

DOCKET NO. 48034

**APPLICATION OF QUADVEST, L.P.
TO AMEND ITS WATER
CERTIFICATE OF CONVENIENCE
AND NECESSITY IN FORT BEND
COUNTY**

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PUBLIC UTILITY COMMISSION

OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Quadvest, L.P. to amend its water certificate of convenience and necessity (CCN) number 11612 and sewer CCN number 20952 to include an additional 109 acres of service area in Fort Bend County. The Commission amends Quadvest's CCN number 11612 and 20952 to include the requested area.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Quadvest is a domestic limited partnership registered with the Texas secretary of state on August 31, 2005, under filing number 800539284.
2. Quadvest operates, maintains, and controls facilities that provide water service under CCN number 11612 in Fort Bend County.
3. Quadvest operates, maintains, and controls facilities that provide sewer service under CCN number 20952 in Fort Bend County

Application

4. On February 7, 2018, Quadvest filed an application to amend its water CCN number 11612 and sewer CCN number 20952 in Fort Bend County.
5. On April 9, 2018, Quadvest filed a response to Order No. 2, including confidential materials to supplement the application.
6. On June 11, 2019, Quadvest filed a supplemental response to Order No. 2.
7. On December 6, 2019, Quadvest filed an underground approval letter from the Texas Commission on Environmental Quality (TCEQ).

8. On December 11, 2019, Quadvest filed a construction approval letter from the TCEQ.
9. On March 9, 2020, Quadvest filed a water underground approval letter from the TCEQ.
10. The requested area consists of approximately 109 acres and 0 current customers.
11. The requested area is located approximately 8.5 miles southeast of downtown Rosenberg and is generally bounded on the north by Fairchilds Creek; on the east by Boothline Road; on the south by Vacek Road; and on the west by Leroy Road.
12. In Order No. 3 filed on April 25, 2018, the administrative law judge (ALJ) found the application administratively complete.
13. On April 21, 2020, Commission Staff filed its final recommendation.

Notice

14. On May 25, 2018, Quadvest filed the affidavit of Yvette Castro, Partner at Quadvest, attesting that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on May 5, 2018.
15. On June 11, 2018, Quadvest filed a publisher's affidavit attesting to publication of notice in the *Houston Chronicle dba Sugarland Sun*, a newspaper of general circulation in Fort Bend County, on May 2, 2018 and May 9, 2018.
16. In Order No. 5 filed on June 27, 2018, the ALJ found the notice sufficient.

Evidentiary Record

17. On May 5, 2020, Commission Staff and Quadvest filed an agreed motion to admit evidence.
18. In Order No. 16 filed on May 22nd, 2020, the ALJ admitted the following evidence into the record of this proceeding: (a) Quadvest's application, including confidential materials filed on February 7, 2018; (b) Quadvest's response to Order No. 2, including confidential materials supplementing the application filed on April 9, 2018; (c) Commission Staff's supplemental recommendation on administrative completeness filed on April 23, 2018; (d) Quadvest's response to Commission Staff's first request for information, including confidential materials filed on May 17, 2018; (e) Quadvest's proof of notice and affidavits, filed on May 25, 2018; (f) Quadvest's corrected publisher's affidavit filed on June 11,

2018; (g) Commission Staff's supplemental recommendation on sufficiency of notice filed on June 22, 2018; (h) Quadvest's supplemental response to Order No. 2 supplementing the application filed June 11, 2019; (i) water underground approval letter from TCEQ filed on December 6, 2019; (j) construction approval letter from TCEQ filed on December 11, 2019; (k) water underground approval letter from TCEQ filed on March 9, 2020; (l) Quadvest's consent form filed on April 7, 2020; (m) Commission Staff's final recommendation filed on April 21, 2020; and (n) the final maps, certificates, and tariffs attached to the proposed Notice of Approval filed on May 5, 2020.

Map, Tariff, and Certificate

19. On March 31, 2020, Commission Staff emailed its proposed maps, certificates, and tariffs to Quadvest.
20. On April 7, 2020, Quadvest filed its consent to the maps, certificates and tariffs.
21. On May 5, 2020, the final maps, certificates, and tariffs were filed attached to the Agreed Motion to Admit Evidence and Proposed Notice of Approval.

Adequacy of Existing Service—Texas Water Code (TWC) § 13.246(c)(1), 16 Texas Administrative Code (TAC) § 24.227(e)(1)

22. There are no current customers in the area subject to this application.
23. There is no water service in the requested area.
24. There is no sewer service in the requested area.

