

Control Number: 48469



Item Number: 3

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DOCKET NO. 48469

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OF TEXAS

PETITION TO REVOKE NEW DEAL WATER SUPPLY CORPORATION'S SERTIFICATE OF CONVENIENCE AND NECESSITY UNDER TEXAS WATER CODE § 13.254 AND 16 SEXAS ADMINISTRATIVE CODE § 24.113

COMMISSION STAFF'S RESPONSE TO ORDER NO. 1 AND MOTION FOR ENTRY OF A DEFAULT ORDER

Order No. 1, issued on June 28, 2018, ordered Commission Staff to file a proposed default order no later than August 17, 2018. Pursuant to that Order, Commission Staff's Proposed Default Order is attached.

Commission Staff has also attached the affidavit of Tasha Lopez, a legal assistant with the Commission's Oversight and Enforcement Division. Ms. Lopez's affidavit states that she mailed Commission Staff's petition to the addresses listed in the petition and shows that notice was given to New Deal Water Supply Corporation pursuant to Commission Rules and the APA.

As such, Commission Staff requests that the Commission approve the entry of the attached default order.

Respectfully Submitted,

Taylor Kilroy

Attorney, Oversight and Engreement Division

State Bar No. 24087844

(512) 936-7127 T

(512) 936-7208 F

Public Utility Commission of Texas

1701 N. Congress Avenue

P.O. Box 13326

Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that on August 17, 2018, pursuant to 16 TAC § 22.183(b)(2), a copy of this document was sent certified mail, return receipt requested, to the last known address of New Deal Water Supply Corporation (New Deal) in the Commission's records and to the address for the registered agent for process on file with the Secretary of State:

New Deal's Last Known Address in Commission Records:

New Deal WSC PO BOX 117 New Deal, TX 79350

Address for the registered agent for process on file with the Secretary of State:

Billy Fortenberry PO BOX 207 New Deal, TX 79350

Taylor Kilroy

Attachment One Proposed Default Order

DOCKET NO. 48469

PETITION TO REVOKE NEW DEAL	§	PUBLIC UTILITY COMMISSION
WATER SUPPLY CORPORATION'S	§	
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY UNDER TEXAS	§	
WATER CODE § 13.254 AND 16 TEXAS	§	
ADMINISTRATIVE CODE § 24.113	§	OF TEXAS

PROPOSED DEFAULT ORDER

This Order addresses the petition of Commission Staff to revoke the certificate of public convenience and necessity of New Deal Water Supply Corporation for violations of the Texas Water Code¹ and Commission rules.² Commission Staff's petition is granted and certificate of convenience and necessity 11080 is revoked.

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

I. Findings of Fact

- 1. New Deal is a retail public utility that was granted certificate of convenience and necessity 11080 on November 1, 1979.
- 2. New Deal is located in Lubbock County, Texas in the city of New Deal.
- 3. On October 29, 1963, New Deal filed an application with the Texas Secretary of State (SOS) to become a Texas corporation.
- 4. New Deal has ceased to operate and is now listed as inactive on the SOS's website.
- 5. New Deal is no longer in business and the facilities it used to provide continuous and adequate service are inactive.
- 6. On June 18, 2018, Commission Staff filed a petition and provided notice of opportunity for hearing seeking revocation of New Deal's certificate 11080.
- 7. The Petition included the required disclosure in at least 12-point, bold-face type.
- 8. The Petition was sent by certified mail, return receipt requested, to the addresses Commission Staff was able to find for New Deal after reasonable investigation. More

1

¹ Tex. Water Code Ann. § 13.254 (West 2008 and Supp. 2016) (TWC).

² 16 Texas Admin. Code § 24.113 (TAC).

- specifically, the petition was sent by certified mail, return receipt requested, to the address that New Deal most recently had on file with the Commission and the SOS.
- 9. More than 30 days have passed since service of the petition to New Deal.
- 10. New Deal did not request a hearing on the merits.

