

Control Number: 47212



Item Number: 3

Addendum StartPage: 0

#### **DOCKET NO. 47212**

RECEIVED

PETITION TO REVOKE
CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY
NO. 12574, PURSUANT TO TEX.
WATER CODE. § 13.254 AND 16 TEX.
ADMIN. CODE § 24.113

PUBLIC UTILITY COMMISSION PM 2: 09

PUBLIC UTILITY COMMISSION

OF TEXAS

## STAFF'S MOTION FOR ISSUANCE OF A DEFAULT ORDER OF REVOCATION AND ATTACHED PROPOSED ORDER

Staff of the Public Utility Commission of Texas (Commission) files this Motion for Issuance of a Default Order of Revocation and Attached Proposed Order (Motion for Default Order) requesting revocation of Peach Creek Dam and Lake Club, Inc.'s (Peach Creek). Certificate of Public Convenience and Necessity (CCN) No. 12574.

#### I. <u>INTRODUCTION</u>

For each of the reasons discussed below, a Default Order should be issued granting all relief sought in Commission Staff's Petition to Revoke the Certificate of Public Convenience and Necessity of Peach Creek Dam and Lake Club, Inc. and Notice of Opportunity for a Hearing (Commission Staff's Petition), filed on May 26, 2017. In support of this Motion for Default Order, Commission Staff respectfully shows the following:

#### II. JURISDICTION AND LEGAL AUTHORITY

The contested case provisions of the Administrative Procedure Act, Tex. Gov't Code § 2001.051 (APA) entitle a party to an opportunity for a hearing after reasonable notice of not less than 10 days, and to respond to and present evidence and argument on each issue involved in the case. Pursuant to 16 Texas Admin. Code § 22.183 (TAC), if a hearing is not requested within 30 days after service of notice of an opportunity for hearing a default occurs. Upon default, the presiding officer may issue a default order, disposing of the proceeding without a

hearing, on an informal basis.<sup>1</sup> In addition, factual allegations in Commission Staff's Petition may be deemed admitted and the relief sought may be granted by default.<sup>2</sup>

A default order requires adequate proof that the notice of the opportunity for a hearing was sent by certified mail to the party's last known address in the Commission's records or the registered agent for process for the party on file with the Secretary of State, or, if the party does not have an address in the Commission's records or a registered agent on file with the Secretary of State, Commission Staff may provide notice to "an address for the party identified after reasonable investigation." There must also be proof that the notice of the opportunity for a hearing included a disclosure in at least twelve-point bold face type that the factual allegations may be deemed admitted and relief sought granted if the party fails to timely request a hearing.

#### III. FACTUAL ALLEGATIONS

On May 26, 2017, Commission Staff filed a Petition and Notice of Opportunity for Hearing seeking revocation of Peach Creek's CCN No. 12574. Commission Staff's Petition included the required disclosure in fourteen point bolded and underlined font.<sup>4</sup> Additionally, in license revocation proceedings, it is required that notice be given "by personal service or by registered or certified mail to the license holder of facts or conduct alleged to warrant the intended action." In order to proceed on a default basis, 16 TAC § 22.183 requires Staff to provide notice by certified mail, return receipt requested: (a) to a certificate holder's last known address in the Commission's records; (b) to the person's registered agent for process on file with the Secretary of State; or (c) to an address for the party identified after reasonable investigation if the first two options are not applicable.

In accordance with these provisions, Commission Staff sent a copy of Commission Staff's Petition by certified mail, return receipt requested, to the addresses listed below.<sup>6</sup>

<sup>&</sup>lt;sup>1</sup> APA § 2001.051 and 16 TAC § 22.183.

 $<sup>^{2}</sup>$  Id

<sup>&</sup>lt;sup>3</sup> 16 TAC § 22.183(b)(2).

<sup>&</sup>lt;sup>4</sup> See attached Petition and Notice of Opportunity for Hearing (Attachment 1).

<sup>&</sup>lt;sup>5</sup> APA § 2001.054

<sup>&</sup>lt;sup>6</sup> See Attachment 2, Affidavit of Tasha Lopez and Receipts from the Certified Mail Label.

Commission Staff sent a copy of this petition by certified mail, return receipt requested, to the last known address of Peach Creek in the Commission's records:

Peach Creek Dam and Lake Club, Inc. P.O. Box 559 Splendora, Texas 77372

Commission Staff also sent a copy of this petition by certified mail, return receipt requested, to the address of the attorney for the City of Patton Village, which is presently serving as temporary manager for Peach Creek:

Alan Petrov, Attorney for the City of Patton Village Johnson Petrov LP 2929 Allen Parkway, Suite 3150 Houston, Texas 77019

Despite service of Commission Staff's Petition, Peach Creek failed to request a hearing on the merits and more than 30 days have passed since service of Commission Staff's Petition.