Need for Additional Service—TWC § 13.246(c)(2), 16 TAC § 24.227(e)(2)

25. There is a need for service as there are 350 potential new customers in the requested area.
26. The developer has requested Quadvest to provide water and sewer service to their approximately 109 acres

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

27. There will be no effect on any retail public utility servicing the proximate area.
28. Landowners will benefit because they will not have to drill individual wells and build individual septic tanks.

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

29. Quadvest's Public Water System number 0790580 approved by the TCEQ has adequate capacity to meet the projected demands in the requested area.
30. Quadvest has several wastewater treatment facilities under water quality discharge permits registered with TCEQ.
31. Quadvest does not have any violations listed in the TCEQ database.
32. Additional construction is necessary for Quadvest to serve the requested area.
33. Quadvest has filed the construction approval letter from TCEQ for an additional public water system.
34. Quadvest has filed the TCEQ approved water quality discharge permit for new wastewater facilities.
35. Quadvest has the managerial and technical capability to provide continuous and adequate service to the requested area.

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

36. Quadvest requested service from utilities surrounding the requested area, with no response.
37. Currently, there are no other water and sewer service providers in the adjacent area which could serve the requested area.

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

35. Quadvest meets three of the five financial leverage tests: (a) Quadvest has a debt to equity ratio of less than one, (b) Quadvest projects a positive cash flow in the first year of operations, (c) Quadvest has unrestricted cash reserves covering two years of debt service.
36. Quadvest has the financial ability and financial stability to pay for the facilities necessary to provide continuous and adequate service to the requested area

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

38. The environmental integrity of the land will be minimally affected as a result of the requested CCN amendments.

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

39. No service exists today in the requested area; therefore, these criteria were not considered.

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

40. There are no current customers in the requested area.

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

41. The effect on the land will be minimally affected as a result of the requested CCN amendments.

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

42. There is no need to require Quadvest to provide a bond or other financial assurance to ensure continuous and adequate service.

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

43. Requests for water service were made by Quadvest to the utilities surrounding the requested area and no response was received; therefore, concerns of regionalization or consolidation are not applicable.

Informal Disposition

44. More than 15 days have passed since the completion of notice provided in this docket.

45. No person filed a protest or motion to intervene.

46. Commission Staff and Quadvest are the only parties to this proceeding.

47. No party requested a hearing and no hearing is necessary.

48. Commission Staff recommended approval of the application.

49. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this proceeding under TWC §§ 13.041, 13.241, 13.244, and 13.246.
2. Quadvest is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).

3. Notice of the application was provided in compliance 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 the TWC, and Commission rules.
5. Quadvest possesses the adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested service area and its current service area as required by TWC § 13.241(a) and 16 TAC § 24.227.
6. The amendment to water CCN number 11612 and sewer CCN number 20952 are necessary for the service, accommodation, convenience, and safety of the public as required by TWC § 13.246(b) and 16 TAC § 24.227(c).
7. Quadvest must record a certified copy of its approved map and certificate, along with a boundary description of the service area, in the real property records of Fort Bend County within 31 days of receiving this Notice of Approval and submit evidence of the recording to the Commission, in accordance with TWC § 13.257(r) and (s).
8. 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 approves the application, as amended and supplemented.
2. The Commission amends Quadvest's water CCN number 11612 and sewer CCN number 20952 to include the requested area described in this Notice of Approval and shown on the attached map.
3. The Commission grants the certificates attached to this Notice of Approval.
4. The Commission approves the tariffs filed by Commission Staff on May 5, 2020.

¹ Tex. Gov't Code ch. 2001

5. Quadvest must serve every customer and applicant for service within the approved areas under water CCN number 11612 who requests water service and meets the terms of Quadvest's water service, and such service must be continuous and adequate.
6. Quadvest must service every customer and applicant for service within the approved areas under sewer CCN number 20952 who request sewer service and meets the terms of Quadvest's sewer service and such service must be continuous and adequate.
7. Quadvest must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Fort Bend County affected by the application.
8. Within ten days after the date of this Notice of Approval, Commission Staff must provide a clean copy of the tariff approved in this Notice of Approval to Central Records to be marked *Approved* and filed in the Commission's tariff book.
9. Quadvest must file in this docket proof of the recording required in ordering paragraph seven no later than 31 days after the date of this Notice of Approval.
10. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