II. Conclusions of Law

- 1. Texas Water Code (TWC) § 13.242 provides that a "utility ... may not in any way render retail water ... utility service directly or indirectly to the public without first having obtained from the utility commission a certificate that the present or future public convenience and necessity will require that installation, operation, or extension."
- 2. Under 16 Texas Administrative Code (TAC) § 24.3(14), a CCN is "[a] permit issued by the commission which authorizes and obligates a retail public utility to furnish, make available, render, or extend continuous and adequate retail water or sewer utility service to a specified geographic area."
- 3. Under 16 TAC § 24.3(58), a retail public utility is "[a]ny person, corporation, public utility, water supply or sewer service corporation, municipality, political subdivision or agency operating, maintaining, or controlling in this state facilities for providing potable water service or sewer service, or both, for compensation."
- 4. TWC § 13.250 and 16 TAC § 24.114 require a retail public utility that possesses a certificate to provide "continuous and adequate service."
- 5. If the Commission finds that a retail public utility that possesses a certificate "has never provided, is no longer providing, is incapable of providing, or has failed to provide continuous and adequate service in the area, or part of the area, covered by the certificate" in violation of TWC § 13.250 and 16 TAC § 24.114, the Commission may revoke the CCN pursuant to TWC § 13.254 and 16 TAC § 24.113.
- 6. New Deal failed to meet the performance requirements for a certificate holder in TWC § 13.250 and 16 TAC § 24.114 when it ceased operating and ceased to provide continuous and adequate service.
- 7. New Deal is incapable of providing continuous and adequate service in the area covered by certificate 11080.

- 8. Issuance of a default order against New Deal is appropriate because New Deal failed to request a hearing within 30 days of service of the notice of an opportunity for a hearing, as provided in 16 TAC § 22.183(a).
- 9. The requirements for disposition by default in 16 TAC § 22.183 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 order:

- 1. Commission Staff's petition is granted.
- 2. New Deal's certificate 11080 is revoked.
- 3. The Commission shall not be constrained in any manner from requiring additional action or penalties for violations.
- 4. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other request for general or specific relief, if not expressly granted herein, are denied.

Signed at Austin, Texas, the	day of	, 2018.
PUBLIC UT	FILITY COMMISS	SION OF TEXAS
DEANN T.	WALKER, CHAIR	RMAN
ARTHUR C	C. D'ANDREA, CO	MMISSIONER
SHELLYR	OTKIN COMMIS	SIONER

Attachment Two Affidavit of Tasha Lopez

DOCKET NO. 48469

PETITION TO REVOKE NEW DEAL	§	PUBLIC UTILITY COMMISSION
WATER SUPPLY CORPORATION'S	§	
CERTIFICATE OF PUBLIC	§	
CONVENIENCE AND NECESSITY	§	
PURSUANT TO TEX. WATER CODE	§	
ANN. § 13.254 AND 16 TAC § 24.113	§	OF TEXAS

AFFIDAVIT OF TASHA LOPEZ

STATE OF TEXAS §
TRAVIS COUNTY §

BEFORE ME, the undersigned authority, on this day personally appeared, Tasha Lopez, and being by me duly sworn, upon oath declared that the statements and capacity acted in are true and correct.

"My name is Tasha Lopez. I am the legal assistant in the Oversight & Enforcement Division of the Public Utility Commission of Texas (Commission). I am over the age of twenty-one and I am competent to make this Affidavit. In accordance with 16 TAC § 22.183(b), I mailed, by certified mail, a copy of Commission Staff's Petition to Revoke New Deal Water Supply Corporation's Certificate of Public Convenience and Necessity filed on June 18, 2018, to New Deal WSC, and Billy Fortenberry, on June 18, 2018, to the last known addresses. Please see the attached tracking information for each item and copy of the application.