#### IV. REQUEST

Staff respectfully requests that all relief sought in Commission Staff's Petition be granted, with no further notice to Peach Creek, and all facts alleged be deemed admitted by the issuance of the attached proposed default order, revoking Peach Creek's CCN No. 12574.

Respectfully Submitted,

Robert M. Long
Division Director
Oversight and Enforcement Division
State Bar No. 12525500

Taylor Kilroy

Attorney, Oversight and Enforcement Division

State Bar No. 24087844

(512) 936-7127 T

(512) 936-7268 F

Public Utility Commission of Texas

1701 N. Congress Avenue

P.O. Box 13326

Austin, Texas 78711-3326

#### **CERTIFICATE OF SERVICE**

I certify that on July 6, 2017, pursuant to 16 Texas. Admin. Code § 22.183(b)(2), a copy of this motion was sent certified mail, return receipt requested, to the last known address of Peach Creek in the Commission's records:

Peach Creek Dam and Lake Club, Inc. P.O. Box 559 Splendora, Texas 77372

Commission Staff also sent a copy of this motion by certified mail, return receipt requested, to the address of the attorney for the City of Patton Village, which is presently serving as temporary manager for Peach Creek:

Alan Petrov, Attorney for the City of Patton Village Johnson Petrov LP 2929 Allen Parkway, Suite 3150 Houston, Texas 77019

Taylor Kilroy

Attorney, Oversight and Enforcement Division

State Bar No. 24087844

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Public Utility Commission of Texas

1701 N. Congress Avenue

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## **Attachment 1**

Petition to Revoke and Notice and Opportunity for a Hearing

## DOCKET NO. 472712

PETITION TO REVOKE
CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY
NO. 12574, PURSUANT TO TEX.
WATER CODE. § 13.254 AND 16
TEX. ADMIN. CODE § 24.113

§

PUBPIC UTILITY COMMISSION

FILING CLERK

OF TEXAS

## COMMISSION STAFF'S PETITION TO REVOKE THE CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY OF PEACH CREEK DAM AND LAKE CLUB, INC. AND NOTICE OF OPPORTUNITY FOR A HEARING

Staff of the Public Utility Commission of Texas (Commission Staff) files this Petition to Revoke Certificate of Public Convenience and Necessity No. 12574 (Petition) owned by Peach Creek Dam and Lake Club, Inc. (Peach Creek) and hereby provides notice of the opportunity to request a hearing on the merits of this Petition.

#### I. INTRODUCTION .

For the reasons discussed below, the Certificate of Public Convenience and Necessity (CCN) No. 12574, held by Peach Creek, should be revoked. In the event Peach Creek fails to request a hearing within thirty days of service of this Petition, a default order should be issued, without additional notice to Peach Creek, granting all relief sought in this Petition. In support of this Petition, Commission Staff respectfully shows the following:

#### II. JURISDICTION AND LEGAL AUTHORITY

A CCN is defined as a "permit issued by the commission which authorizes and obligates a retail public utility to furnish, make available, render, or extend continuous and adequate retail water or sewer utility service to a specified geographic area." A retail public utility is "[a]ny person, corporation, public utility, water supply or sewer service corporation, municipality, political subdivision or agency operating, maintaining, or controlling in this state facilities for

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<sup>&</sup>lt;sup>1</sup> 16 Tex. Admin. Code § 24.3(15) (TAC).

providing potable water service or sewer service, or both, for compensation."<sup>2</sup> A retail public utility that possesses a CCN is required to provide "continuous and adequate service."<sup>3</sup>

A retail public utility that possesses a CCN and fails to provide continuous and adequate service may be subject to revocation.<sup>4</sup> The Commission is authorized to regulate and supervise the business of each water and sewer utility within its jurisdiction.<sup>5</sup> As part of this authority, the Commission, "after notice and hearing, may revoke or amend any" CCN if the Commission finds that "the certificate holder has never provided, is no longer providing, is incapable of providing, or has failed to provide continuous and adequate service in the area, or part of the area, covered by the certificate."

