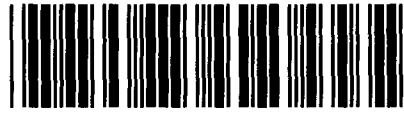


Control Number: 48033



Item Number: 38

Addendum StartPage: 0

DOCKET NO. 48033

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APPLICATION OF CRYSTAL SPRINGS §
WATER CO., INC. TO AMEND A §
WATER CERTIFICATE OF §
CONVENIENCE AND NECESSITY IN §
MONTGOMERY COUNTY §

PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

NOTICE OF APPROVAL

This Notice addresses the application of Crystal Springs Water Co., Inc. to amend its water certificate of convenience and necessity (CCN) by adding to its existing service area in Montgomery County. The Commission approves the application and amends Crystal Springs' water CCN to include 102.291 acres in Montgomery County.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Applicant

1. Crystal Springs is a domestic corporation registered with the Texas secretary of state on February 9, 1979, under file number 46316600.
2. Crystal Springs operates, maintains, and controls facilities for providing potable water service for compensation to areas in Montgomery County under CCN number 11373.

Application

3. On February 7, 2018, Crystal Springs filed an application to amend water CCN number 11373 in Montgomery County.
4. Crystal Springs seeks to add an area that is approximately 102.291 acres of land in size, and has no current customers.
5. The requested area will be developed into the Monterrey Oaks subdivision.
6. The requested area is approximately 3.25 miles north of Splendora and bounded on the north by Morgan Cemetery Road and on the east by Autumn Lane, on the south by a line 3,325 feet south of and parallel to Morgan Cemetery Road, and on the west by Crossno Road.

7. No portion of the service area is located within an incorporated city, a district, or the certificated service area of another utility.
8. There is no current water service in the requested area.
9. The requested amendment will add 102.291 acres of land in size to Crystal Springs' CCN area.
10. On April 30, 2018, May 10, 2018, July 9, 2018, and December 12, 2018, Crystal Springs supplemented the application with responses to Commission Staff's requests for information, publishers affidavits, and the distribution system approval letter from the Texas Commission on Environmental Quality (TCEQ).
11. In Order No. 2, issued on March 9, 2018, the administrative law judge (ALJ) deemed Crystal Springs' application administratively complete.
12. On August 30, 2018, Crystal Springs filed a consent form concurring with the map and certificate as prepared by Commission Staff.

Notice of Application

13. Notice of the application appeared in the October 26, 2018 issue of the Texas Register.
14. On April 30, 2018, Crystal Springs filed a publisher's affidavit attesting to notice by publication in the Cleveland Advocate, a newspaper of general circulation in Montgomery County on March 14 and March 21, 2018.
15. On April 30, 2018, Crystal Springs filed an affidavit of Shelley Young, Project Engineer of Crystal Springs, attesting that notice was mailed to neighboring utilities, landowners, and cities on March 8, 2018.
16. In Order No. 5 issued on May 22, 2018, the ALJ found notice sufficient.

Evidentiary Record

17. On January 16, 2019, the parties filed a joint motion for admission of evidence.
18. In Order No. 13 issued on February 11, 2019, the ALJ admitted the following evidence into the record of this proceeding: (a) application of Crystal Springs filed on February 2, 2018; (b) supplements to the application filed on April 30, 2018, May 10, 2018, July 9, 2018, and December 12, 2018; (c) notices and affidavits filed on April 30, 2018; (d) consent

form filed on August 30, 2018 and September 14, 2018; and (e) Commission Staff's recommendation on final disposition and supporting documents filed on December 19, 2018.

Adequacy of Existing Service—TWC § 13.246(c)(1), 16 TAC § 24.227(d)(1)

19. There are no customers in the requested area.
20. There are no water or sewer services in the requested area.

Need for Service—TWC § 13.246(1) and 16 TAC § 24.227(d)(1)

21. The requested area is currently undeveloped land that will be developed into the Monterrey Oaks subdivision with approximately 240 water and sewer connections.

Effect of Granting the Amendment—TWC § 13.246(c)(3), 16 TAC § 24.227(d)(3)

22. There are no other retail public utilities in the requested area.
23. Granting Crystal Springs' CCN amendment will enable it to serve the requested area with a new water system and distribution system.
24. The Commission received no protests or concerns from any other adjacent retail public utility.

Ability to Serve: Managerial and Technical—TWC §§ 13.246(c)(4), 13.241(a), 16 TAC §§ 24.227(a), 24.227(d)(4)

25. Crystal Springs has a Texas Commission on Environmental Quality (TCEQ)-approved public water system identification number 1700879, which is capable of providing drinking water that meets the requirements of Texas Health and Safety Code chapter 341 and TCEQ rules.
26. Crystal Springs' public water system has no current drinking water violations.
27. Crystal Springs will construct a new water plant and distribution system to serve the requested area.

Ability to Serve: Financial Ability and Stability—TWC §§ 13.246(c)(6), 13.241(a), 16 TAC §§ 24.227(a), 24.227(d)(6), 24.111(e)

28. Crystal Springs has the financial ability and stability to pay for facilities necessary to provide continuous and adequate service to the requested area.
29. Crystal Springs has a debt-to-equity ratio of less than one.

30. Crystal Springs provided projected financial statements that indicate the net income from continuing operations is projected to be negative for two of the next five years.
31. Crystal Springs has a debt-service-coverage ratio of more than 1.25 with no long-term debt.
32. Crystal Springs has a \$1.2 million line of credit that it can draw from and \$682,036 in cash; these funds will be used to construct the water system and distribution system.

Financial Assurance—TWC § 13.246(d), 16 TAC § 24.227(e)

33. There is no need to require Crystal Springs to provide a bond or other financial assurance to ensure continuous and adequate service.