New Deal WSC PO BOX 117 New Deal, TX 79350 Billy Fortenberry PO Box 207

New Deal, Texas 79350

AFFIANT: Tasha Lopez

SWORN TO AND SUBSCRIBED BEFORE ME this day of August 2018

RUBY D. HICKS

Notary Public

STATE OF TEXAS

Commission Exp. 08-25-2018

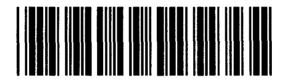
ry without Bond

Notary Public for the State of Texas

CMRR New Deal WSC (Returned)

Ship Request Form

Ship Request #:



Sender

Name:

Tasha Lopez

Account #:

47300 PUC 512-936-7401

Phone: Email:

Company:

Public Utility Commission

eRR Track: 9171999991703104788361

Recipient

Attn To:

New Deal WSC

Company:

New Deal WSC

Address:

PO Box 117

City:

New Deal

State:

TX 79350

Zip: Country:

US

Shipping Instructions

Items

Units 0.00

Description

Code

Origin Unit Value Total Value

USPS Tracking®

FAQs > (http://faq.usps.com/?articleId=220900)

Track Another Package +

Tracking Number: 9171999991703104788361

Remove X

Expected Delivery on

FRIDAY

13 JULY by 8:00pm (i)

Oblivered

July 13, 2018 at 11:47 am Delivered, To Original Sender AUSTIN, TX 78711

Return Receipt Electronic

Tracking History

^

July 13, 2018, 11:47 am
Delivered, To Original Sender
AUSTIN, TX 78711
Your item has been delivered to the original sender at 11:47 am on July 13, 2018 in AUSTIN, TX 78711.

July 13, 2018, 8:26 am
Distribution to PO Box in Progress
AUSTIN, TX 78701

July 13, 2018, 8:16 am Sorting Complete **AUSTIN, TX 78701**

July 13, 2018, 7:59 am Arrived at Unit AUSTIN, TX 78701

July 12, 2018, 4:39 pm
Departed USPS Regional Origin Facility
AUSTIN TX DISTRIBUTION CENTER

July 12, 2018, 3:19 pm
Arrived at USPS Regional Origin Facility
AUSTIN TX DISTRIBUTION CENTER

July 12, 2018 In Transit to Next Facility

July 11, 2018 In Transit to Next Facility

July 10, 2018, 8:42 am
Arrived at USPS Regional Facility
COPPELL TX DISTRIBUTION CENTER

July 6, 2018, 3:00 pm Addressee Unknown NEW DEAL, TX 79350

Reminder to Schedule Redelivery of your item

June 21, 2018, 12:50 pm Available for Pickup NEW DEAL, TX 79350

June 21, 2018, 12:50 pm Arrived at Unit NEW DEAL, TX 79350

June 21, 2018

In Transit to Next Facility

June 20, 2018, 10:40 pm

Departed USPS Regional Facility LUBBOCK TX DISTRIBUTION CENTER

June 20, 2018, 8:22 am

Arrived at USPS Regional Destination Facility LUBBOCK TX DISTRIBUTION CENTER

June 19, 2018

In Transit to Next Facility

June 18, 2018, 8:35 pm

Departed USPS Regional Facility
AUSTIN TX DISTRIBUTION CENTER

June 18, 2018, 7:24 pm

Arrived at USPS Regional Origin Facility AUSTIN TX DISTRIBUTION CENTER

June 18, 2018, 6:09 pm

Accepted at USPS Origin Facility AUSTIN, TX 78701

June 18, 2018

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Product Information



See Less ∧

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs (http://faq.usps.com/?articleId=220900)

The easiest tracking number is the one you don't have to know.

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- · See images* of incoming mail.
- Automatically track the packages you're expecting.
- Set up email and text alerts so you don't need to enter tracking numbers.
- Enter USPS Delivery Instructions[™] for your mail carrier.

Sign Up

(https://reg.usps.com/entreg/RegistrationAction_input?

*NOTE: Black and white (grayscale) images show the outside, front of letter-sized envelopes and mailpieces that are processed approximately ap

CMRR Billy Fortenberry (Delivered)

Ship Request Form

Ship Request #: 16948



Sender

Name:

Tasha Lopez

Account #:

47300 PUC 512-936-7401

Phone: Email:

Company:

Public Utility Commission

eRR Track: 9171999991703104788378

....

