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APPLICATION OF T&W WATER §  
SERVICE COMPANY TO AMEND ITS §  
WATER CERTIFICATE OF §  
CONVENIENCE AND NECESSITY IN §  
MONTGOMERY COUNTY §

**NOTICE OF APPROVAL**

This Notice of Approval address the application of T&W Water Service Company to amend its water certificate of convenience and necessity (CCN) number 12892 to add 892 acres to its water service area in Montgomery County. The application is approved and the requested area is added to CCN number 12892.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

- 1. T&W is a domestic for-profit corporation registered with the Texas secretary of state under file number 46041000.
- 2. T&W operates, maintains, and controls facilities that provide water service under CCN number 12892 in Montgomery County.

**Application**

- 3. On January 28, 2019, T&W filed an application to amend its water CCN number 12892 in Montgomery county by adding additional acreage.
- 4. The requested area consists of 892 acres and 0 current customers in an area that will be developed as the Deer Pines subdivision with roughly 700 residential lots.
- 5. The requested service area is generally bounded on the north by E. Williams Road, on the east by N. Walker Road, on the south by Tree Monkey Road, and on the west by Adcock Acres Drive.
- 6. In Order No. 2 issued February 28, 2019, the administrative law judge (ALJ) found the application administratively complete.

**Notice**

7. On March 14, 2019, T&W filed the affidavit of Shelley Young, T&W's authorized representative, attesting that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on February 27, 2019.
8. On March 14, 2019, T&W filed a publisher's affidavit of Victoria Bond, A/R clerk, attesting to publication of notice in the *Conroe Courier*, a newspaper of general circulation in Montgomery County, on March 1, 2019 and March 8, 2019.
9. In Order No. 3 issued on March 22, 2019, the ALJ found the notice sufficient.

**Map, Tariff, and Certificate**

10. On June 10, 2019, Commission Staff emailed its proposed map, tariff, and certificate to T&W.
11. On June 12, 2019, T&W filed its consent to the proposed map, tariff, and certificate.
12. On July 31, 2019, Commission Staff filed the proposed tariff, map, and certificate as an attachment to its recommendation.

**Evidentiary Record**

13. On August 7, 2019, the parties filed a joint motion to admit evidence and proposed notice of approval.
14. In Order No. 5 issued on August 27, 2019, the ALJ admitted the following into evidence:  
(a) T&W's application, filed on January 28, 2019; (b) WaterEngineers, Inc.'s plant plans for Deer Pines Water System and Deed to Plant Site, filed on February 21, 2019; (c) Commission's Staff recommendation on sufficiency, filed February 26, 2019; (d) Commission Staff's 1<sup>st</sup> RFI to T&W question no. staff 1-1, filed March 1, 2019; (e) T&W's response to Commission Staff's 1<sup>st</sup> RFI, filed on March 11, 2019; (f) T&W's response to Order No. 2, filed on March 14, 2019; (g) letter from Lone Star Groundwater Conservation District, filed on March 19, 2019; (h) Commission Staff's recommendation of notice, filed on March 20, 2019; (i) T&W's consent form, filed on June 12, 2019; and (j) Commission Staff's final recommendation and all attachments, filed on July 31, 2019.

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

15. There are no current customers in the area subject to this application.

16. There is no water service in the requested area.

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

17. The requested area will be developed into the Deer Pines subdivision which will consist of roughly 700 residential lots.

18. T&W's proposed customers in the requested area will need water service as no other providers in the area are available.

19. The developer has requested water service from T&W.

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

20. Granting the CCN amendment will not adversely affect any other retail public utility of the same kind because there are none in the proximate area.

21. Granting T&W's CCN amendment will enable it to serve the requested area with a new water system and distribution system.

22. The Commission received no protests or concerns from any other adjacent retail public utility.

23. The landowners in the requested area will benefit from a safe and reliable water service.

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

24. T&W has a Public Water System (PWS) number 1700895 approved by the Texas Commission on Environmental Quality (TCEQ), which will allow T&W to provide adequate service.

25. T&W has an adequate supply of water and is capable of providing drinking water that meets the requirements of Texas Health and Safety Code chapter 341 and the rules of the TCEQ.

26. T&W 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(d)(5)**

27. There are no other service providers in the area.

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

28. It is not economically not feasible to obtain service for the requested area from another retail public utility within a half mile of the outer boundary of the requested area.

**Ability to Serve: Financial Ability and Stability—TWC §§ 13.241(a), 13.246(c)(6), 16 TAC §§ 24.11(e), 24.227(a), (d)(6)**

29. T&W has a debt-to-equity ratio of 0.33, which meets the leverage test of less than one.
30. T&W has the financial ability and financial stability to pay for facilities necessary to provide continuous and adequate service to the requested area.

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

31. There is no need to require T&W to provide a bond or other financial assurance to ensure continuous and adequate service.

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

32. The requested area is currently undeveloped. The environmental integrity of the land will be minimally affected as a result of the requested CCN amendment.

**Improvement in Service and Lowering of Cost—TWC § 13.246(c)(8); 16 TAC § 24.227(d)(8)**

33. No improvement of service or lowering of cost to customers in the requested area will result from granting the CCN amendment because T&W will be serving new customers that have not been previously served.

**Effect on the Land—TWC § 13.246(c)(9); 16 TAC § 24.227(d)(9)**

34. The land is being developed as a residential neighborhood. The utilities being constructed to serve the neighborhood will allow the development to proceed.

**Informal Disposition**

35. More than 15 days have passed since the completion of notice provided in this docket.
36. No person filed a protest or motion to intervene.
37. T&W and Commission Staff are the only parties to this proceeding.
38. No party requested a hearing and no hearing is needed.
39. Commission Staff recommended that the application be approved.
40. This decision is not adverse to any party.

## II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this proceeding under Texas Water Code (TWC) §§ 13.241, 13.244, and 13.246.
2. T&W is a retail public utility as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(59).
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,<sup>1</sup> the TWC, and Commission rules.
5. T&W possesses the financial, managerial, and technical capability to provide continuous and adequate service to the requested service area and its current service area in Montgomery County as required by TWC § 13.241(a) and 16 TAC § 24.227.
6. The amendment to CCN number 12892 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).
7. T&W must record a certified copy of the approved map for the certificate amendment, along with a boundary description of the service, in the real property records of Montgomery County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording 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 amends T&W's water CCN number 12892 to include the requested service area addition as described in this Notice of Approval.

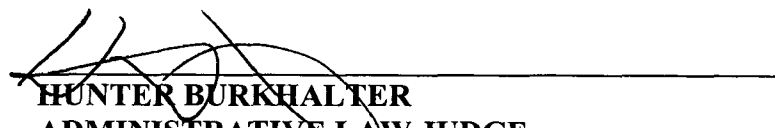
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<sup>1</sup> Tex. Gov't Code § 2001.

2. The Commission grants the certificate attached to this Notice of Approval.
3. The Commission's official service area boundary map for T&W shall reflect this change as shown in the attached map.
4. The Commission approves the tariff filed by Commission Staff on July 31, 2019.
5. 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.
6. T&W must serve every customer and applicant for service within the service area added under CCN number 12892 and such service must be continuous and adequate.
7. T&W must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Montgomery County affected by the application.
8. T&W must file in this docket proof of the recording required in ordering paragraph 7 not later than 45 days after the date of this Notice of Approval.
9. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 30<sup>th</sup> day of August 2019.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
**HUNTER BURKHALTER**  
**ADMINISTRATIVE LAW JUDGE**