Service from Other Utilities—TWC § 13.246(c)(5), 16 TAC § 24.227(d)(3)

34. There are no other utilities that serve the requested area.

Regionalization or Consolidation—TWC §§ 13.241(d), 16 TAC § 24.227(b)

35. Regionalization or consolidation with another retail public utility is not economically feasible.

Environmental Integrity—TWC § 13.246(c)(7), 16 TAC § 24.227(d)(7)

36. Granting Crystal Springs' CCN amendment will affect the environmental integrity of the land due to the land clearing and construction necessary to provide service to the requested area.

Improvement in Service—TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)

37. Granting Crystal Springs' CCN amendment will enable future customers to receive water service comparable in quality to service already provided to current customers.

Lowering of Cost—TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)

38. Granting Crystal Springs' CCN amendment will enable future customers to receive water service comparable in cost to service already provided to current customers.

Effect on Land—TWC § 13.246(c)(9), 16 TAC § 24.227(d)(9)

39. Granting Crystal Springs' CCN amendment will affect the land due to the land clearing and construction necessary to provide service to the requested area.
40. The requested area is undeveloped land that will be developed into a residential neighborhood.

Tariff and Map

41. On August 23, 2018, Commission Staff emailed its proposed map and certificate to Crystal Springs.
42. On August 30, 2018, Crystal Springs filed its consent to the proposed map and certificate.
43. On September 10, 2018, Commission Staff emailed its proposed tariff to Crystal Springs.
44. On September 14, 2018, Crystal Springs filed its consent to the proposed tariff.
45. On December 19, 2018, Commission Staff filed the proposed tariff, map, and certificate as an attachment to its recommendation.

Informal Disposition

46. More than 15 days have passed since the completion of the notice provided in this docket.
47. No person filed a protest or motion to intervene.
48. Crystal Springs and Commission Staff are the only parties to this proceeding.
49. No party requested a hearing and no hearing is needed.
50. Commission Staff recommended approval of the application.
51. This decision is not adverse to any party.

II. Conclusions of Law

1. The Commission has jurisdiction over the application under TWC §§ 13.041, 13.241, 13.244, and 13.246.
2. Crystal Springs is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(59) and a water supply corporation as defined in TWC § 13.002(24) and 16 TAC § 24.3(77).
3. Notice of the application complies with TWC § 13.246 and 16 TAC § 24.235.
4. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,¹ TWC, and Commission rules.

¹ Administrative Procedure Act, Tex. Gov't Code §§ 20001.001–902.

5. Crystal Springs possesses the financial, managerial, and technical capability for providing continuous and adequate service to the requested area and its current service area as required by TWC § 13.241 and 16 TAC § 24.227.
6. Crystal Springs has demonstrated that the application meets the requirements set forth in TWC §§ 13.241, 13.244, and 13.246 and 16 TAC § 24.225 and §24.227 to be granted an amendment to its CCN.
7. The amendment to CCN number 11373 is required for the public convenience and necessity and is necessary for the service, accommodation, convenience, and safety of the public as required by TWC § 13.246(b) and 16 TAC § 24.227(c).
8. Under TWC § 13.250, Crystal Springs must serve every customer within the added area under CCN number 11373, and the service must be continuous and adequate.
9. Under TWC § 13.257(r) and (s), Crystal Springs is required to record a certified copy of the approved CCN and map, along with a boundary description of the service area, in the real property records of each county in which the service area or a portion of the service area is located, and submit to the Commission evidence of the recording.
10. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

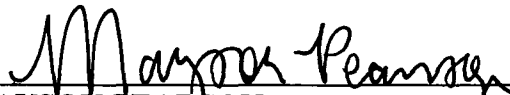
III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission amends Crystal Springs CCN number 11373 to include the requested area as described in this Notice and shown on the map attached to this Notice.
2. The Commission grants the certificate attached to this Notice.
3. The Commission approves the tariff filed by Commission Staff on December 19, 2018.
4. Within ten days after the date of this Notice, Commission Staff must provide a clean copy of the tariff approved in this Notice to central records to be marked *Approved* and filed in the Commission's tariff book.

5. Crystal Springs must provide continuous and adequate service to every consumer within its certificated service area in accordance with its tariff.
6. Crystal Springs must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Montgomery County affected by the application.
7. Crystal Springs must file in this docket proof of the recording required in ordering paragraph 6 not later than 45 days after the date of this Notice.
8. The Commission denies all motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 1st day of March 2019.



MAYSON PEARSON
ADMINISTRATIVE LAW JUDGE

W2013

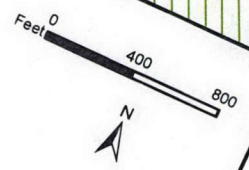
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Crystal Springs Water Co. Inc.
Portion of Water CCN No. 11373
PUC Docket No. 48033
Amended CCN in Montgomery County



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

- Water CCN**
- 11373 - Crystal Springs Water Co Inc
 - 11727 - City of Splendora
 - 12879 - Northwoods WSC



Map by: Komal Patel
Date created: August 21, 2018
Project Path: n:\finalmapping\48033CrystalSprings.mxd



Public Utility Commission of Texas

**By These Presents Be It Known To All That
Crystal Springs Water Co., Inc.**

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, Crystal Springs Water Co., Inc., is entitled to this

Certificate of Convenience and Necessity No. 11373

to provide continuous and adequate water utility service to that service area or those service areas in Montgomery County as by final Order duly entered by this Commission, which Order resulting from Docket No. 48033 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 Crystal Springs Water Co., Inc. 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 1st day of March 2019.