Pursuant to the contested case provisions of the Administrative Procedure Act,<sup>7</sup> a party is entitled to an opportunity for a hearing after reasonable notice of not less than ten days, where the party may respond to and present evidence and argument on each issue involved in the case.<sup>8</sup> If a hearing is not requested within thirty days after service of notice of an opportunity for hearing, a default occurs.<sup>9</sup> Upon default, the presiding officer may issue a default order, revoking the certificate without a hearing on an informal basis.<sup>10</sup>

#### III. FACTUAL ALLEGATIONS

On July 5, 1991, Peach Creek was granted CCN No. 12574. Peach Creek is comprised of one public water system. <sup>11</sup> Peach Creek was owned by Harold Bradham. <sup>12</sup>

<sup>&</sup>lt;sup>2</sup> 16 TAC § 24.3(58).

<sup>&</sup>lt;sup>3</sup> Tex. Water Code § 13.250 (TWC) and 16 TAC § 24.114.

<sup>&</sup>lt;sup>4</sup> TWC § 13.254(a)(1).

<sup>&</sup>lt;sup>5</sup> TWC § 13.041. See also, House Bill 1600 and Senate Bill 567 83<sup>rd</sup> Legislature, Regular Session, which transferred the functions relating to the economic regulation of water and sewer utilities from the Texas Commission on Environmental Quality to the Public Utility Commission effective September 1, 2014.

<sup>6</sup> TWC § 13.254(a)(1).

<sup>&</sup>lt;sup>7</sup> Administrative Procedure Act, Tex. Gov't Code §§ 2001.001-.902 (APA).

<sup>\*</sup> APA § 2001.051.

<sup>9 16</sup> TAC § 22.183.

<sup>&</sup>lt;sup>10</sup> APA § 2001.056(4) and 16 TAC § 22.183.

<sup>&</sup>lt;sup>11</sup> PWS ID No. 1700064. The Texas Commission on Environmental Quality (TCEQ) uses the term public water system (PWS) to describe facilities used for providing potable water service to "at least 15 service connections or serve at least 25 individuals at least 60 days out of the year." 30 TAC § 290.38(66) (Tex. Comm'n. Envtl. Quality). A CCN may be comprised of a single or multiple PWSs.

<sup>&</sup>lt;sup>12</sup> Application of Peach Creek Dam & Lake Club Water System and the City of Patton Village for Sale, Transfer, or Merger of Facilities and Certificate of Convenience and Necessity in Montgomery County, Docket 43132 (March 30, 2016).

Mr. Bradham intended to transfer the utility and CCN to the City of Patton Village (Patton Village). Patton Village and Mr. Bradham filed an application for transfer of the system on September 16, 2014. Patton Village assumed operation of the utility, employing an operator and obtaining a permit from the Lone Star Groundwater Conservation District (LSGCD) for the well serving Peach Creek. Approval of the sale relied on a federal Housing and Urban Development (HUD) grant administered by the Texas Department of Agriculture. In 2016, Patton Village learned that a recently redrawn flood map placed Peach Creek in a floodway. HUD rules and regulations prohibited the use of the grant on projects in a floodway. Without the grant, Patton Village could no longer meet the Commission's financial, managerial, and technical requirements to acquire the system. On March 24, 2016, Patton Village withdrew its application to acquire the system.

While the application was still pending for the transfer of Peach Creek to Patton Village, Mr. Bradham passed away. The Bradham estate is the current owner of Peach Creek and it is failing and has failed to provide continuous and adequate service. Patton Village presently serves Peach Creek as a temporary manager, <sup>14</sup> and it plans on submitting an Application for a Sale, Transfer, or Merger (STM) to acquire the system in the near future.

#### IV. RECOMMENDATION FOR REVOCATION

The Commission should revoke CCN No. 12574 because Peach Creek is no longer providing and is incapable of providing continuous and adequate service. Mr. Bradham's estate has no interest in continuing operations. The only reason service presently exists for the customers of Peach Creek is that Patton Village is serving as temporary manager. Patton Village is seeking to acquire the service territory, and revoking CCN No. 12574 will allow Patton Village to more easily complete the STM process.

For the above stated reasons, Commission Staff recommends revocation of CCN No. 12574 pursuant to TWC § 13.254 and 16 TAC § 24.113.

<sup>13</sup> Id.

<sup>14</sup> Docket No. 46262.

