



Control Number: 47647



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APPLICATION OF RINCON WATER	§	PUBLIC UTILITY COMMISSION
SUPPLY CORPORATION TO	§	OF TEXAS
AMEND A WATER CERTIFICATE	§	
OF CONVENIENCE AND	§	
NECESSITY IN SAN PATRICIO AND	§	
ARANSAS COUNTIES	§	

**CITY OF GREGORY'S LIST OF ISSUES TO BE ADDRESSED DURING CONTESTED
CASE HEARING**

NOW COMES the **CITY OF GREGORY, TEXAS** ("City" or "Gregory") an intervenor and named party in the above-referenced matter, and submits this List of Issues to be addressed during the Contested Case Hearing.

**I.
BACKGROUND**

1. Rincon Water Supply Corporation ("Rincon") is a Class B investor-owned utility. On September 26, 2017, Rincon filed with the Public Utility Commission of Texas ("Commission") an Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity ("Application") to amend Certificate of Convenience and Necessity ("CCN") No. 114400, in San Patricio and Aransas Counties.
2. On December 12, 2017, named party, City of Taft, requested a hearing on the Application. On February 26, 2018, the Commission referred this case to the State Office of Administrative Hearings ("SOAH"). Later, Rincon changed its amended CCN map to the satisfaction of the City of Taft.
3. On or about May 30, 2019, the PUC staff contacted the City of Taft and was informed that because Rincon filed amended maps on February 26, 2019, the City no longer seeks a

hearing on the merits. PUC staff requested the ALJ dismiss this case from SOAH and send it back to the Commission for administrative processing.

4. On June 3, 2019, the SOAH Administrative Law Judge (“ALJ”) entered Order No. 7, remanding this case back to the Commission.

5. On or about September 23rd, 2019, the City of Gregory filed a Motion to Intervene in this case. On October 3rd, 2019, the Commission ALJ issued Order No. 11, finding the City presented a justiciable interest in this case and granting the City’s Motion to Intervene.

6. On December 17, 2019, the Commission filed an Order of Referral, referring this case back to SOAH, and, *inter alia*, authorizing Commission Staff and any other interested party to file a list of issues to be addressed in the SOAH docket. The Order of Referral requires the parties to submit their lists of issues by January 2, 2020. Therefore, this pleading is timely filed.

II. ISSUES TO BE ADDRESSED

7. The City asserts that the ALJ should address the following two issues: (1) Does Rincon’s proposed CCN expansion encroach upon or interfere with the City’s powers and privileges within the City’s extraterritorial jurisdiction (“ETJ”)? and (2) Does Rincon’s Application meet the Criteria for Granting or Amending a CCN, as provided under 16 Tex. Admin. Code § 24.227 (“Rule 24.227”)?

8. If the Commission approves the Application as submitted, Rincon would interfere with Gregory’s rights, privileges, powers, and authority to provide water, sewer, and other services within its ETJ.

9. Rule 24.227 provides, *inter alia*, that,

In considering whether to grant or amend a CCN, the commission shall also consider: (1) the adequacy of service currently provided to the requested area; (2) the need for additional service in the requested area, including, but not limited to: whether any

landowners, prospective landowners, tenants, or residents have requested service; (B) economic needs; (C) environmental needs; (D) written application or requests for service; or (E) reports or market studies demonstrating existing or anticipated growth in the area....

16 Tex. Admin. Code § 24.227(d)(2). However, within the Application, Rincon provides only one (1) request for service from a land owner (see Application at email from Kristin LeBlanc to Rincon), which is dated July 7, 2016, approximately three-and-a-half years ago.

10. Rincon then admits within the Application that there are no economic needs, environmental needs, or market studies to support its CCN expansion. See Application at 2. Location Information.

11. Therefore, Rincon's Application fails to meet the criteria the Commission must consider in determining whether there is a need for additional service in the requested area, as provided under Rule 24.227(d)(2).

12. The only financial information Rincon has provided is for the 2016 calendar/fiscal year, which is not adequate to determine Rincon's current financial status. See Application at Rincon Water Supply Corporation Balance Sheet. Therefore, the Commission has no way to determine whether Rincon has the financial ability "to pay for the facilities necessary to provide continuous and adequate service and the financial stability," as the Commission is required to consider under Rule 24.227(d)(6).

13. Within its Application, Rincon also fails to provide evidence supporting any other criteria provided under 24.227(d), such as the effect that granting the amendment will have on any landowner (see Rule 24.227(d)(3); Rincon's ability to provide adequate service within the requested area (see Rule 24.227(d)(4); the probable improvement in service or lowering of cost to consumers within the requested area (see Rule 24.227(d)(8); etc.

14. The ALJ should recommend that the Commission deny the Application accordingly.

**III.
CONCLUSION**

15. For the preceding reasons, the City of Gregory asserts that the ALJ should consider each of the issues discussed above during the contested case hearing.

Signed this 2nd day of January, 2020.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing instrument will be served on all parties of record on this 2nd day of January, 2020, in accordance with 16 T.A.C. § 22.74.

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