Recipient

Attn To:

Billy Fortenberry

Company:

Billy Fortenberry

Address:

PO Box 207

City:

Zip:

New Deal

State:

TX 79350

Country:

US

Shipping Instructions

Items

Units 0.00

Description

Code

Origin Unit Value Total Value

USPS Tracking®

FAQs > (http://faq.usps.com/?articleId=220900)

Track Another Package +

Tracking Number: 9171999991703104788378

Remove X

Your item has been delivered and is available at a PO Box at 12:02 pm on July 3, 2018 in NEW DEAL, TX 79350.

Oblivered

July 3, 2018 at 12:02 pm Delivered, PO Box NEW DEAL, TX 79350

Return Receipt Electronic Tracking History

July 3, 2018, 12:02 pm

Delivered, PO Box NEW DEAL, TX 79350

Your item has been delivered and is available at a PO Box at 12:02 pm on July 3, 2018 in NEW DEAL, TX 79350.

Reminder to Schedule Redelivery of your item

June 21, 2018, 12:50 pm Available for Pickup NEW DEAL, TX 79350 June 21, 2018, 12:50 pm Arrived at Unit NEW DEAL, TX 79350

June 21, 2018

In Transit to Next Facility

June 20, 2018, 10:40 pm

Departed USPS Regional Facility
LUBBOCK TX DISTRIBUTION CENTER

June 20, 2018, 8:18 am

Arrived at USPS Regional Destination Facility LUBBOCK TX DISTRIBUTION CENTER

June 19, 2018

In Transit to Next Facility

June 18, 2018, 8:35 pm

Departed USPS Regional Facility
AUSTIN TX DISTRIBUTION CENTER

June 18, 2018, 7:24 pm

Arrived at USPS Regional Origin Facility AUSTIN TX DISTRIBUTION CENTER

June 18, 2018, 6:09 pm

Accepted at USPS Origin Facility AUSTIN, TX 78701

June 18, 2018

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Product Information



See Less ^

Can't find what you're looking for?

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FAQs (http://faq.usps.com/?articleId=220900)

The easiest tracking number is the one you don't have to know.

With Informed Delivery®, you never have to type in another tracking number. Sign up to:

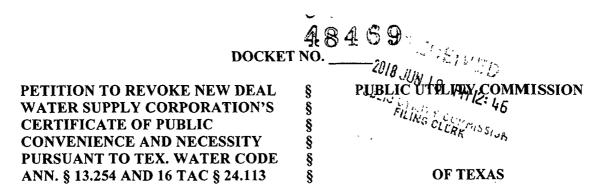
- See images* of incoming mail.
- Automatically track the packages you're expecting.
- Set up email and text alerts so you don't need to enter tracking numbers.
- Enter USPS Delivery Instructions[™] for your mail carrier.

Sign Up

(https://reg.usps.com/entreg/RegistrationAction_input?

*NOTE: Black and white (grayscale) images show the outside, front of letter-sized envelopes and mailpieces that are processed appropriately ap

Petition to Revoke



COMMISSION STAFF'S PETITION TO REVOKE NEW DEAL WATER SUPPLY CORPORATION'S CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND NOTICE OF OPPORTUNITY FOR A HEARING

Staff of the Public Utility Commission of Texas (Commission) files this Petition to Revoke New Deal Water Supply Corporation's Certificate of Public Convenience and Necessity (Petition) and hereby provides notice of the opportunity to request a hearing on the merits of this Petition.

I. INTRODUCTION

For the reasons discussed below, the water service Certificate of Public Convenience and Necessity (CCN) No. 11080 for New Deal Water Supply Corporation (New Deal) should be revoked. Upon investigation, Commission Staff has determined that the public water system associated with New Deal is inactive, and that the CCN should be revoked.

In the event New Deal fails to request a hearing within thirty days of service of this Petition, a default order should be issued, without additional notice to New Deal, granting all relief sought in this Petition. In support of this Petition, Commission Staff respectfully shows the following:

II. JURISDICTION AND LEGAL AUTHORITY

The Commission is authorized to regulate and supervise the business of each water and sewer utility within its jurisdiction. Pursuant to Tex. Water Code Ann. § 13.242 (TWC), a "water supply or sewer service corporation may not in any way render retail water or sewer utility service directly or indirectly to the public without first having obtained from the utility commission a

¹ Tex. Water Code Ann. § 13.041 (West Supp. 2014) (TWC).

certificate that the present or future public convenience and necessity will require that installation, operation, or extension."

