr'g. Tr. 22.

Mr. Chandler testified in response to questioning from the Attorney General that GWSB is ready to take over operations from Applicant as soon as the sale is approved and will hire all staff from Asbury Water. Hr'g. Tr. 28. Mr. Chandler further contends that customers can expect faster emergency response times after approval of the sale and asserted that there will be no cost to the rate payer for capital improvements. Hr'g. Tr. 30. Mr. Chandler testified that GWSB is prepared to service the entire influx of customers wanting service, which may be greater than 100 people, and maintained that GWSB will assume all of Applicant's service area. Hr'g. Tr. 38, 41.

LEGAL ANALYSIS AND CONCLUSION OF THE COMMISSION

Asbury Water presented sufficient evidence to support that the transaction is consistent with the interests of the public. The members/officers of Asbury Water provided an overview of the challenges to its ability to serve its customers, testifying that consistent and reliable water pressure is critical to its residents and local industry. Members of Asbury Water and GWSB detailed the required upgrades that would improve the system's efficacy and reliability, increase its ability to provide water service to a growing customer base, and result in faster emergency response times.

Having considered the above arguments and testimony, it appears that Asbury Water's application is due to be granted as GWSB's purchase of the Asbury Water system was and is consistent with the public interest, convenience and necessity as required by the Code of Alabama, 1975 §37-4-41.

IT IS, THEREFORE, ORDERED BY THE COMMISSION That the transfer of the above-described assets of Asbury Water System, Inc. to the Water Works and Sewer Board of the City of Guntersville is hereby approved as consistent with the public interest.

IT IS FURTHER ORDERED That the Certificate of Public Convenience and Necessity issued to Asbury Water System, Inc. is hereby cancelled.

IT IS FURTHER ORDERED That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 28th day of July, 2026.

ALABAMA PUBLIC SERVICE COMMISSION



Cynthia Lee Almond, President



Jeremy H. Oden, Commissioner



Chris V. Beeker III, Commissioner

ATTEST: A True Copy



Devon D. Beaty, Secretary