



Control Number: 47398



Item Number: 28

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DOCKET NO. 47398

APPLICATION OF HORSESHOE BAY	§	PUBLIC UTILITY COMMISSION
WATER UTILITY FOR A WATER	§	
CERFITICATE OF CONVENIENCE AND	§	OF TEXAS
NECESSITY IN LLANO AND BURNET	§	
COUNTIES	§	

COMMISSION STAFF'S RECOMMENDATION ON NOTICE

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this final recommendation in response to Order No. 8, and would show the following:

I. Background

On July 12, 2017, Horseshoe Bay Water Utility (Horseshoe Bay) filed an application to obtain new water and sewer certificates of convenience and necessity in Llano County and Burnet County.

On March 5, 2018, the Administrative Law Judge (ALJ) issued Order No. 8 requiring the Staff to file a final recommendation by August 27, 2018.

II. Recommendation

Staff has reviewed the application of Horseshoe Bay and, as supported by the attached recommendation of Elisabeth English of the Water Utilities Division, recommends that the application be approved.

III. Conclusion

Staff requests the entry of an order consistent with this recommendation.

2018 AUG 28 PM 3:56
PUBLIC UTILITY COMMISSION
FILING CLERK

Date: August 28, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney



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DOCKET NO. 47398

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on August 28, 2018, in accordance with 16 TAC § 22.74.



Landon J. Lill

PUC Interoffice Memorandum

To: Landon Lill, Attorney
Legal Division

Thru: Lisa Fuentes, Manager
Water Utilities Division

From: Elisabeth English, Engineering Specialist
Water Utilities Division

Date: August 28, 2018

Subject: **Docket 47398, Application of Horseshoe Bay Water Utility to Obtain Water and Sewer Certificates of Convenience and Necessity (CCN) in Llano and Burnet Counties**

On July 12, 2017, Horseshoe Bay Water Utility (Applicant) filed an application to obtain water and sewer Certificates of Convenience and Necessity (CCN) in Llano and Burnet Counties, Texas, pursuant to Texas Water Code (TWC) §§ 13.242-.250 and 16 Tex. Admin. Code (TAC) §§ 24.101-.107.

Background

The Applicant is seeking to obtain water and sewer CCN's for the service area containing approximately 10,435 acres and 3,457 existing customers. The Applicant amended their application on November 8, 2017, to request only the current utility service area within their municipal boundaries. Additionally, the Applicant filed a request on December 22, 2017, to cancel Deerhaven Inc.'s water CCN No. 13180 due to its inactive status and location within the municipal boundaries of Horseshoe Bay.

Notice

The comment period ended July 6, 2018 and no protests or opt-out requests were received.

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.

The Applicant has a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under Public Water System (PWS) Identification No. 1500015 and a Wastewater Discharge Permit No. WQ-11217-001. The Applicant does not have any violations listed in the TCEQ database. No additional construction is necessary for the Applicant to serve the requested area.

TWC § 13.246(c)(2) requires the commission to consider the need for service in the requested area.

There is a need for service as there are 3,457 existing customers in the requested area.

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 will be no effect on any retail public utility servicing the proximate area as the Applicant is a municipality and the requested area is located within their municipal boundaries.

TWC § 13.246(c)(4) requires the commission to consider the ability of the Applicant to provide adequate service.

The Applicant has a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under Public Water System (PWS) Identification No. 1500015 and a Wastewater Discharge Permit No. WQ-11217-001. The Applicant does not have any violations listed in the TCEQ database. No additional construction is necessary for the Applicant to serve the requested area.

TWC § 13.246(c)(5) requires the commission to consider the feasibility of obtaining service from an adjacent retail public utility.

The Applicant is a municipality who is currently serving 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.

The criteria and tests are listed in 16 Tex. Admin. Code § 24.11 including leverage tests and an operations test.

The Applicant meets one out of five leverage tests with an AA+ credit rating from Standard and Poor's Financial Services LLC effective 09/14/2016 which is an investment-grade credit rating.

The Applicant meets the operations test. Cash shortages were not reflected in the financial statements. The financial statements demonstrate sufficient cash available to cover any projected operations and maintenance shortages.

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.

The environmental integrity of the land will not be effected as no additional construction is needed to provide service to the requested area.

TWC § 13.246(8) requires the commission to consider the probable improvement in service or lowering of cost to consumers.

The Applicant will continue to provide water service to the existing customers in the requested area.

Staff recommends that the Applicant meets all of the statutory requirements of TWC Chapter 13 and the Commission's Chapter 24 rules and regulations, is capable of providing continuous and adequate service and approving this application to obtain a water and sewer CCN No.'s 13271 and 21111 and cancelling Deerhaven's inactive water CCN 13180 is necessary for the service, accommodation, convenience and safety of the public.

The Applicant consented to the attached map and certificate on August 15, 2018.

Based on the above information, Staff recommends the Commission approve the application, issue an order and provide the attached map(s), tariff(s) and certificate(s) to Horseshoe Bay Water Utility. Staff further recommends that the Applicant file certified copies of the CCN maps along with a written description of the CCN service area in the county clerk's office pursuant to TWC §§ 13.257 (r)-(s).