A CCN is defined as "[a] permit issued by the commission which authorizes and obligates a retail public utility to furnish, make available, render, or extend continuous and adequate retail water or sewer service to a specified geographic area." A retail public utility is "[a]ny person corporation, public utility, water supply or sewer service corporation, municipality, political subdivision or agency operating, maintaining, or controlling in this state facilities for providing potable water service or sewer service, or both, for compensation."

A retail public utility that possesses a CCN is required to provide continuous and adequate service.⁴ A retail public utility that possesses a CCN and fails to provide continuous and adequate service may be subject to revocation.⁵ As part of this authority, the Commission, "after notice and hearing, may revoke or amend any" CCN if the Commission finds that "the certificate holder has never provided, is no longer providing, is incapable of providing, or has failed to provide continuous and adequate service in the area, or part of the area, covered by the certificate."

Pursuant to the contested case provisions of the Administrative Procedure Act,⁷ a party is entitled to an opportunity for a hearing after reasonable notice of not less than 10 days, where the party may respond to and present evidence and argument on each issue involved in the case.⁸ If a hearing is not requested within thirty days after service of notice of an opportunity for hearing, a default occurs.⁹ Upon default, the presiding officer may issue a default order, revoking the certificate without a hearing on an informal basis.¹⁰

III. FACTUAL ALLEGATIONS

New Deal is located in Lubbock County, Texas in the City of New Deal. On October 29, 1963, New Deal filed an application with the Secretary of State to become a Texas corporation. On November 1, 1979, New Deal was granted CNN No. 11080. The utility has ceased to operate,

² 16 Tex. Admin. Code § 24.3(15) (TAC).

³ TWC § 13.002(19) and 16 TAC § 24.3(58).

⁴ See TWC § 13.250(a) and 16 TAC § 24.114.

⁵ TWC § 13.254(a)(1) and 16 TAC 24.113(a)(1).

⁶ Id.

⁷ Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-.902 (West 2008 & Supp. 2014) (APA).

⁸ APA §§ 2001.051-.178.

^{9 16} TAC § 22.183.

¹⁰ APA § 2001.056(4) and 16 TAC § 22.183.

and is now listed as inactive on the Secretary of State's website. Commission Staff's review of Commission's records indicate that New Deal is no longer in business, and the facilities it used to provide continuous and adequate service are inactive. Therefore, New Deal is no longer providing, and is incapable of providing, continuous and adequate service.

IV. RECOMMENDATION FOR REVOCATION

The Commission should revoke New Deal's CCN No. 11080 because New Deal is no longer in business, and the facilities it used to provide continuous and adequate service are inactive.¹¹ As long as CCN No. 11080 continues to remain in effect, it may be a violation of Commission rules for another company to provide service in the certificated area.¹²

For the above stated reasons, Commission Staff recommends revocation of CCN No. 11080 pursuant to TWC § 13.254(a)(1) and 16 TAC § 24.113(i)(1)(A).

V. NOTICE OF OPPORTUNITY FOR HEARING

16 TAC §§ 22.54 and 22.55 require Commission Staff to provide reasonable notice to persons affected by a proceeding in accordance with the Administrative Procedure Act. In license revocation proceedings, APA § 2001.054 requires that notice be given "by personal service or by registered or certified mail to the license holder of facts or conduct alleged to warrant the intended action." In order to proceed on a default basis, 16 TAC § 22.183 requires Commission Staff to provide notice by certified mail, return receipt requested: (a) to a certificate holder's last known address in the Commission's records; (b) to the person's registered agent for process on file with the Secretary of State; or (3) to an address for the party identified after reasonable investigation if the first two options are not applicable.

