



Control Number: 47696



Item Number: 24

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DOCKET NO. 47696

**APPLICATION OF WINDTHORST
WATER SUPPLY CORPORATION TO
AMEND A WATER CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
ARCHER COUNTY** §
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§
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PUBLIC UTILITY COMMISSION

2018 OCT 22 AM 9:36
PUBLIC UTILITY COMMISSION
OF TEXAS
FILING CLERK

COMMISSION STAFF'S RECOMMENDATION ON FINAL DISPOSITION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and in response to Order No. 8, files this Recommendation on Final Disposition. In support thereof, Staff shows the following:

I. BACKGROUND

On October 16, 2017, Windthorst Water Supply Corporation (Windthorst) filed an application to amend its water Certificate of Convenience and Necessity (CCN) No. 11355 in Archer County. The service area being requested includes 3 separate areas totaling approximately 368 acres, with a total of 3 current customers.

On July 13, 2018, the Commission administrative law judge (ALJ) issued Order No. 8, deeming notice sufficient, and requiring Staff to file a final recommendation on the application by October 22, 2018. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON FINAL DISPOSITION

As detailed in the attached memorandum from Jolie Mathis in the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that it be approved.

III. CONCLUSION

Staff respectfully requests that the ALJ issue an order consistent with the above recommendation.

Dated: October 22, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney



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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 22, 2018, in accordance with 16 TAC § 22.74.



Joshua Adam Barron

PUC Interoffice Memorandum

To: Joshua Barron, Attorney
Legal Division

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

From: Jolie Mathis, Engineering Specialist
Water Utility Regulation Division

Date: October 16, 2018

Subject: **Docket 47696, Application of Windthorst Water Supply Corporation to Amend a Water Certificate of Convenience and Necessity in Archer County**

On October 16, 2017, Windthorst Water Supply Corporation (Windthorst) filed with the Public Utility Commission of Texas (Commission) an application to amend its water Certificate of Convenience and Necessity (CCN) No. 11355 in Archer County, Texas pursuant to Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Tex. Admin Code (TAC) §§ 24.225 to 24.237.

Background

The Applicant is seeking to amend a water CCN for a service area containing approximately 368 acres and 3 existing customers.

Notice

The comment period ended July 13, 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 Texas Commission on Environmental Quality (TCEQ) approved Public Water System (PWS) Identification No. 0050013. The Applicant does not have any violations listed in the TCEQ database.

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

One new customer has requested service, so there is an immediate need for water service.

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 there are no other retail public utilities in the area.

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

The Applicant has a TCEQ approved Public Water System (PWS) Identification No. 0050013.

The Applicant does not have any violations listed in the TCEQ database.

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

Currently, there are no other water providers in the 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.

TWC § 13.246(c)(6) requires the Public Utility Commission of Texas (Commission) to consider the financial ability of the applicant to pay for facilities necessary to provide continuous and adequate service and the financial stability of the applicant. According to 16 TAC § 24.11 (TAC) the criteria necessary to demonstrate that an owner or operator of a retail public utility has the financial resources to operate and manage the utility and to provide continuous and adequate service to the current and proposed utility service area includes a financial tests comprised of leverage tests and an operations test.

Windthorst has no additional costs required to provide service since the appropriate infrastructure already exists and plant capacity is adequate to meet the demand of the new connection to be added.

The Applicant meets two of the four leverage tests indicated in 16 TAC § 24.11(e)(2). The owner or operator must have a **debt to equity ratio of one or less than one**, using long term debt and equity or net assets. Windthorst has no debt, resulting in a debt to equity ratio of zero which meets the debt to equity ratio requirement and meets the debt service coverage requirement with annual net operating income prior to depreciation of \$240,898 with no debt service.

Windthorst meets the operations test which requires that the owner or operator must demonstrate sufficient cash is available to cover any projected operations and maintenance shortages in the first five years of operations. Windthorst has indicated that no operation or maintenance shortages are projected for the next five years of operations.

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.

Due to the rural location of the proposed project, a rapid or substantial change in land use is not anticipated.

