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TO: Upshur Rural Electric Cooperative Corporation
Commission - Legal Division
Commission - Infrastructure and Reliability Division

FROM: Andrew Kang
Administrative Law Judge

RE: Docket No. 38955 – *Application of Upshur Rural Electric Cooperative Corporation to Amend Certificate of Convenience and Necessity for a Service Area Exception within Smith County*

NOTICE OF APPROVAL

This Notice approves the application of Upshur Rural Electric Cooperative Corporation (URECC) for a service area exception to amend certificated service area boundaries within Smith County. The application was filed pursuant to PURA¹ §§ 14.001, 37.051, 37.053, 37.054, and 37.056 and P.U.C. SUBST. R. 25.101(b)(1)(B). This docket was processed in accordance with applicable statutes and Public Utility Commission of Texas (Commission) rules.

On January 7, 2011, Commission Staff recommended approval of URECC's application for a service area exception to amend certificated service area boundaries to allow URECC to provide service to a specific customer located within the certificated service area of Cherokee County Electric Cooperative Association (CCECA). The proposed service area boundary exception will not affect the existing certificated boundaries of URECC or CCECA. No party intervened in this proceeding. Based on satisfaction of these requirements, the following fact statements and legal conclusions are administratively approved.

¹ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2010) (PURA).

Procedural History

1. On December 6, 2010, URECC filed an application for a service area exception to allow URECC to provide electric utility service to a single customer within an area that is singly certificated to CCECA.
2. On December 7, 2010, Order No. 1 was filed, requiring Commission Staff to comment on the sufficiency of the application and notice, and establishing a procedural schedule.
3. On December 15, 2010, Commission Staff filed its response to Order No. 1 finding that the application was sufficient and that no additional notice was required. Commission Staff also recommended that the application be deemed a minor boundary change.
4. On December 16, 2010, Order No. 2 was filed acknowledging that URECC's application is an application for a minor service area boundary change, and that the application and *Texas Register* notice were sufficient.
5. On January 7, 2011, Commission Staff recommended final approval of URECC's application based on URECC 's satisfaction of the provisions of PURA §37.056.

Notice

6. Notice of the application was published in the *Texas Register* on December 17, 2010.

Project Description

7. URECC is an electric cooperative providing service under CCN No. 30164.
8. The proposed amendment will permit URECC to provide electric services to a new residence located at 19646 F.M. 850, Arp, Texas, currently in a service area that is singly certificated to CCECA.
9. This application is a service area exception because it affects a single customer, who has requested service from URECC. It is in the best interest of the two companies and the single affected customer to amend the service area boundaries of URECC and CCECA as requested.

10. No current customer will be required to switch electric service providers. No other utility company provides electric service in the area.
11. CCECA does not currently provide service to the area of the new load and has been unable to provide service to the property in an economically feasible way since neighboring landowners will not provide access or easements that will allow CCECA to serve the property.
12. URECC currently has existing electric facilities located near the affected property. It would be more economically feasible for URECC to serve the property.
13. URECC and CCECA are the only utilities that are affected by the proposed boundary exception. Both utilities have agreed upon the requested boundary exception, and all of the requested area is within Smith County, Texas.
14. The proposed boundary change is in the public interest, and will have no negative effect on the community values, recreational and park areas, historical and aesthetic values, and environmental integrity.

Need for Proposed Minor Boundary Change

15. URECC received a request from Mr. Juan Yanez, to provide electric utility service for a new residence located on property at 19646 F.M. 850 in Arp, Texas.
16. URECC was requested to serve the property since neighboring landowners will not provide access or easements that will allow CCECA to serve the property in an economically feasible way.
17. URECC estimates that the cost to extend service to the new residence will be approximately \$4,033.52.

Statutory Findings

1. URECC is an electric utility as defined in PURA § 37.001(2).

2. The Commission has jurisdiction over these matters pursuant to PURA §§ 14.001, 37.051, 37.053, 37.054, and 37.056.
3. Notice of the application was provided in compliance with PURA § 37.054 and P.U.C. PROC. R. 22.54. Published notice is not required under P.U.C. PROC. R. 22.52(a), because this application constitutes a minor boundary change.
4. URECC is entitled to approval of the application described above, having demonstrated that the proposed service area boundary changes are necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056(a), taking into consideration the factors set forth in PURA § 37.056(c).
5. The application may be approved without a hearing pursuant to the Administrative Procedure Act, TEX. GOV'T CODE ANN. 2001.001-.902 (Vernon 2008 & Supp. 2010).
6. This application does not constitute a major rate proceeding as defined by P.U.C. PROC. R. 22.2.
7. The requirements for administrative approval pursuant to P.U.C. SUBST. R. 25.101(b)(1)(B) have been met in this proceeding.
8. The requirements for informal disposition pursuant to P.U.C. PROC. R. 22.35 have been met in this proceeding.

Ordering Paragraphs

1. URECC's and CCECA's respective CCNs are each amended for the certificated service area boundary exception within Smith County in accordance with the boundary map attached to the application. This application is considered a "minor boundary change" because it affects a limited area; therefore, the notice requirements of P.U.C. PROC. R. 22.52 do not apply in this application.
2. The Commission's official service area boundary maps for URECC and CCECA shall be revised in Central Records in order to reflect this change.

3. All other motions, requests for entry of specific fact statements and legal conclusions, and any other requests for general or specific relief, if not expressly granted herein, are denied.

SIGNED AT AUSTIN, TEXAS on the 18th day of January 2011.

PUBLIC UTILITY COMMISSION OF TEXAS



ANDREW KANG
ADMINISTRATIVE LAW JUDGE