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COMMISSION OF TEXAS

APPLICATION OF CRYSTAL SPRINGS §
WATER CO., INC. TO AMEND A §
CERTIFICATE OF CONVENIENCE §
AND NECESSITY IN MONTGOMERY §
COUNTY (37916-C) §

JOINT PROPOSED NOTICE OF APPROVAL

Commission Staff of the Public Utility Commission of Texas and Crystal Springs Water Co., Inc. file their Proposed Notice of Approval.

Date: April 20, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Shelah J. Cisneros
Managing Attorney
Legal Division



Sam Chang
State Bar No. 24078333
Attorney, Legal Division

Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7261
(512) 936-7268 (facsimile)
sam.chang@puc.texas.gov

*Commission Staff of the Public Utility
Commission of Texas*

- and -

22

Crystal Springs Water Co., Inc.



Tom Martin, President

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CERTIFICATE OF SERVICE

I certify that a copy of this document was served on all parties of record on April 20, 2015, in accordance with 16 Tex. Admin. Code § 22.74.



Sam Chang

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**APPLICATION OF CRYSTAL SPRINGS §
WATER CO., INC. TO AMEND A §
CERTIFICATE OF CONVENIENCE §
AND NECESSITY IN MONTGOMERY §
COUNTY (37916-C) §**

**PUBLIC UTILITY
COMMISSION OF TEXAS**

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application filed by Crystal Springs Water Co., Inc. (Crystal Springs) regarding an amendment to its water certificate of convenience and necessity (CCN No. 11373) for its service area in Montgomery County, Texas. On March 18, 2015, Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) recommended that the Commission approve Crystal Spring's application and approve the requested amendment to water CCN No. 11373. Crystal Spring's application and requested amendment to water CCN No. 11373 are approved.

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

I. Findings of Fact

Procedural History

1. On May 7, 2014, Crystal Springs filed an application with the Texas Commission of Environmental Quality (TCEQ). In its application, Crystal Springs requested an amendment to its water CCN No. 11373 in order to serve new proposed residential development in Montgomery County, Texas.
2. On July 24, 2014, the TCEQ notified Crystal Springs Water that its application had been accepted for filing. The letter also stated that Crystal Springs was required to send notice of its application to parties entitled to receive notice. Additionally, the letter stated that Crystal Springs was required to publish notice of its application in a newspaper having general circulation in Montgomery County, Texas.
3. On August 19, 2014, Crystal Springs Water submitted a copy of the notice it sent to affected parties and a copy of the notice that was published. Notice of Crystal Springs' application was sent to parties entitled to receive notice on July 28, 2014. Notice of Crystal Springs' application was published in the *Conroe Courier* on July 30, 2014 and

August 6, 2014.

4. Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities. Crystal Springs' application, which was being processed at the TCEQ, was transferred to the Commission for processing.
5. On September 29, 2014, the Administrative Law Judge entered Order No. 1, which addressed the transfer of economic regulation of water and sewer utilities from the TCEQ to the Commission and general procedural matters. On that same day, the Administrative Law Judge also entered Order No. 2, which required Staff to file a status update by October 20, 2014.
6. On October 20, 2014, Staff filed its Response to Order No. 2. In its Response, Staff identified certain deficiencies in Crystal Springs' application. As a result of these deficiencies, Staff recommended that Crystal Springs' application be deemed deficient.
7. On October 24, 2014, the Administrative Law Judge entered Order No. 3, which deemed Crystal Springs' application not administratively complete. Order No. 3 also established November 24, 2014 as the deadline for Crystal Springs to cure the deficiencies identified by Staff.
8. On November 14, 2014, Crystal Springs filed documents in response to Order No. 3. Additionally, on December 2, 2014, Crystal Springs filed additional documents in response to Order No. 3.
9. On December 4, 2014, the Administrative Law Judge entered Order No. 4, which established a procedural schedule. Order No. 4 established January 7, 2015 as the deadline for Staff to file its recommendation on the administrative completeness of Crystal Springs' application.
10. On January 7, 2015, Staff filed its Recommendation. Staff recommended that Crystal Springs' application be deemed administratively complete. Additionally, Staff recommended a procedural schedule for the processing of Crystal Springs' application.
11. On January 9, 2015, the Administrative Law Judge entered Order No. 5. Order No. 5 deemed that Crystal Springs' application administratively complete. Additionally, Order No. 5 established a procedural schedule for the processing of Crystal Springs' application. Order No. 5 established March 18, 2015 as the deadline for Staff to file its recommendation on final disposition.