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

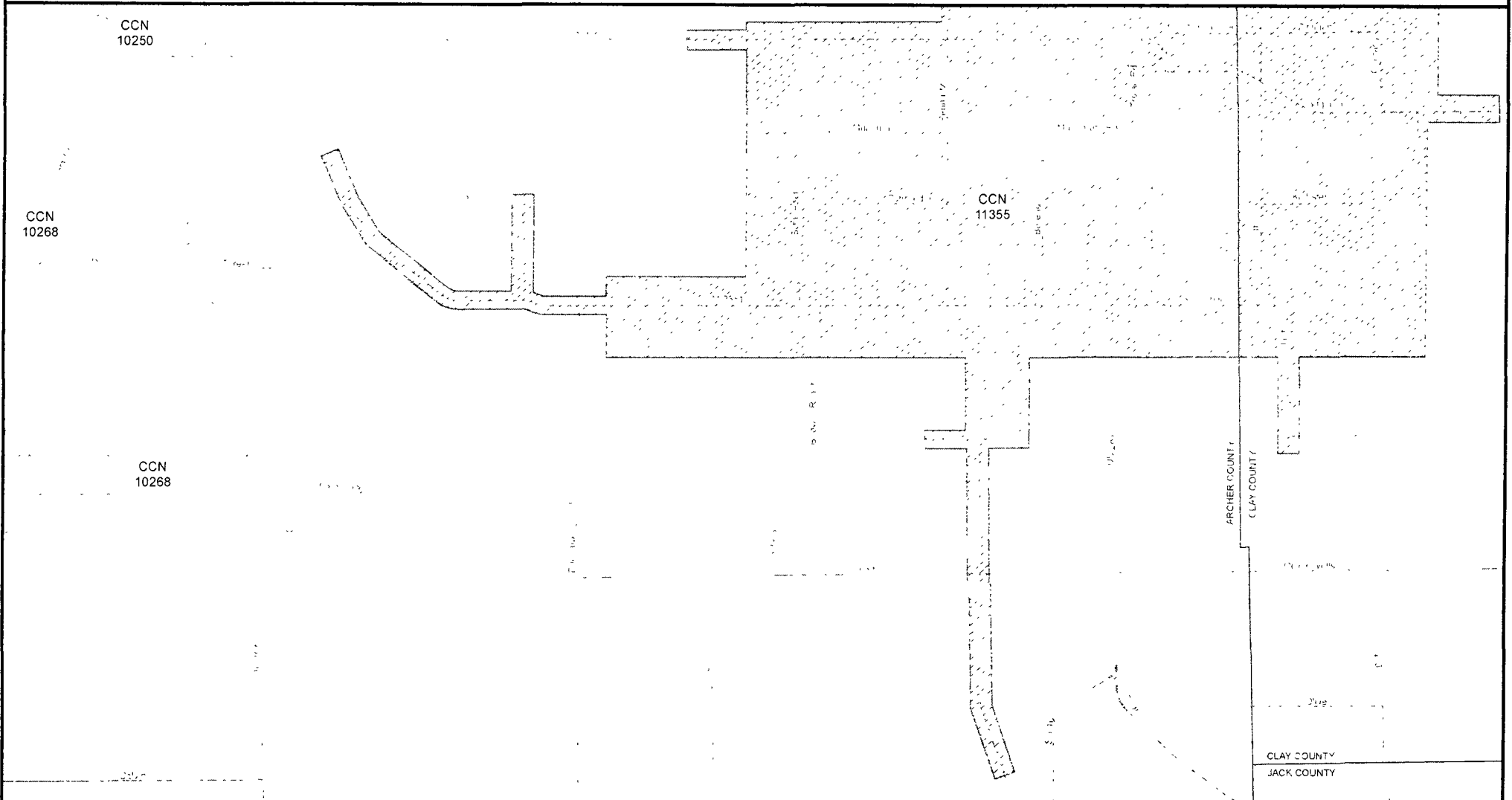
The Applicant will continue to provide water service to the existing customers in the area.

Staff recommends that the Applicant meets all of the statutory requirements of Texas Water Code Chapter 13 and the Commission's Chapter 24 rules and regulations, is capable of providing continuous and adequate service and approving this application to amend a water CCN No. 11355 is necessary for the service, accommodation, convenience and safety of the public.

The Applicant consented to the attached map and certificate on October 9, 2018.




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

Windthorst Water Supply Corporation
Portion of Water CCN No. 11355
PUC Docket No. 47696
Amended CCN No. 11355 in Archer County



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

Water CCN

-  11355 - Windthorst WSC
-  10268 - Wichita Valley WSC
-  10250 - City of Archer City

0 4,000 8,000
Feet



Map by Komal Patel
Date created September 24, 2018
Project Path n:\finalmapping\
47696WindthorstWSC.mxd



Public Utility Commission Of Texas

By These Presents Be It Known To All That

Windthorst 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, Windthorst Water Supply Corporation, is entitled to this

Certificate of Convenience and Necessity No. 11355

to provide continuous and adequate water utility service to that service area or those service areas in Archer and Clay Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 47696 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 Windthorst 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, this _____ day of _____ 2018.