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DOCKET NO. 49269

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**APPLICATION OF JACKSON WATER
SUPPLY CORPORATION TO AMEND A
WATER CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
SMITH COUNTY** §
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§

**PUBLIC UTILITY COMMISSION
OF TEXAS**

AGREED MOTION TO ADMIT EVIDENCE AND PROPOSED NOTICE OF APPROVAL

COMES NOW the Staff of the Public Utility Commission of Texas (Staff) and files this Motion to Admit Evidence and Proposed Notice of Approval with agreement from Jackson Water Supply Corporation (Jackson WSC) (collectively, the Parties). In support thereof, the Parties show the following:

I. BACKGROUND

On February 27, 2019, Jackson WSC filed an application to amend its water certificate of convenience and necessity (CCN) No. 10763 in Smith County. The requested area includes approximately 4,184 acres and 63 current customers. Order No. 7, issued November 25, 2019, directed the Parties to jointly file proposed findings of fact and conclusions of law by February 13, 2020. Therefore, this pleading is timely filed.

II. MOTION TO ADMIT EVIDENCE

The Parties request the entry of the following items into the record of this proceeding: (a) Jackson WSC’s application filed on February 27, 2019 (AIS Item No. 1); (b) Jackson WSC’s supplement to the application filed on April, 26, 2019 (AIS Item No. 6); (c) Jackson WSC’s revised mapping filed on May 17, 2019 (AIS Item No. 7); (d) Jackson WSC’s second supplement to the application filed on July 1, 2019 (AIS Item No. 10); (e) Jackson WSC’s proof of notice filed on September 13, 2019 (AIS Item No. 13); (f) Jackson WSC’s consent form filed on November 13, 2019 (AIS Item No. 19); (g) Jackson WSC’s Response to Staff’s First Request for Information filed on December 10, 2019 (AIS Item No. 23); (h) Letter from Jackson WSC’s Engineer filed on

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January 22, 2020 (AIS Item No. 24); and (i) Commission Staff's Final Recommendation and attachments, filed on January 30, 2020 (AIS Item No. 25).

III. JOINT PROPOSED NOTICE OF APPROVAL

The Parties have agreed on the attached Proposed Notice of Approval, which would grant Jackson WSC's application to amend water CCN No. 10763. The Parties request that the Commission adopt the findings of fact, conclusions of law, and ordering paragraphs from the Notice of Approval.

IV. CONCLUSION

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the attached Proposed Notice of Approval be adopted.

Dated: February 13, 2020

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Thomas S. Hunter
Division Director

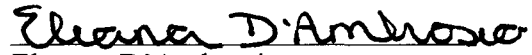
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 13, 2020, in accordance with 16 Texas Administrative Code § 22.74.


Eleanor D'Ambrosio

CR 246; on the south by CR 26 and Jamestown Road; and on the west by CR 233 and Jernigan Road.

7. Jackson WSC supplemented the application and mapping on April 26, May 17, and July 1, 2019.
8. In Order No. 4 issued on July 29, 2019, the administrative law judge (ALJ) found the application administratively complete.

Notice

9. On September 13, 2019, Jackson WSC filed the affidavit of Travis Reed, Jackson WSC's authorized representative, attesting that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on August 20, 2019.
10. On September 13, 2019, Jackson WSC filed a publisher's affidavit attesting to publication of notice in the *Tyler Morning Telegraph*, a newspaper of general circulation in Smith County, on August 26, 2019 and September 2, 2019.
11. In Order No. 5 issued on September 30, 2019, the ALJ found the notice sufficient.

Map, Tariff, and Certificate

12. On November 1, 2019, Commission Staff emailed its proposed map and certificate to Jackson WSC.
13. On November 13, 2019, Jackson WSC filed its consent to the proposed map and certificate.
14. On January 30, 2020, Commission Staff filed the proposed map and certificate as an attachment to its final recommendation.

Evidentiary Record

15. On February 13, 2020, the parties filed an agreed motion to admit evidence and proposed notice of approval.
16. In Order No. 8 issued on _____, 2020, the ALJ Admitted the following into evidence: (a) Jackson WSC's application filed on February 27, 2019; (b) Jackson WSC's supplement to the application filed on April, 26, 2019; (c) Jackson WSC's revised mapping

filed on May 17, 2019; (d) Jackson WSC's second supplement to the application filed on July 1, 2019; (e) Jackson WSC's proof of notice filed on September 13, 2019; (f) Jackson WSC's consent form filed on November 13, 2019; (g) Jackson WSC's Response to Staff's First Request for Information filed on December 10, 2019; (h) Letter from Jackson WSC's Engineer filed on January 22, 2020; and (i) Commission Staff's Final Recommendation and attachments, filed on January 30, 2020.

