



Control Number: 47011



Item Number: 17

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DOCKET NO. 47011

**APPLICATION OF UTOPIA WATER §
SUPPLY CORPORATION FOR AN §
AMENDMENT TO A WATER §
CERTIFICATE OF CONVENIENCE §
AND NECESSITY IN UVALDE §
COUNTY §**

PUBLIC UTILITY COMMISSION

OF TEXAS

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PUBLIC UTILITY COMMISSION
CLERK

COMMISSION STAFF'S AMENDED FINAL RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Amended Final Recommendation. In support thereof, Staff shows the following:

I. BACKGROUND

On March 31, 2017, Utopia Water Supply Corporation (Utopia) filed an application to amend its water certificate of convenience and necessity (CCN) No. 12383 in Uvalde County. The proposed new service area being requested includes approximately 13 acres.

On August 4, 2017, the Administrative Law Judge (ALJ) issued Order No. 4, requiring Staff to file a final recommendation on the application by October 13, 2017. On October 13, 2017, Staff filed its recommendation, but inadvertently omitted the attachments, and now files this amended recommendation to include them.

II. FINAL RECOMMENDATION

Staff has reviewed Utopia's application and recommends that it be approved. As supported by the attached memorandum of Andrew Novak of the Water Utility Regulation Division, Staff recommends that the application meets all of the statutory requirements of Texas Water Code, Chapter 13, and Chapter 24 of the Commission's regulations. Staff also recommends that Utopia has demonstrated adequate financial, technical, and managerial capability to provide continuous and adequate service to the area subject to this application.

III. CONCLUSION

Staff respectfully requests that the ALJ issue an order approving Utopia's application and provide the attached map and certificate to Utopia.

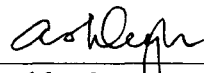
DATED: October 13, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

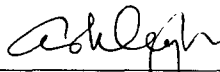


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DOCKET NO. 47011

CERTIFICATE OF SERVICE

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



Ashley Nwonuma

PUC Interoffice Memorandum

To: Ashley Nwonuma, Attorney
Legal Division

Thru: Tammy Benter, Director
Heidi Graham, Manager
Water Utility Regulation Division

From: Andrew Novak, Financial Analyst
Water Utility Regulation Division

Date: October 13, 2017

Subject: **Docket 47011:** *Application of Utopia Water Supply Corporation for an Amendment to a Water Certificate of Convenience and Necessity and in Uvalde County*

On March 31, 2017, Utopia Water Supply Corporation (Applicant) filed with the Public Utility Commission of Texas (Commission) an application to obtain a water Certificate of Convenience and Necessity (CCN) in Uvalde County, Texas pursuant to Texas Water Code Ann. (TWC), §§ 13.242-250 and the 16 Tex. Admin Code (TAC) §§ 24.101-107.

The intervention period ended August 11, 2017 and no protests to the application or requests for hearing were received by the Commission.

Criteria Considered

TWC § 13.246(c) requires the Commission to consider nine criteria when granting or amending a CCN. Therefore, the following criteria were considered:

TWC §13.246(c)(1) requires the Commission to consider the adequacy of service currently provided to the requested area. No additional construction is necessary for the Applicant to serve the requested area. The Applicant currently has a TCEQ approved public water system (PWS), registered under PWS ID 2320045. The PWS is maintained by a TCEQ licensed operator. The Applicant does not have any unresolved major violations with the TCEQ. The existing PWS has access to an adequate supply of water and the water system facilities have the capacity to serve the requested area. Therefore, Staff believes adequate service is currently provided in the requested area.

TWC §13.246(c)(2) requires the Commission to consider the need for service in the requested area. The Applicant has received a request for service from a landowner that intends to construct nine rental cabins on their property. Therefore, a need for service exists.

TWC §13.246(c)(3) requires the Commission to consider the effect of granting an amendment on the recipient and on any other retail public utility servicing the proximate area. There are no other retail public utilities in the proximate area.

TWC §13.246(c)(4) requires the Commission to consider the ability of the Applicant to provide adequate service. The Applicant filed an engineering report indicating sufficient plant capacity to serve the nine rental cabins.

TWC §13.246(c)(5) requires the Commission to consider the feasibility of obtaining service from an adjacent retail public utility. There is no service currently provided in the requested area.

TWC §13.246(c)(6) requires the Commission to consider the financial ability of the Applicant to pay for facilities necessary to provide continuous and adequate service. No additional construction is necessary for the Applicant to serve the requested area. 16 TAC § 24.11 establishes criteria to demonstrate that an owner or operator of a retail public utility has the financial resources to operate and manage the retail public utility and to provide continuous and adequate service to the current and requested utility service areas. 16 TAC § 24.11(e) lists the leverage tests and the operations test, of which the Applicant must pass. With long-term debt equaling \$158,081 and net assets equaling \$334,854, the Applicant's debt to equity ratio is approximately 0.47, thereby passing the leverage test. The Applicant also has \$85,576.56 in cash which is sufficient to offset any losses the Applicant may incur, thereby passing the operations test. Therefore, the Applicant has financial ability to provide continuous and adequate service.

TWC §§13.246(7) and (9) require the Commission to consider the environmental integrity and the effect on the land to be included in the certificate. There will be no effect on the environmental integrity of the land.