#### V. NOTICE OF OPPORTUNITY FOR HEARING

16 TAC §§ 22.54 and 22.55 require Commission Staff to provide reasonable notice to persons affected by a proceeding in accordance with the Administrative Procedure Act. In license revocation proceedings, it is required that notice be given "by personal service or by registered or certified mail to the license holder of facts or conduct alleged to warrant the intended action." In order to proceed on a default basis, 16 TAC § 22.183 requires Commission Staff to provide notice by certified mail, return receipt requested, to a certificate holder's last known address in the Commission's records or to the person's registered agent for process on file with the Secretary of State. In the event that the party does not have an address in the Commission's records or a registered agent on file with the Secretary of State, Commission Staff may provide notice to "an address for the party identified after reasonable investigation." In the event with the secretary of State, Commission Staff may provide notice to "an address for the party identified after reasonable investigation."

Commission Staff will provide a copy of this request by certified mail, return receipt requested, to the last known address of Peach Creek in the Commission's records:

Peach Creek Dam and Lake Club, Inc. P.O. Box 559 Splendora, Texas 77372

Commission Staff will also provide a copy of this request by certified mail, return receipt requested, to Patton Village's attorney:

Alan Petrov, Attorney for the City of Patton Village Johnson Petrov LLP 2929 Allen Parkway, Suite 3150 Houston, TX 77019

Pursuant to 16 TAC § 22.183, Commission Staff hereby notifies Peach Creek that the factual allegations in this petition could be deemed admitted and the relief sought herein granted by default if Peach Creek fails to request a hearing within 30 days after service of the Petition. The purpose of a hearing on the merits is to consider revocation of CCN No. 12574.

The factual allegations listed in Commission Staff's Petition and Notice of Opportunity for a Hearing could be deemed admitted and the relief sought herein could be granted by default if you fail to timely request a hearing.

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<sup>15</sup> APA § 2001.054(c).

<sup>16 16</sup> TAC 22.183(b)(2)(C)

#### VI. REQUEST -

Commission Staff respectfully requests that the Commission grant Commission Staff's request to revoke CCN No. 12574, owned by Peach Creek: In the event Peach Creek fails to request a hearing on the merits, Commission Staff requests that the Commission issue a default final order, with no further notice to Peach Creek, revoking CCN No. 12574.

Respectfully Submitted,

Taylor Kilroy

Attorney, Oversight and Enforcement Division

State Bar No. 24087844

(512) 936-7127 T

(512) 936-7268 F

Public Utility Commission of Texas

1701 N. Congress Avenue

P.O. Box 13326

Austin, Texas 78711-3326

#### **CERTIFICATE OF SERVICE**

I certify that on May 26, 2017, pursuant to 16 TAC § 22.183(b)(2), a copy of this document was sent certified mail, return receipt requested, to the last known address of Peach Creek in the Commission's records:

Peach Creek Dam and Lake Club, Inc.

P.O. Box 559

Splendora, Texas 77372

Commission Staff will also provide a copy of this request by certified mail, return receipt requested, to Patton Village's attorney:

Alan Petrov, Attorney for the City of Patton Village

Johnson Petrov LLP

2929 Allen Parkway, Suite 3150

Houston, TX 77019

Taylor Kilroy

Attorney, Oversight and Enforcement Division

State Bar No. 24087844

(512) 936-7127 T

(512) 936-7268 F

Public Utility Commission of Texas

1701 N. Congress Avenue

P.O. Box 13326

Austin, Texas 78711-3326

## **Attachment 2**

# Affidavit of Tasha Lopez and Receipts from the Certified Mail Label

#### **DOCKET NO. 47212**.

PETITION TO REVOKE

CERTIFICATE OF PUBLIC

CONVENIENCE AND NECESSITY

NO. 12574, PURSUANT TO TEX.

WATER CODE. § 13.254 AND 16 TEX.

ADMIN. CODE § 24.113

AFFIDAVIT OF TASHA LOPEZ

STATE OF TEXAS
TRAVIS COUNTY

BEFORE ME, the undersigned authority, on this day personally appeared, Tasha Lopez, and being by me duly sworn, upon oath declared that the statements and capacity acted in are true and correct.

"My name is Tasha Lopez. I am the legal assistant in the Oversight & Enforcement Division of the Public Utility Commission of Texas (Commission). I am over the age of twenty-one and I am competent to make this Affidavit. In accordance with 16 TAC § 22.183(b), I mailed, by certified mail, return receipt requested, a copy of Commission Staff's Petition to Revoke The Certificate of Public Convenience and Necessity of Peach Creek Dam and Lake Club, Inc. and Notice of Opportunity for A Hearing, on May 26, 2017, to the last known addresses of Peach Creek, and all copies were either delivered or returned. Please see the attached tracking information for each item.