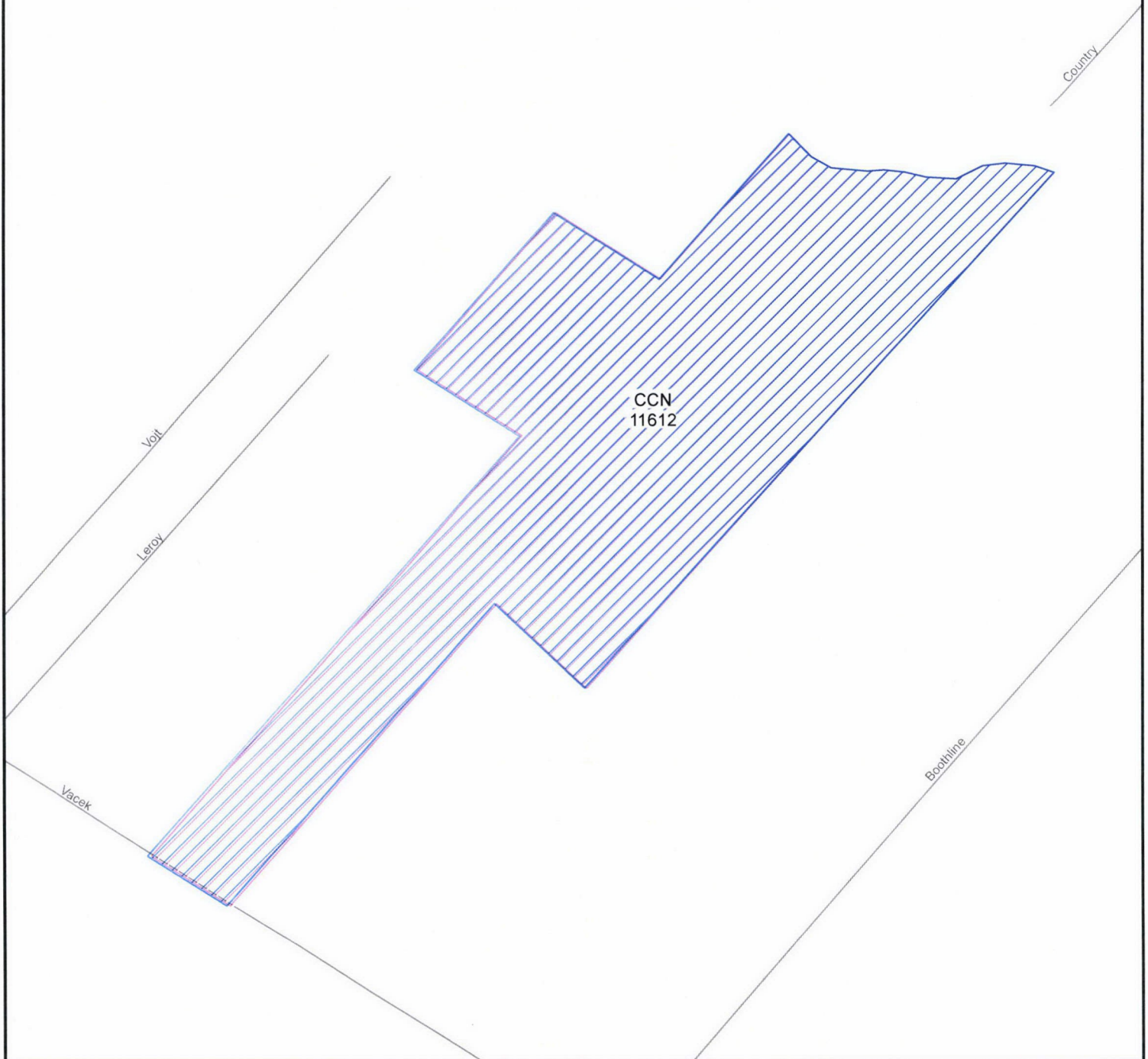
Signed at Austin, Texas the 22nd day of May 2020.

