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DOCKET NO. 42929

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APPLICATION OF BRAZOS RIVER AUTHORITY, LOWER COLORADO RIVER AUTHORITY AND CITY OF LIBERTY HILL FOR APPROVAL OF A SERVICE AGREEMENT AND TRANSFER OF A CERTIFICATE OF CONVENIENCE AND NECESSITY IN WILLIAMSON COUNTY (37350-C) PUBLIC UTILITY COMMISSION PUBLIC UTILITY COMMISSION OF TEXASING CLERK

NOTICE OF APPROVAL

This Notice addresses the application for approval of a service agreement between Brazos River Authority (BRA), the Lower Colorado River Authority (LCRA), and the City of Liberty Hill (Liberty Hill or the City) (collectively, Applicants), and the transfer of a certificate of convenience and necessity (CCN) in Williamson County. Public Utility Commission of Texas (Commission) Staff recommended approval of the application. The application is approved

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

- On May 29, 2012, Applicants filed an application with the Texas Commission on Environmental Quality (TCEQ) for approval of a service agreement between BRA, LCRA and the City made pursuant to Texas Water Code § 13.248 (TWC) and 16 Texas Admin. Code § 24.117 (TAC) (Application).
- 2. Currently, BRA, LCRA and the City are co-holders of CCN No. 20969.
- 3. Effective May 1, 2012, Liberty Hill purchased the sewer facilities used to serve the area in CCN No. 20969 from LCRA.
- 4. Approval of the application would result in the City being designated as the sole certificate holder and service provider under sewer CCN No. 20969.
- 5. Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities. This Application, once pending at TCEQ is now before the Commission for consideration.

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- 6. On August 24, 2015, Order No. 1 was issued, requiring Commission Staff to file a status update on the Application.
- 7. On September 28, 2015, Order No. 3 was issued, stating that Commission Staff had determined that TCEQ completed processing of the Application up to the issuance of a final recommendation and establishing a procedural schedule for further processing.
- 8. On October 27, 2015, Commission Staff transmitted a proposed amended map and certificate to the City, with a consent form to be executed and filed with the Commission.
- 9. On November 2, 2015, the City filed its consent to the proposed amended map and certificate, as provided by Commission Staff.
- 10. The amended certificate and map discussed in Findings of Fact Nos. 8 and 9 are attached to this Notice.
- 11. On November 2, 2015, Commission Staff recommended approval of the Application.
- 12. On November 30, 2015, Commission Staff filed a proposed notice of approval and requested the admission of certain evidence.
- 13. On January 26, 2016, Order No. 5 was issued, admitting the requested evidence.

II. Conclusions of Law

- The Commission has jurisdiction and authority over this application pursuant to TWC §§ 13.041, 13.241, 13.244, 13.246, and 13.248.
- BRA, LCRA, and Liberty Hill are retail public utilities as defined by TWC § 13.002(19) and 16 TAC § 24.3(58).
- 3. Reasonable notice to all affected parties was provided as required by 16 TAC § 22.55.
- 4. Applicants are entitled to approval of the Application have demonstrated that their application meets the requirement in TWC § 13.248 and 16 TAC § 24.117, which address the approval of contracts between retail public utilities.
- 5. After considering the factors in TWC §§ 13.241, 13.244, and 13.246 and 16 TAC §§ 24.101, 24.102, and 24.106, Liberty Hill has demonstrated adequate financial, managerial,

and technical capability to provide continuous and adequate service to all customers in the service area certificated under sewer CCN No. 20969.

- 6. BRA and LCRA should be removed as co-holders of CCN No. 20969.
- 7. Applicants have demonstrated that the sale of facilities and the certificate amendments requested in this Application are necessary for the service, accommodation, convenience or safety of the public as required by TWC § 13.246(b).
- 8. 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 Order:

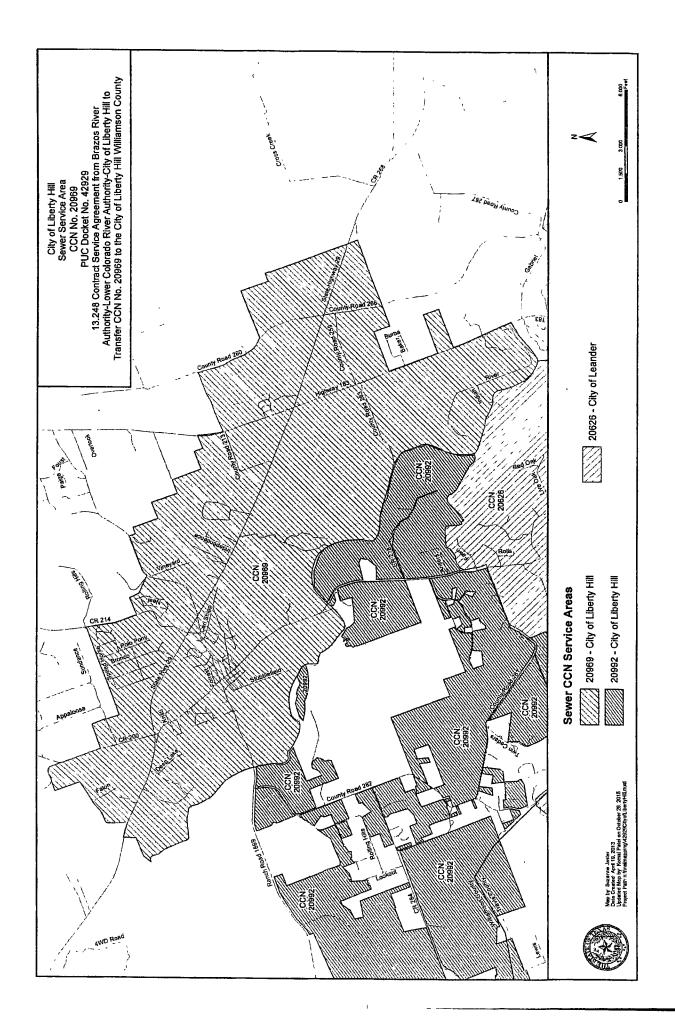
- 1. The Application is approved.
- 2. CCN No. 20969 is amended to show Liberty Hill as the sole certificate holder, removing BRA and LCRA as co-certificate holders.
- 3. Liberty Hill shall serve every customer and applicant for service in the area certificated under sewer CCN No. 20969, and such service shall be continuous and adequate.
- 4. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted in this Notice, are denied.
- 5.

SIGNED AT AUSTIN, TEXAS the 26 day of January 2016.

AN E. GOODS

ADMINISTRATIVE LAW JUDGE

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Public Utility Commission Of Texas

By These Presents Be It Known To All That

City of Liberty Hill

having duly applied for certification to provide sewer 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 by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 20969

to provide continuous and adequate sewer utility service to that service area or those service areas in Williamson County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 42929 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 the City of Liberty Hill 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.

Issued at Austin, Texas, this 26 day of 9anuary 2016.