Peach Creek Dam and Lake Club, Inc. P.O. Box 559 Splendora, Texas 77372 Alan Petrov, Attorney for the City of Patton Village Johnson Petrov LP 2929 Allen Parkway, Suite 3150 Houston, Texas.77019

AFFIANT: Tasha Lopez

SWORN TO AND SUBSCRIBED BEFORE ME this day of July 2017.

RUBY D. HICKS
Notary Public
STATE OF TEXAS
Commission Exp. 08-25-2018

Notary without Bend

Notary Public for the State of Texas

## ,Ship Request Form

Ship Request #: 110279



Sender

Name:

Tasha Lopez

Account #:

47300 PUC

Phone:

512-936-7401

Email:

Company:

Public Utility Commission

DD T----

9171999991703104838738

Recipient

Attn To:

Peach Creek Dam & Lake Club Inc.

Company:

Peach Creek Dam & Lake Club Inc

Address:

PO Box 559

City:

Splendora

77372 '

State:

TX،

Zip: Country:

US

Shipping Instructions

**Items** 

Units 0 00 Description

Code

Origin Unit Value Total Value

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Remove X

Tracking Number: 9171999991703104838738

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Postal Product: First-Class Mail® Features: Certified Mail<sup>™</sup>

DATE & TIME	STATUS OF ITEM	LOCATION ,					
June 5, 2017, 10:38 am	Delivered	AUSTIN, TX 78711					
Your item was delivered at 10:38 am on June 5, 2017 in AUSTIN, TX 78711.							
June 5, 2017, 7:47 am	Arrived at Unit	AUSTIN, TX 78701					
June 4, 2017, 12:38 am	Departed USPS Origin Facility	AUSTIN, TX 78710					
June 3, 2017, 10:25 am	Arrived at USPS Origin Facility	AUSTIN, TX 78710					
June 2, 2017, 8:4ž am	Departed USPS Destination Facility	NÓRTH HOUSTON, TX 77315					
May 31, 2017, 10:03 am	Undeliverable as Addressed	SPLENDORA, TX 77372					
May 30, 2017, 7:55 am	Distribution to PO Box in Progress	SPLENDORA, TX 77372					
May 30, 2017, 7:45 am	Sorting Complete	SPLENDORA, TX 77372					
May 30, 2017, 7:39 am	Arrived at Unit	SPLENDORA, TX 77372					
May 27, 2017, 8:42 am	Arrived at USPS Destination Facility	NORTH HOUSTON, TX 77315					
May 26, 2017, 8:33 pm	Departed USPS Facility	AUSTIN, TX 78710					
May 26, 2017, 7:56 pm	Arrived at USPS Origin Facility	AUSTIN, TX 78710					

DATE & TIME

STATUS OF ITEM

LOCATION

May 26, 2017, 6:41 pm

Accepted at USPS Origin Facility

**AUSTIN, TX 78701** 

May 26, 2017

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

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#### appURL=https%3A%2F

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Ship Request #: 110278



Sender

Name:

Tasha Lopez

Account #:

47300 PUC

Phone:

512-936-7401

Email:

Company:

Public Utility Commission

eRR Track: 9171999991703104838745

Recipient

Attn To: Alan Petrov

Company: Johnson Petrov LLP

Address:

2929 Allen Parkway

Suite 3150

City:

Zip:

Houston

State:

ΤX 77019

Country:

US

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Units 0.00

Description

Code

Origin Unit Value Total Value

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June 1, 2017, 12:08 pm Delivered, To Mail Room HOUSTON, TX 77019

Your item has been delivered to the mail room at 12:08 pm on June 1, 2017 in HOUSTON, TX 77019.

May 30, 2017, 1:41 pm Notice Left (No Authorized Recipient HOUSTON, TX 77019 Available) Out for Delivery May 30, 2017, 9:08 am HOUSTON, TX 77019 HOUSTON, TX 77019 \* May 30, 2017, 8:58 am Sorting Complete HOUSTON, TX 77019 May 30, 2017, 8:19 am Arrived at Unit May 29; 2017, 11:09 pm Departed USPS Destination Facility NORTH HOUSTON, TX 77315 May 27, 2017, 8:38 am NORTH HOUSTON, TX 77315 Arrived at USPS Destination Facility May 26, 2017, 8:33 pm Departed USPS Facility **AUSTIN, TX 78710** May 26, 2017, 7:56 pm Arrived at USPS Origin Facility **AUSTIN, TX 78710** May 26, 2017, 6:41 pm Accepted at USPS Origin Facility **AUSTIN, TX 78701** May 26, 2017 Pre-Shipment Info Sent to USPS,