Public Utility Commission Of Texas

By These Presents Be It Known To All That

Horseshoe Bay Water Utility

having obtained 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, Horseshoe Bay Water Utility, is entitled to this

Certificate of Convenience and Necessity No. 21111

to provide continuous and adequate sewer utility service to that service area or those service areas in Burnet and Llano Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 47398 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 Horseshoe Bay Water Utility, 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 _____ day of _____ 2018.



Public Utility Commission Of Texas

By These Presents Be It Known To All That

Horseshoe Bay Water Utility

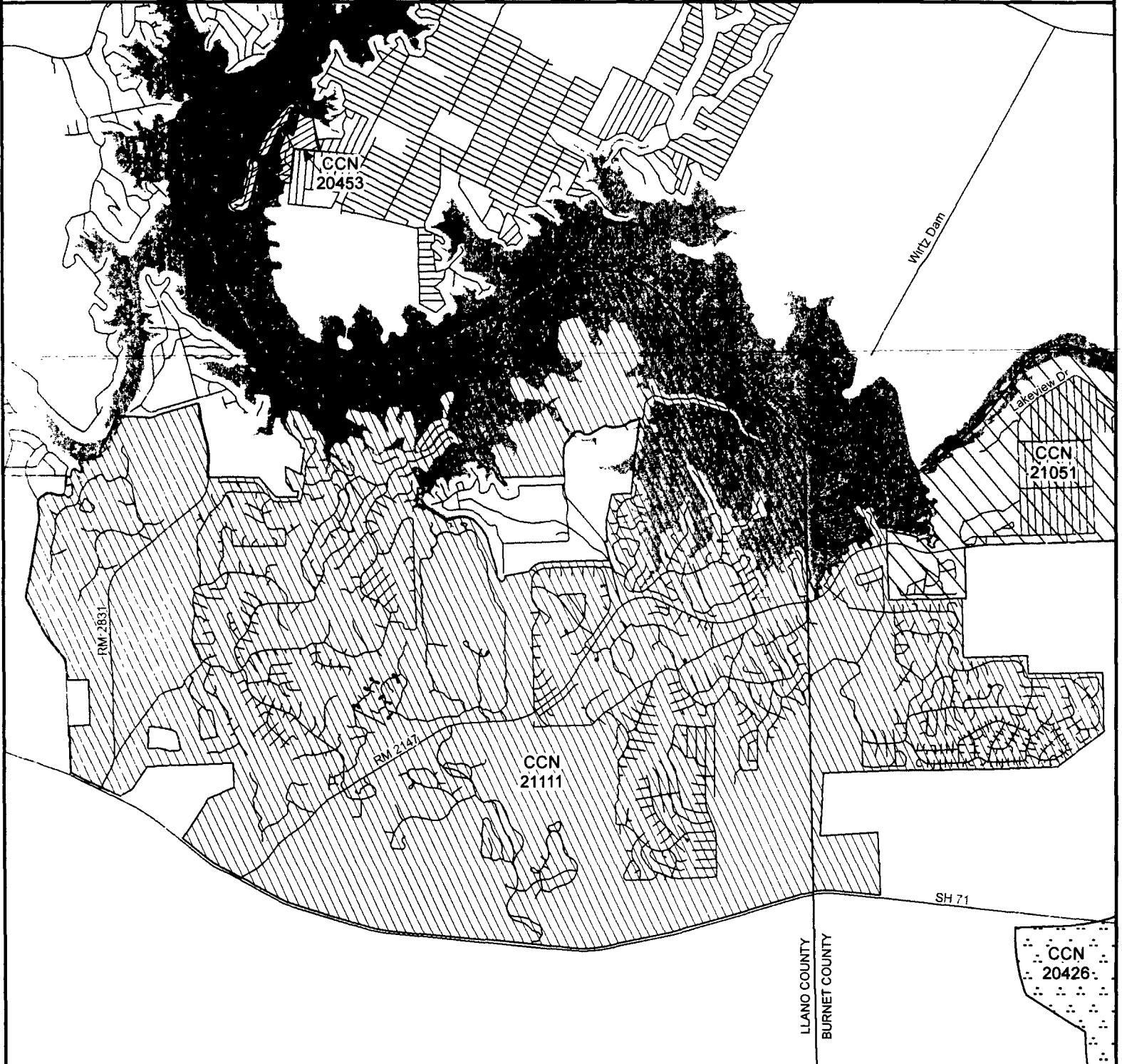
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Horseshoe Bay Water Utility, is entitled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

Certificate of Convenience and Necessity No. 13271

to provide continuous and adequate water utility service to that service area or those service areas in Burnet and Llano Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 47398 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 Horseshoe Bay Water Utility, 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 _____ day of _____ 2018.