12. On February 5, 2015, Staff provided Crystal Springs a proposed map and tariff regarding the amendment to Crystal Springs' water CCN No. 11373.
13. On February 6, 2015, Crystal Springs submitted to the Commission its consent to the proposed map and tariff provided by Staff.
14. On March 18, 2015, Staff filed its Recommendation on Final Disposition. Staff recommended that the Commission approve Crystal Springs' application and approve the requested amendment to Crystal Springs' water CCN No. 11373. Additionally, Staff recommended that the Commission find that Crystal Springs has the financial, managerial, and technical capability to provide continuous and adequate service to the proposed service area in Montgomery County, Texas. As part of its recommendation, Staff attached the proposed amendment to Crystal Springs' water CCN No. 11373 and tariff to be approved by the Commission.
15. On April 20, 2015, Staff and Crystal Springs filed their Proposed Notice of Approval.
16. On April 20, 2015, Staff and Crystal Springs filed their Joint Motion to Admit Evidence. Staff and Crystal Springs requested that certain evidence be admitted into the record in support of their Proposed Notice of Approval.
17. On _____, the Commission granted Staff and Crystal Springs' Joint Motion to Admit Evidence. The following evidence was admitted into the record:
 - a. Exhibit 1: Application for an Amendment to Water Certificate of Convenience and Necessity No. 11373 and accompanying Attachments A, B, C, D, E, F, G, H, I, J, K, and L (filed on May 7, 2014 at the TCEQ and received by Commission's Central Records Division on September 24, 2014);
 - b. Exhibit 2: TCEQ Interoffice Memorandum from Fred Bednarski (received by Commission's Central Records Division on September 24, 2014);
 - c. Exhibit 3: Affidavit of Notice to Neighboring Utilities and Affected Parties (filed on August 21, 2014 at the TCEQ and received by Commission's Central Records Division on September 24, 2014);
 - d. Exhibit 4: Publisher Affidavit from the *Conroe Courier* (filed on August 21, 2014 at the TCEQ and received by Commission's Central Records Division on September 24, 2014);
 - e. Exhibit 5: Additional documents submitted by Crystal Springs in support of its

- application (filed at the Commission on November 14, 2014);
- f. Exhibit 6: Additional documents submitted by Crystal Springs in support of its application (filed at the Commission on December 2, 2014);
 - g. Exhibit 7: Crystal Springs' signed Consent Form (filed on February 6, 2015).
 - h. Exhibit 8: Staff's Recommendation on Final Disposition and accompanying attachments (filed on March 18, 2015).

II. Conclusions of Law

1. The Commission has jurisdiction over Crystal Springs' application under TEX. WATER CODE §§ 13.041, 13.241, and 13.246.
2. Crystal Springs is a retail public utility, as defined by TEX. WATER CODE § 13.002(19) and 16 Tex. Admin. Code § 24.3(41).
3. Notice of Crystal Springs' application was provided to affected parties, as required by TEX. WATER CODE § 13.246 and 16 Tex. Admin. Code § 24.106.
4. Crystal Springs' application was processed in accordance with the requirements of the Administrative Procedures Act, TEX. GOV'T CODE §§ 2001.001-2001.902; TEX. WATER CODE §§ 13.241, 13.246, and 13.254; and 16 Tex. Admin. Code §§ 24.102, 24.106, and 24.107.
5. The requirements for informal disposition under 16 Tex. Admin. Code § 22.35 have been met in this proceeding. At least fifteen (15) days have passed since the completion of notice requirements, and it is not necessary to hold a hearing on the merits regarding Crystal Springs' application.
6. Based on the evidence admitted into the record, Crystal Springs has demonstrated that it has adequate financial, managerial, and technical capability to provide continuous and adequate service to customers in the proposed service area located in Montgomery County, Texas. Additionally, Crystal Springs has demonstrated that its application meets the requirements in TEX. WATER CODE §§ 13.241, 13.246, and 13.254 and 16 Tex. Admin. Code §§ 24.102 and 24.106.
7. An amendment of Crystal Springs water CCN No. 11373 is necessary for the service, accommodation, convenience, or safety of the public, as required under TEX. WATER CODE § 13.246(b) and 16 Tex. Admin. Code § 24.102(c).

III. Ordering Paragraphs

The Commission issues the following ordering paragraphs in accordance with these findings of fact and conclusions of law:

1. Crystal Springs' application is approved.
2. Crystal Springs' water CCN No. 11373 is amended, as requested in its application. Crystal Springs will provide retail water services to the proposed service area identified in its application. Crystal Springs' amended water CCN No. 11373, new service area map, and revised tariff are attached to this Notice of Approval.
3. 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 of Approval, are denied.

SIGNED IN AUSTIN, TEXAS, this _____ day of _____, 2015

PUBLIC UTILITY COMMISSION OF TEXAS

DONNA L. NELSON, CHAIRMAN

KENNETH W. ANDERSON, JR., COMMISSIONER

BRANDY MARTY MARQUEZ, COMMISSIONER