USPS Awaiting Item

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## **Attachment 3**

Proposed Default Order

#### **DOCKET NO. 47212**

PETITION TO REVOKE CERTIFICATE	§	PUBLIC UTILITY COMMISSION
OF PUBLIC CONVENIENCE AND	§	•
NECESSITY NO. 12574, PURSŮANT TO	§	
TEX. WATER CODE § 13.254 AND 16	§	•
TEX. ADMIN. CODE § 24.113	§	
	§	OF TEXAS

#### PROPOSED DEFAULT ORDER

This Order addresses the petition of the Public Utility Commission of Texas (Commission) Staff to revoke Peach Creek Dam and Lake Club, Inc.'s (Peach Creek) Certificate of Public Convenience and Necessity (Petition). Commission Staff's Petition is granted and Peach Creek's Certificate of Public Convenience and Necessity No. 12574 is revoked. The Commission adopts the following findings of fact and conclusions of law:

#### I. Findings of Fact

- 1. Peach Creek is a retail public utility that was granted Certificate of Convenience and Necessity (CCN) No. 12574 on July 5, 1991.
- 2. Peach Creek is comprised of one public water system.
- 3. Until his passing, Peach Creek was owned by Mr. Harold Bradham.
- 4. The Bradham estate is the current owner of Peach Creek, and it is failing and has failed to provide continuous and adequate service.
- 5. The City of Patton Village presently serves Peach Creek as a temporary manager, and it plans on submitting an Application for a Sale, Transfer, or Merger (STM) to acquire the system in the near future.
- 6. On May 26, 2017, Commission Staff filed the Petition and provided notice of opportunity for hearing seeking revocation of Peach Creek's CCN No. 12574.
- 7. The Petition included the required disclosure in at least 12-point, bold-face type.
- 8. The Petition was sent by certified mail, return receipt requested, to the addresses Commission Staff was able to find for Peach Creek after reasonable investigation.
- 9. More than 30 days have passed since service of the Petition.

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10. Peach Creek did not request a hearing on the merits.

#### II. Conclusions of Law

- 1. Tex. Water Code § 13.242 (TWC) provides that a "utility ... may not in any way render retail water ... utility service directly or indirectly to the public without first having obtained from the utility commission a certificate that the present or future public convenience and necessity will require that installation, operation, or extension,"
- 2. 16 Tex. Admin Code § 24.3(15) (TAC) defines a CCN as "[a] permit issued by the commission which authorizes and obligates a retail public utility to furnish, make available, render, or extend continuous and adequate retail water or sewer utility service to a specified geographic area."
- 3. 16 TAC § 24.3(58) defines a retail public utility as "[a]ny person, corporation, public utility, water supply or sewer service corporation, municipality, political subdivision or agency operating, maintaining, or controlling in this state facilities for providing potable water service or sewer service, or both, for compensation."
  - 4. TWC § 13.250 and 16 TAC § 24.114 require a retail public utility that possesses a CCN to provide "continuous and adequate service."
  - 5. If the Commission finds that a retail public utility that possesses a CCN "has never provided, is no longer providing, is incapable of providing, or has failed to provide continuous and adequate service in the area, or part of the area, covered by the certificate" in violation of TWC § 13.250 and 16 TAC § 24.114, the Commission may revoke the CCN pursuant to TWC § 13.254 and 16 TAC § 24.113.
  - 6. Peach Creek is incapable of providing continuous and adequate service in the area covered by CCN No. 11736.
  - 7. Issuance of a default order against Peach Creek is appropriate because Peach Creek failed to request a hearing within 30 days of service of the notice of an opportunity for a hearing, as provided in 16 TAC § 22.183(a).
  - 8. Pursuant to 16 TAC § 22.183, the requirements for disposition by default 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. Commission Staff's Petition is granted.
- 2. Peach Creek's CCN No. 12574 is revoked.
- 3. The Commission shall not be constrained in any manner from requiring additional action or penalties for violations.
- 4. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other request for general or specific relief, if not expressly granted herein, are denied.

SIGNED A	AUSTIN, TEXAS the day of, 2017.	
· ·	PUBLIC UTILITY COMMISSION OF TEXAS	
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	KENNETH W. ANDERSON, JR., COMMISSIONER	•
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	BRANDY MARTY MARQUEZ, COMMISSIONER	