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

17. There are 63 existing customers in requested area A1, and Jackson WSC is currently serving this area.

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

18. Jackson WSC has received a request for service in requested area A2 from the residents of the former Circle B Ranch who have indicated that their wells that are in failing condition.

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

19. There are no other retail public utilities serving the proximate area, and requested areas A1 and A2 do not overlap with the service area of any other CCN.

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

20. Jackson WSC has Public Water System (PWS) number 2120016 approved by the Texas Commission on Environmental Quality (TCEQ), which has adequate capacity to meet the projected demands in the requested area.

21. Jackson WSC's PWS is operated and maintained by two individuals who each hold a Class C Water Operator's License issued by the TCEQ.

22. Jackson WSC 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)

23. Jackson WSC is already serving customers in requested area A1; therefore, the feasibility of obtaining service from another adjacent retail public utility was not considered.
24. West Gregg Water Supply Corporation serves the area adjacent to requested area A2 and did not intervene in this proceeding; therefore, the feasibility of obtaining service from West Gregg Water Supply Corporation was not considered.

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

25. Jackson WSC is already serving requested area A1.
26. Jackson WSC will extend its existing water system to serve requested areas A1 and A2 and will not need to construct a physically separate water system.

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)

27. Jackson WSC has a debt to equity ratio of 0.37, which meets the leverage test of less than one.
28. Jackson WSC has a debt service coverage ratio of 2.69, which meets the leverage test of greater than 1.25.
29. Jackson WSC's financial audit for the year ending December 31, 2017, showed a cash balance of \$411,602, which is sufficient to cover the \$1,964 net operating loss for that year.
30. Jackson WSC has the financial ability and financial stability to pay for the 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 Jackson WSC 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) and Effect on the Land—TWC § 13.246(c)(9); 16 TAC § 24.227(d)(9)

32. Jackson WSC plans to build a water line to loop its system in the requested area and allow for additional service connections.
33. Constructing a water line will have minimal effect on the environmental integrity of the land.

Improvement in Service and Lowering of Cost—TWC § 13.246(c)(8); 16 TAC § 4.227(d)(8)

34. The customers in requested area A1 are already served by Jackson WSC and will see no change in the quality of their water service.
35. The customers in requested area A2 have failing water wells and will receive higher quality service as a result of the CCN amendment.

Informal Disposition

36. More than 15 days have passed since the completion of notice provided in this docket.
37. No person filed a protest or motion to intervene.
38. Jackson WSC and Commission Staff are the only parties to this proceeding.
39. No party requested a hearing and no hearing is needed.
40. Commission Staff recommended that the application be approved.
41. The 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 TWC §§13.241, 13.244, and 13.246.
2. Jackson WSC 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,¹ the TWC, and Commission rules.
5. Jackson WSC possesses the financial, managerial, and technical capability to provide continuous and adequate service to the requested service area and its current service area in Tarrant County as required by TWC § 13.241(a) and 16 TAC § 24.227.
6. The amendment to CCN number 10763 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. Jackson WSC must record a certified copy of the approved map for the certificate amendment, along with a boundary description of the service area, in the real property records of Smith County within 30 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 Jackson WSC's water CCN number 10763 as described in this Notice of Approval and shown on the attached map.
2. The Commission grants the certificate attached to this Notice of Approval.
3. Jackson WSC must serve every customer and applicant for service within the approved area under CCN number 10763 who requests water service and meets the terms of Jackson WSC's water service, and such service must be continuous and adequate.
4. Jackson WSC must comply with the recording requirements in TWC §§ 13.257(r) and (s) for the areas in Smith County affected by this application.
5. Jackson WSC must file in this docket proof of the recording required in ordering paragraph four no later than 45 days after the date this Notice of Approval is signed.

¹ Tex. Gov't Code § 2001.

6. 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 _____ day of _____ 2020.

ADMINISTRATIVE LAW JUDGE