



Control Number: 48460



Item Number: 7

Addendum StartPage: 0

**DeAnn T. Walker**  
Chairman

**Arthur C. D'Andrea**  
Commissioner

**Shelly Botkin**  
Commissioner

**John Paul Urban**  
Executive Director



**Greg Abbott**  
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PUBLIC UTILITY COMMISSION  
CLERK

## *Public Utility Commission of Texas*

TO: DeAnn T. Walker, Chairman  
Arthur C. D'Andrea, Commissioner  
Shelly Botkin, Commissioner

All Parties of Record

FROM: Hunter Burkhalter *HB*  
Administrative Law Judge

RE: **Open Meeting of August 29, 2019**  
**Docket No. 48460** – *Petition to Revoke Hearthstone Colony Water Supply Corporation's Certificate of Convenience and Necessity Pursuant to Texas Water Code § 13.254 and 16 Texas Administrative Code § 24.245*

DATE: August 14, 2019

On July 22, 2019, a proposed default order was issued in the above-referenced docket. The Commission is currently scheduled to consider this docket at an open meeting to begin at 9:30 a.m. on Thursday, August 29, 2019, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas.

A revised proposed default order has been drafted and is attached. The revisions were made primarily to conform with memoranda from Chairman Walker relating to similar matters on the August 8, 2019 agenda. Specifically, the following modifications have been made to the order:

- footnotes 1 and 2 have been deleted.

<sup>1</sup>—The Findings of Fact are derived from the factual allegations found in the Commission Staff's petition and are deemed admitted by default, in accordance with 16 Tex. Admin. Code § 22.183.

<sup>2</sup>—~~<https://www.puc.texas.gov/WaterSearch/Utility?siteId=15574>~~ Under Tex. Gov't Code § 2001.090 and 16 Tex. Admin. Code § 22.222, the ALJ takes official notice of the address as shown in the Commission's records.



**DOCKET NO. 48460**

<b>PETITION TO REVOKE</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>HEARTHSTONE COLONY WATER</b>	<b>§</b>	
<b>SUPPLY CORPORATION'S</b>	<b>§</b>	<b>OF TEXAS</b>
<b>CERTIFICATE OF CONVENIENCE</b>	<b>§</b>	
<b>AND NECESSITY PURSUANT TO</b>	<b>§</b>	
<b>TEXAS WATER CODE § 13.254 AND</b>	<b>§</b>	
<b>16 TEXAS ADMINISTRATIVE CODE</b>	<b>§</b>	
<b>§ 24.245</b>	<b>§</b>	

**REVISED PROPOSED DEFAULT ORDER**

This Default Order addresses the petition of Commission Staff to revoke the water certificate of convenience and necessity (CCN) of Hearthstone Colony Water Supply Corporation for violations of the Texas Water Code and Commission rules. The Commission grants the petition, by default, and revokes Hearthstone Colony WSC's CCN number 11755.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**CCN Holder**

1. Hearthstone Colony WSC is registered with the Texas secretary of state as a domestic for-profit corporation under file number 61150600.
2. Hearthstone Colony WSC is authorized to provide water service under CCN number 11755 in Harris County.

**Commission Staff's Petition**

3. On June 13, 2018, Commission Staff filed its petition in this proceeding, in which it seeks to revoke the CCN of Hearthstone Colony WSC for failure to provide continuous and adequate water service.
4. The petition alleges that Hearthstone Colony WSC is no longer providing and is incapable of providing continuous and adequate water service and, therefore, its CCN should be revoked under Texas Water Code (TWC) § 13.254(a)(1) and 16 Texas Administrative Code (TAC) § 24.245(i)(1)(A) (*formerly* § 24.113(i)(1)(A)).
5. Hearthstone Colony WSC's CCN was issued on April 27, 1983.

6. Hearthstone Colony WSC's status with the Texas secretary of state is listed as inactive.
7. Hearthstone Colony WSC underwent a tax forfeiture on January 21, 1985.
8. The Commission's records indicate that Hearthstone Colony WSC is no longer in business and the facilities it used to provide water service are inactive.
9. Hearthstone Colony WSC is no longer providing and is incapable of providing continuous and adequate water service.

**Notice**

10. The Commission's records list Hearthstone Colony WSC's address as: 5851 San Felipe, Houston, Texas 77057.
11. On June 13, 2018, Commission Staff sent copies of the petition, by certified mail, return receipt requested, to: (a) the address of Hearthstone Colony WSC as shown in the Commission's records; and (b) the address for Hearthstone Colony WSC's registered agent for process, as shown in the records of the Texas secretary of state.
12. The petition notified Hearthstone Colony WSC that it was entitled to request a hearing within 30 days after the filing of the petition, and included the following admonition, in at least 12-point, bold-face type:

**The factual allegations listed in Commission Staff's Amended Petition and Notice of Opportunity for a Hearing could be deemed admitted and the relief sought herein could be granted by default if you fail to timely request a hearing.**

**Evidentiary Record**

13. In Order No. 3 issued on August 14, 2019, the administrative law judge admitted, as evidence in the record of this proceeding, the affidavit of Tasha Lopez and the documents that are attached to Ms. Lopez's affidavit, marked as Attachment Two to Commission Staff's response to Order No. 1 and motion for entry of a default order filed on July 27, 2018.

**The Motion for Default**

14. On July 27, 2018, Commission Staff filed a motion for entry of a default order.

15. The motion for default was served upon Hearthstone Colony WSC in the same way that the petition was served.

**Grounds for Default**

16. More than 30 days have passed since service of the petition to Hearthstone Colony WSC.
17. Hearthstone Colony WSC did not request a hearing on the merits, and did not respond to the petition.
18. More than 30 days have passed since service of the motion for default.
19. Hearthstone Colony WSC did not respond to the motion for default.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this matter under TWC § 13.254.
2. Hearthstone Colony WSC is a retail public utility under 16 TAC § 24.3(59).
3. As the holder of CCN number 11755, Hearthstone Colony WSC is obligated to serve every consumer within its certified area and render continuous and adequate service within the area under TWC § 13.250 and 16 TAC § 24.247.
4. Because Hearthstone Colony WSC is no longer providing and is incapable of providing continuous and adequate service in the area covered by its CCN in violation of TWC § 13.250 and 16 TAC § 24.247, the Commission is entitled to revoke the CCN under TWC § 13.254(a)(1) and 16 TAC § 24.245(i)(1)(A).
5. Adequate notice was provided to Hearthstone Colony WSC in compliance with 16 TAC §§ 22.54 and 22.183, and Texas Government Code § 2001.054.
6. Hearthstone Colony WSC's failure to request a hearing within 30 days of the notice of an opportunity for a hearing qualifies this proceeding for disposition by default under 16 TAC § 22.183.

### III. Ordering Paragraphs

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

1. The Commission deems the allegations in Commission Staff's petition as true.
2. The Commission takes official notice of its records that contain the address of Hearthstone Colony WSC.
3. The motion for default is granted and Hearthstone Colony WSC's CCN number 11755 is revoked.
4. The Commission directs Commission Staff to update its records accordingly.
5. The Commission is not constrained in any manner from requiring additional action or penalties for violations that are not raised here.
6. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the \_\_\_\_ day of August 2019.

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**DEANN T. WALKER, CHAIRMAN**

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**ARTHUR C. D'ANDREA, COMMISSIONER**

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**SHELLY BOTKIN, COMMISSIONER**