In accordance with these provisions, Commission Staff will provide a copy of this petition by certified mail, return receipt requested, to New Deal's last known address in the TCEQ's and Commission's records:

New Deal WSC PO BOX 117 New Deal, TX 79350

¹¹ See TWC § 13.254(a)(1) and 16 TAC 24.113(i)(1)(A).

¹² See TWC § 13.242.

¹³ APA §§ 2001.001-.902.

Commission Staff will also provide a copy of this petition by certified mail, return receipt requested, to the address for the registered agent for process on file with the Secretary of State:

Billy Fortenberry PO BOX 207 New Deal, TX 79350

Pursuant to 16 TAC § 22.183, Commission Staff hereby notifies New Deal that the factual allegations in this petition could be deemed admitted, and the relief sought herein granted by default if New Deal fails to request a hearing within 30 days after service of the Petition and Notice of Opportunity for Hearing. The purpose of a hearing on the merits is to consider revocation of New Deal's CCN No. 11080. If New Deal fails to request a hearing, the presiding officer may issue a default order on an informal basis without a hearing on the merits pursuant to APA § 2001.056(4) and 16 TAC § 22.183.

The factual allegations listed in Commission Staff's 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.

VI. REQUEST

WHEREFORE, PREMISES CONSIDERED, Commission Staff respectfully requests that the Commission grants Commission Staff's request to revoke New Deal's CCN No. 11080. In the event that New Deal fails to request a hearing on the merits, Commission Staff requests that the Commission issue a default final order, with no further notice to New Deal, revoking CCN No. 11080.

Respectfully Submitted,

Taylor Kilroy

Attorney, Oversight and Enforcement Division

State Bar No. 24087844

(512) 936-7127

(512) 936-7208 (facsimile)

Public Utility Commission of Texas

1701 N. Congress Avenue

P.O. Box 13326

Austin, Texas 78701-3326

CERTIFICATE OF SERVICE

I certify that on June 18, 2018, pursuant to 16 TAC § 22.183(b)(2), a copy of this document was sent certified mail, return receipt requested, to the last known address of New Deal Water Supply, Inc. (New Deal) in the Commission's records and to the address for the registered agent for process on file with the Secretary of State:

New Deal's Last Known Address in Commission Records:

New Deal WSC PO BOX 117 New Deal, TX 79350

Address for the registered agent for process on file with the Secretary of State:

Billy Fortenberry PO BOX 207 New Deal, TX 79350

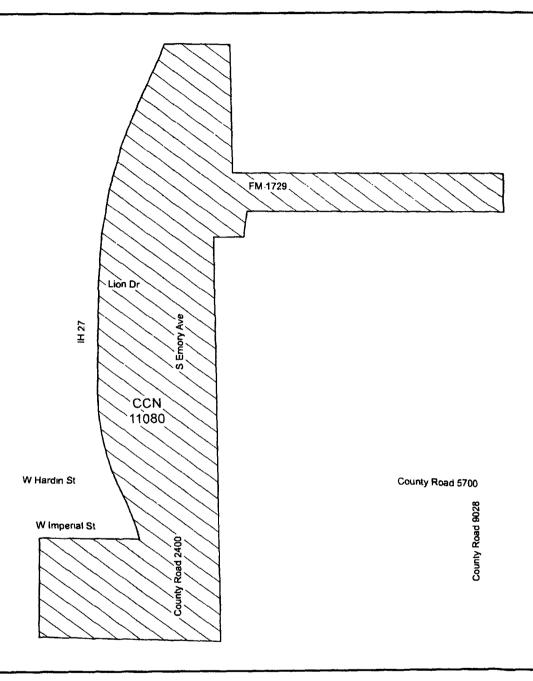
Taylor Kilroy /

Attachment 1

Map of Water Service Certificate of Convenience and Necessity

No. 11080

New Deal WSC Water CCN No. 11080 in Lubbock County





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

11080 - New Deal WSC

0 1,250 2,500 Feet

Map by: Kristy Nguyen
Date created: May 25, 2018
Project path: n.\11080 new deal wsc\11080 new deal wsc

800000

Attachment 2

Water Service Certificate of Convenience and Necessity