PUBLIC UTILITY COMMISSION OF TEXAS



**GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE**

Quadvest, L.P.
Portion of Water CCN No. 11612
PUC Docket No. 48034
Amended CCN No. 11612 in Fort Bend County



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

Water CCN

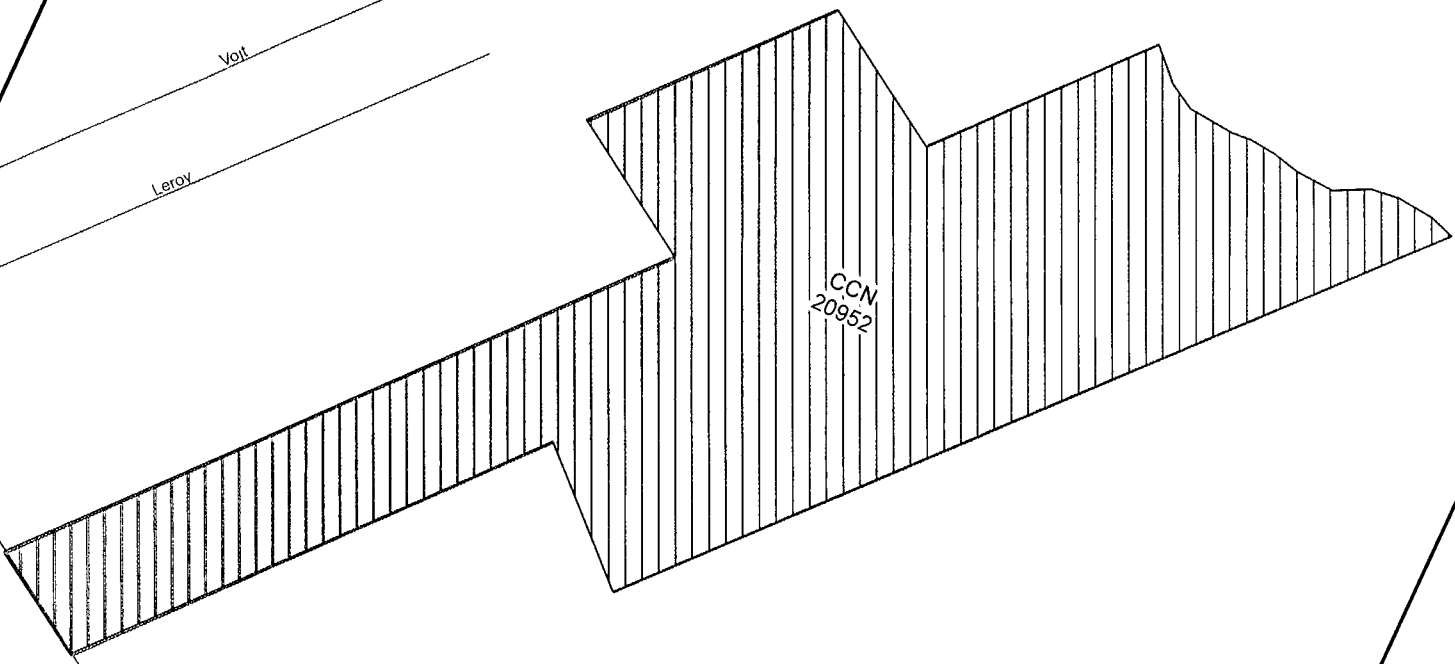
 11612 - Quadvest LP

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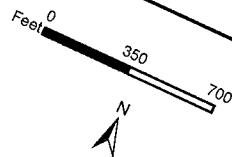
Map by: Komal Patel
Date created: March 25, 2020
Project Path: n:\finalmapping\
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Quadvest, L.P.
Portion of Sewer CCN No. 20952
PUC Docket No. 48034
Amended CCN No. 20952 in Fort Bend County

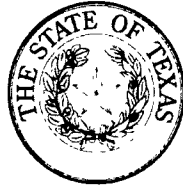


Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Sewer CCN
20952 - Quadvest LP



Map by: Komal Patel
Date created: March 25, 2020
Project Path: n\finalmapping\48034QuadvestLP\Sewer.mxd



Public Utility Commission Of Texas

By These Presents Be It Known To All That

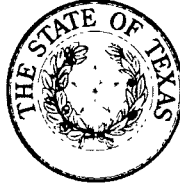
Quadvest, L.P.

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, Quadvest, L.P. is entitled to this

Certificate of Convenience and Necessity No. 11612

to provide continuous and adequate water utility service to that service area or those service areas in Aransas, Brazoria, Fort Bend, Harris, Jackson, Liberty, Matagorda, Montgomery, Walker, and Waller Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48034 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 Quadvest, L.P. 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 22nd day of May 2020.



Public Utility Commission Of Texas

By These Presents Be It Known To All That

Quadvest, L.P.

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, Quadvest, L.P. is entitled to this

Certificate of Convenience and Necessity No. 20952

to provide continuous and adequate sewer utility service to that service area or those service areas in Fort Bend, Harris, Liberty, Montgomery, and Waller Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48034 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 Quadvest, L.P. 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 22nd day of May 2020.