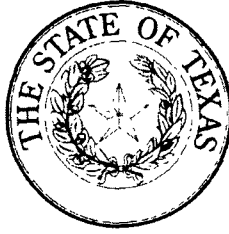
TWC § 13.246(8) requires the Commission to consider the probable improvement in service or lowering of cost to consumers. As a water supply corporation, the member ownership and member control of the retail public utility will ensure that continuous and adequate service is provided.

The Applicant meets all of the statutory requirements of TWC Chapter 13 and the Commission's Chapter 24 rules and is capable of providing continuous and adequate service. Staff recommends approval of the application.

The Applicant consented to the attached map and certificate on September 26, 2017.

Based on the above information, Staff recommends the Commission issue an order approving the application and provide the attached map and certificate to the Applicant.

Staff also recommends the Applicant file a copy of the CCN map along with a written description of the CCN service area with Uvalde County.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Utopia Water Supply Corporation

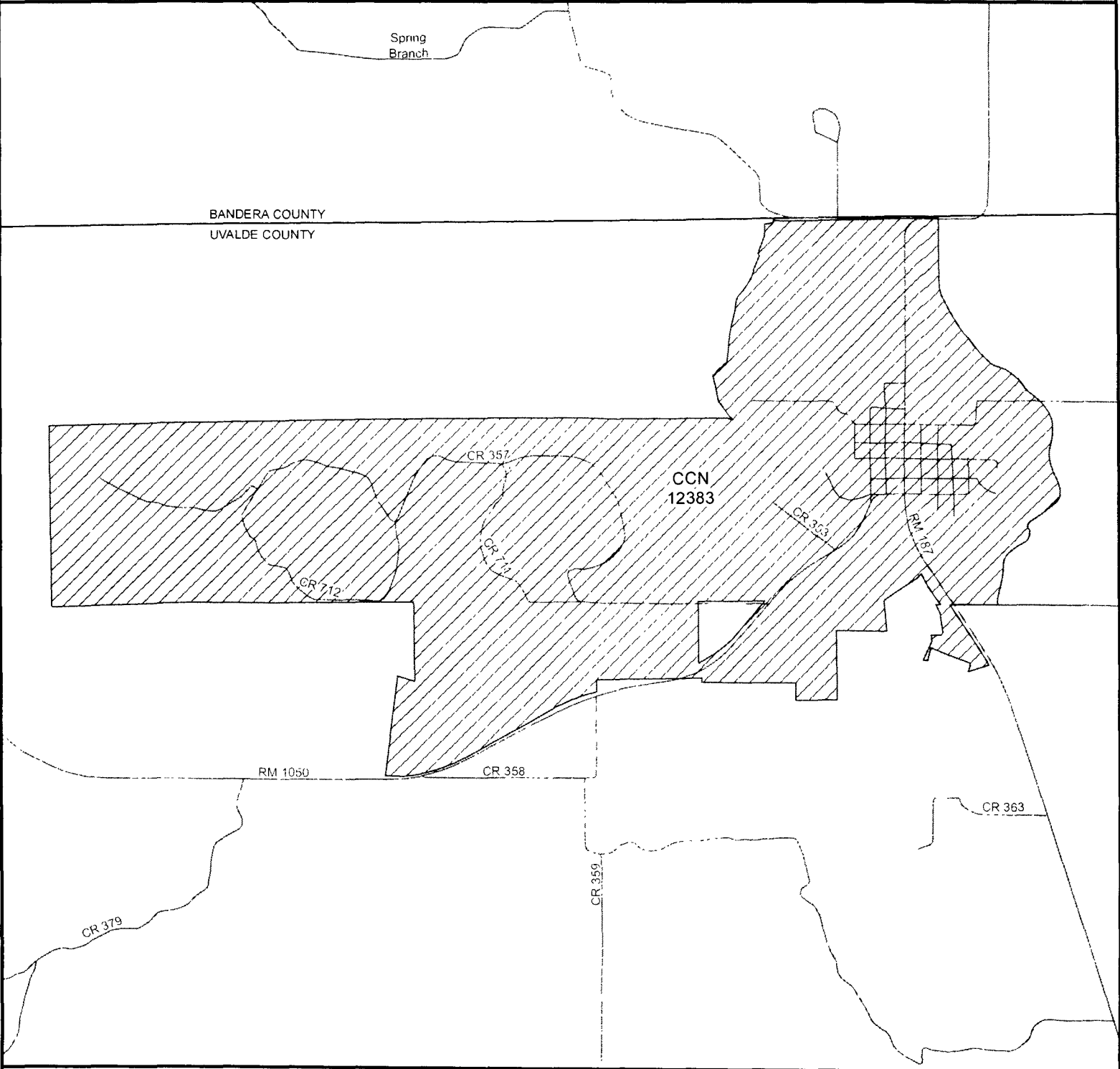
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Utopia Water Supply Corporation is entitled to this

Certificate of Convenience and Necessity No. 12383

to provide continuous and adequate water utility service to that service area or those service areas in Uvalde County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 47011 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Utopia Water Supply Corporation, 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, the _____ day of _____ 2017.

Utopia Water Supply Corporation
Water CCN No. 12383
PUC Docket No. 47011
Amended CCN No. 12383 in Uvalde County



Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Water CCN



12383 - Utopia Water Supply Corporation

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Feet



Map by Komal Patel
Date created September 14, 2017
Project Path n\finalmapping\47011UtopiaWSC.mxd