



Control Number: 48472



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**DeAnn T. Walker**  
Chairman

**Arthur C. D'Andrea**  
Commissioner

**Shelly Botkin**  
Commissioner

**John Paul Urban**  
Executive Director



**Greg Abbott**  
Governor

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PUBLIC UTILITY COMMISSION  
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## *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. 48472** – *Petition to Revoke Lancewood Water Supply Corporation's Certificate of Convenience and Necessity Pursuant to Texas Water Code § 13.254 and 16 Texas Administrative Code § 24.245*

DATE: July 23, 2019

Enclosed is a copy of the Proposed Default Order in the above-referenced docket. The Commission will consider this docket at an open meeting currently scheduled to begin at 9:30 a.m. on Thursday, August 29, 2019, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties may file corrections or exceptions to the Proposal for Decision on or before Wednesday, August 21, 2019.

**If there are no corrections or exceptions, no response is necessary.**

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**DOCKET NO. 48472**

<b>PETITION TO REVOKE LANCEWOOD</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER SUPPLY CORPORATION'S</b>	<b>§</b>	
<b>CERTIFICATE OF CONVENIENCE</b>	<b>§</b>	<b>OF TEXAS</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>	

**PROPOSED DEFAULT ORDER**

This Default Order addresses the petition of Commission Staff to revoke the water certificate of convenience and necessity (CCN) of Lancewood Water Supply Corporation for violations of the Texas Water Code and Commission rules. The Commission grants the petition, by default, and revokes Lancewood WSC's CCN number 10352.

**I. Findings of Fact**

The Commission makes the following findings of fact.<sup>1</sup>

**CCN Holder**

1. Lancewood WSC is registered with the Texas secretary of state as a domestic nonprofit corporation under file number 22219601.
2. Lancewood WSC is authorized to provide water service under CCN number 10352 in Angelina County.

**Commission Staff's Petition**

3. On June 18, 2018, Commission Staff filed its petition in this proceeding, in which it seeks to revoke the CCN of Lancewood WSC for failure to provide continuous and adequate water service.
4. The petition alleges that Lancewood 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)).

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<sup>1</sup> The findings of fact are derived from the factual allegations found in Commission Staff's petition and are deemed admitted by default.

5. Lancewood WSC's CCN was issued in 1979.
6. Lancewood WSC is now listed as DEAD BY ME on the Texas secretary of state's website.
7. The Commission's records indicate that Lancewood WSC is no longer in business and the facilities it used to provide water service are inactive.
8. Lancewood WSC is no longer providing and is incapable of providing continuous and adequate water service.

### **Notice**

9. The Commission's records list Lancewood WSC's address as: PO Box 3001, Hudson, Texas 75901.<sup>2</sup>
10. On June 18, 2018, Commission Staff sent copies of the petition, by certified mail, return receipt requested, to: (a) the address of Lancewood WSC as shown in the Commission's records; and (b) the address for Lancewood WSC's registered agent for process, as shown in the records of the Texas secretary of state.
11. The petition notified Lancewood 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.**

### **The Motion for Default**

12. On August 17, 2018, Commission Staff filed a motion for entry of a default order.
13. The motion for default was served upon Lancewood WSC in the same way that the petition was served.

### **Grounds for Default**

14. More than 30 days have passed since service of the petition to Lancewood WSC.

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<sup>2</sup> <http://www.puc.texas.gov/WaterSearch/Utility?siteId=14281> Under Tex. Gov't Code § 2001.090 and 16 TAC § 22.222, the Commission takes official notice of Lancewood WSC's address as shown in the Commission's records.

15. Lancewood WSC did not request a hearing on the merits, and did not respond to the petition.
16. More than 30 days have passed since service of the motion for default.
17. Lancewood WSC did not respond to the motion for default.
18. Commission Staff proved, by default, that Lancewood WSC is no longer providing and is incapable of providing continuous and adequate water service in its certificated area.

## 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. Lancewood WSC is a retail public utility under 16 TAC § 24.3(59).
3. As the holder of CCN number 10352, Lancewood 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 Lancewood 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 Lancewood WSC in compliance with 16 TAC §§ 22.54 and 22.183, and Texas Government Code § 2001.054.
6. Lancewood 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.
7. 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 orders:

1. The motion for default is granted and Lancewood WSC's CCN number 10352 is revoked.
2. The Commission is not constrained in any manner from requiring additional action or penalties for violations that are not raised here.
3. 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**