Horseshoe Bay Water Utility
Sewer CCN No. 21111
PUC Docket No. 47398
Obtained New CCN in Burnet and Llano Counties



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

Sewer CCN

-  21111 - Horseshoe Bay Water Utility
-  20453 - Aqua Texas Inc
-  21051 - City of Cottonwood Shores
-  20426 - City of Marble Falls

0 2,250 4,500
Feet



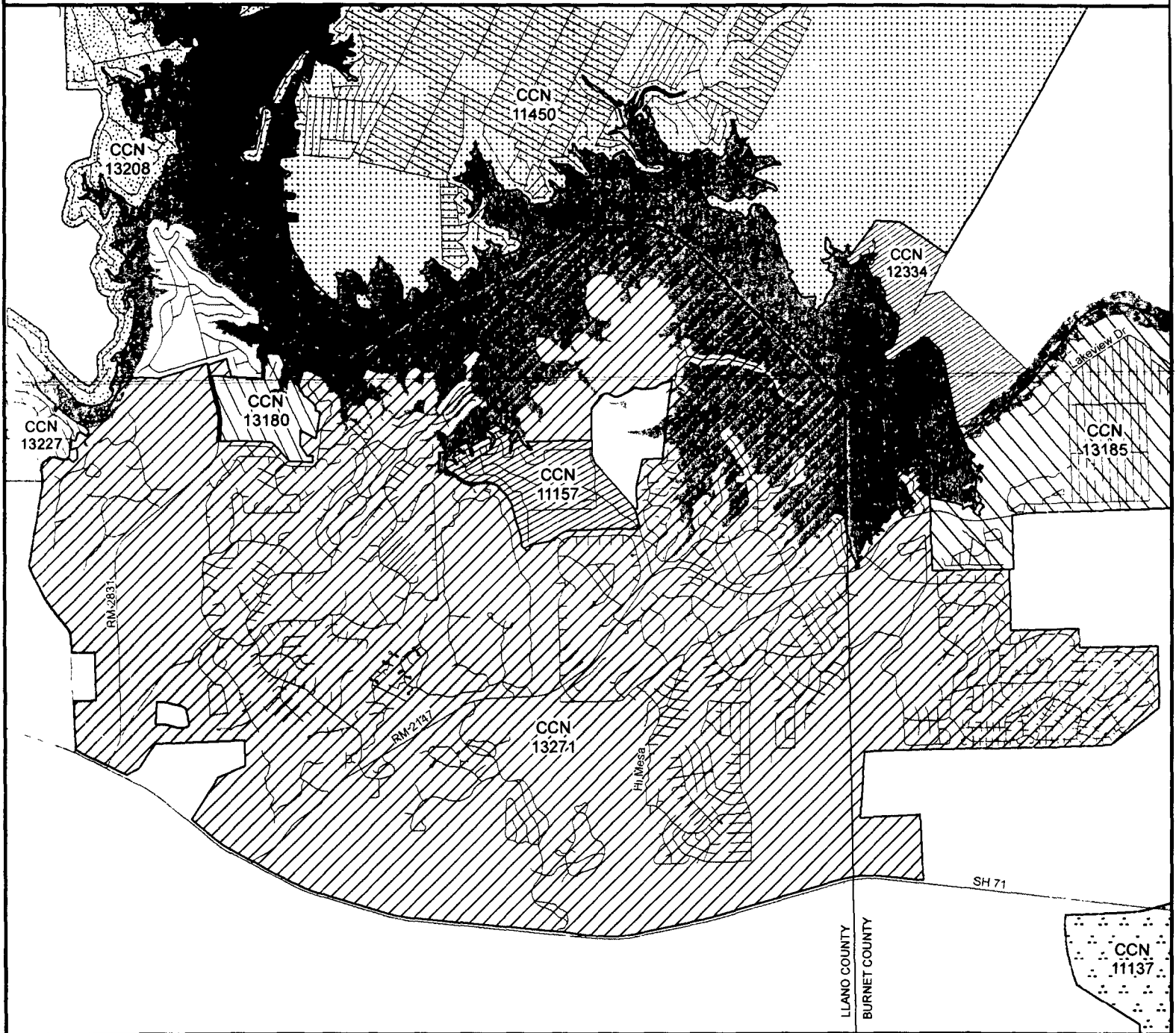
Map by Komal Patel
Date created: August 1, 2018
Project Path: n:\finalmapping\
47398HorseshoeBaySewer.mxd

Horseshoe Bay Water Utility

Water CCN No. 13271

PUC Docket No. 47398

Obtained New CCN and Decertified Deerhaven, Inc., CCN No. 10467 in Burnet and Llano Counties






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

Map by: Komal Patel
Date created: August 1, 2018
Project Path: n:\vinalmapping\
47398HorseshoeBayWater.mxd

Water CCN

-  13271 - Horseshoe Bay Water Utility
-  13227 - Corix Utilities Texas Inc
-  13208 - City of Sunrise Beach Village
-  13180 - Deerhaven WCID
-  11157 - Aqua Texas Inc
-  13185 - City of Cottonwood Shores

-  11450 - City of Granite Shoals
-  11137 - City of Marble Falls
-  12334 - Wilderness Cove WC

0 2,250 4,500
Feet

