



Control Number: 46948



Item Number: 21

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RECEIVED

APPLICATION OF VINEYARD
 RIDGE, LLC TO OBTAIN A WATER
 CERTIFICATE OF CONVENIENCE
 AND NECESSITY IN GILLESPIE
 COUNTY

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PUBLIC UTILITY COMMISSION

OF TEXAS

JUL 13 2017 8:54

PUBLIC UTILITY COMMISSION
 FILING CLERK

COMMISSION STAFF'S LIST OF ISSUES

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this List of Issues and would show the following:

I. BACKGROUND

On March 15, 2017, the Vineyard Ridge, LLC (Vineyard Ridge) filed with the Public Utility Commission of Texas (Commission) an application to obtain a water certificate of convenience and necessity (CCN) in Gillespie County.

On July 21, 2017, the Administrative Law Judge (ALJ) issued Order No. 5, finding Vineyard Ridge's provision of notice sufficient and setting August 11, 2017 as the deadline to intervene. On August 11, 2017, John McRae motioned to intervene and requested a public hearing. On August 29, 2017, the ALJ issued Order No. 6, granting McRae's motion to intervene. On August 30, 2017, the ALJ issued an Order of Referral requiring parties to file a list of issues to be addressed by September 13, 2017. This pleading is therefore timely filed.

II. LIST OF ISSUES

Staff has identified the following issues that should be considered by the Commission in this proceeding¹:

1. Has Vineyard Ridge given notice consistent with Texas Water Code § 13.246 (TWC) and 16 Texas Administrative Code § 24.106 (TAC)?
2. Does Vineyard Ridge's proposed water service area or water service area overlap with the certificated service areas of other entities? If so, what specific areas will overlap?

¹ Staff notes that this List of Issues is similar to the List of Issues in the *Application of City of Liberty Hill to Amend a Sewer Certificate of Convenience and Necessity in Williamson County*, Docket No. 46606, Preliminary Order (May 23, 2017), with modifications reflecting that Vineyard Ridge has applied to amend a water CCN.

Has Vineyard Ridge received appropriate consent to provide water service within the entities' service boundaries?

3. What modifications, if any, must be made to Vineyard Ridge's proposed water service area to reflect land removed from the proposed water service area or water service area because of a qualified landowner's election to exclude some or all of the landowner's property under TWC § 13.246(h) (TWC) and 16 TAC § 24.102(h)?
4. Does Vineyard Ridge possess the financial, managerial, and technical capability to provide continuous and adequate water service? TWC § 13.241(a) and 16 TAC 24.102(a).
5. Is Vineyard Ridge capable of providing drinking water that meets the requirements of the Texas Commission on Environmental Quality (TCEQ), the TWC, and the Texas Health and Safety Code? TWC § 13.241(b); 16 TAC § 24.102(a)(1).
6. Would the proposed water service area require construction of a physically separate water system? If so, has Vineyard Ridge proven that regionalization or consolidation with a retail public utility for water service is not economically feasible? TWC § 13.214(d) and 16 TAC § 24.102(b).
7. Is the requested water certificate of convenience and necessity necessary for the service, accommodation, convenience, or safety of the public? TWC § 13.246(b) and 16 TAC § 24.102(c).
8. Does the balance of factors under TWC § 13.246(c) and 16 TAC § 24.102(d) weigh in favor of granting the requested water certificate of convenience and necessity?
 - a. Is the proposed water service area currently receiving adequate service? TWC § 13.246(c)(1) and 16 TAC § 24.102(d)(1).
 - b. Does the proposed water service area need additional service? TWC § 23.246(c)(2) and 16 TAC § 24.102(d)(2).
 - i. Have any landowners, prospective landowners, tenants, or residents requested service?
 - ii. Are there economic needs for additional service?
 - iii. Are there environmental needs for additional service?
 - iv. Are there written applications or requests for service?

- v. Are there reports or market studies demonstrating existing or anticipated growth in the area?
- c. What is the effect, under TWC § 13.246(c)(3) and 16 TAC § 24.102(d)(3), of granting the water certificate of convenience of necessity on:
 - i. Vineyard Ridge?
 - ii. Landowners in the proposed water service area?
 - iii. Any retail public utility of the same kind as Vineyard Ridge that is already serving the area proximate to the proposed water service area and proposed service area?
- d. Does Vineyard Ridge have the ability to provide adequate water service, including meeting the standards of the TCEQ, taking into consideration the current and projected density and land use of the proposed service area? TWC § 13.246(c)(4) and 16 TAC 24.102(d)(4).
- e. What is the feasibility of obtaining water service from an adjacent retail public utility? TWC § 13.246(c)(5) and 16 TAC 24.102(d)(5).
- f. Is Vineyard Ridge financially able to pay for the facilities necessary to provide continuous and adequate water service? TWC § 13.246(c)(6) and 16 TAC 24.102(d)(6).
- g. Is Vineyard Ridge financially stable including, if applicable, its debt-to-equity ratio? TWC § 13.246(c)(6) and 16 TAC 24.102(d)(6).
- h. How would environmental integrity be affected, if at all, by granting the requested water certificate of convenience and necessity? TWC § 13.246(c)(7) and 16 TAC 24.102(d)(7).
- i. Is it probable that water service would be improved or costs to consumers in that service area would be lowered by granting the requested water certificate of convenience and necessity? TWC § 13.246(c)(8) and 16 TAC 24.102(d)(8).
- j. How would the land in the proposed service area be affected, if at all, by granting the requested water certificate of convenience and necessity? TWC § 13.246(c)(9) and 16 TAC 24.102(d)(9).

9. Should the Commission require Vineyard Ridge to provide a bond or other financial assurance to ensure that continuous and adequate water service are provided? TWC § 13.246(d) and 16 TAC 24.102(e).

10. If applicable, what were Vineyard Ridge's efforts to:

- a. Extend water or water service to any economically distressed area, within the meaning of TWC § 15.001?
- b. Enforce rules adopted under TWC § 16.343, regarding minimum standards for safe and sanitary water supply? TWC § 13.246(e).

III. CONCLUSION

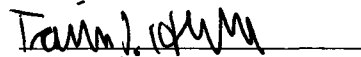
Staff respectfully requests that its list of issues be among the issues that will be considered by the Commission in this proceeding.

Filed: September 13, 2017

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division

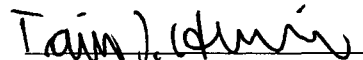

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on September 13, 2017 in accordance with 16 TAC § 22.74.


TJ Harris