

Control Number: 49269



Item Number: 28

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DOCKET NO. 49269

APPLICATION OF JACKSON WATER § PUBLIC UTILITY COMMISSION
SUPPLY CORPORATION TO AMEND §
A WATER CERTIFICATE OF §
CONVENIENCE AND NECESSITY IN §
SMITH COUNTY §
OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Jackson Water Supply Corporation to amend its water certificate of convenience and necessity (CCN) number 10763 to add approximately 4,184 acres and 63 current customers to its water service area in Smith County. The Commission approves the application.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Jackson WSC is a domestic nonprofit water supply corporation registered with the Texas secretary of state under file number 24020701.
2. Jackson WSC operates, maintains, and controls facilities that provide water service under CCN number 10763 in Smith County.

Application

3. On February 27, 2019, Jackson WSC filed an application to amend its water CCN number 10763 in Smith County. Jackson WSC filed supplements to the application on April 26, May 17, and July 1, 2019.
4. The requested area includes approximately 4,184 acres and 63 current customers.
5. The 4,184 acres is comprised of: (a) proposed area A1, consisting of 2,382 acres and 63 current customers, located approximately six miles east of downtown Tyler, Texas and generally bounded on the north by State Highway 31 East, on the east by County Road 2301, on the south by Farm-to-Market Road 850, and on the west by the intersection of Farm-to-Market Road 850 and County Road 213; and (b) proposed area A2, consisting of approximately 1,802 acres and no current customers, located approximately 13 miles east

of downtown Tyler, Texas, and generally bounded on the north by State Highway 31 East, on the east by County Road 246, on the south by County Road 26 and Jamestown Road, and on the west by County Road 233 and Jernigan Road.

6. In Order No. 4 filed on July 29, 2019, the administrative law judge (ALJ) found the application administratively complete.

Notice of Application

7. 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.
8. On September 13, 2019, Jackson WSC filed a publisher's affidavit attesting to publication of notice on August 26, 2019 and September 2, 2019 in the *Tyler Morning Telegraph*, a newspaper of general circulation in Smith County.
9. In Order No. 5 filed on September 30, 2019, the ALJ found the notice sufficient.

Evidentiary Record

10. On February 13, 2020, the parties filed an agreed motion to admit evidence and proposed notice of approval.
11. In Order No. 8 filed on April 7, 2020, the ALJ admitted the following evidence into the record of this proceeding: (a) Jackson WSC's application and attachments filed on February 27, 2019; (b) Jackson WSC's supplement to the application filed on April 26, 2019; (c) Jackson WSC's revised maps and shapefiles filed on May 17, 2019; (d) Jackson WSC's revised maps and shapefiles filed on July 1, 2019; (e) Jackson WSC's affidavits of mailed and published notice filed on September 13, 2019; (f) Jackson WSC's consent form to the final map and certificate filed on November 13, 2019; (g) Jackson WSC's response to Commission 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 — Texas Water Code (TWC) § 13.246(c)(1), 16 Texas Administrative Code (TAC) § 24.227(d)(1)

12. Proposed area A1 is currently adequately served by Jackson WSC's public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 2120016.
13. Proposed area A2 is currently not receiving water service from any utility. Residents in the area have requested service.

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

14. There are 63 existing customers in proposed area A1; therefore, there is a continuing need for service in that area.
15. Jackson WSC has received a request for service in proposed area A2 from the residents of the former Circle B Ranch indicating that their water wells are failing; therefore, there is a need for additional service in that area.

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

16. Granting the amendment will enable Jackson WSC to include the existing 63 customers in requested area A1 within its certificated area and will enable the customers in requested area A2 to receive water service.
17. The Commission received no protests or adverse comments from any adjacent retail public utility.

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

18. Jackson WSC's public water system is operated and maintained by two individuals who each hold a Class C Water Operator License issued by the TCEQ.
19. Jackson WSC has an abundance of total storage capacity, high service pump capacity, pressure tank capacity, and source water capacity in its existing facilities to absorb the additional connections in proposed area A2.
20. Jackson WSC's public water system is capable of providing drinking water that meets the requirements of Chapter 341 of the Health and Safety Code and Chapter 13 of the TWC and has access to an adequate supply of water.

21. Jackson WSC has the managerial and technical capability to provide continuous and adequate service to proposed areas A1 and A2.

Service from Other Utilities — TWC § 13.246(c)(5); 16 TAC § 24.227(d)(5)

22. Jackson WSC is already serving customers in requested area A1.
23. West Gregg Water Supply Corporation serves the area adjacent to requested area A2 but did not intervene in this proceeding; therefore, the feasibility of obtaining service from West Gregg Water Supply Corporation was not evaluated.
24. There are no other retail public utilities serving the proximate areas.

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)

25. Jackson WSC has a debt to equity ratio of 0.37, which is less than one, a debt service-coverage ration of 2.69, which is greater than 1.25, and at least two years of debt service coverage, satisfying the leverage test.
26. Jackson WSC has sufficient cash on hand to cover any projected operations or maintenance shortages during the first five years of operations, satisfying the operations test.
27. Jackson WSC has the financial ability and financial stability to provide continuous and adequate service to the requested area.

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

28. The environmental integrity of requested area A1 will not be affected by the requested amendment because Jackson WSC is already serving the area.
29. The environmental integrity of requested area A2 will be minimally affected by extension of a water line.

Improvement in Service—TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)

30. The customers in requested area A1 are already served by Jackson WSC; therefore, quality of water service will remain unchanged.
31. The customers in requested area A2 are not receiving service and currently rely on failing water wells; therefore, they will receive higher quality water service as a result of the CCN amendment.

Lowering of Cost — TWC § 13.246(c)(8); 16 TAC § 24.227(d)(8)

32. Granting Jackson WSC's CCN amendment will enable customers in requested area A2 to receive water service comparable in cost to water service already provided to customers in requested area A1.

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

33. There will be no effect on the land in requested area A1 because the area is already receiving service.
34. There will be minimal, temporary disturbances to the land in requested area A2 due to the construction of an extension of a water line to serve the area.

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

35. There is no need to require Jackson WSC to provide a bond or other financial assurance to ensure continuous and adequate service.

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

36. Jackson WSC is already serving requested area A1.
37. Jackson WSC will not need to construct a physically separate water system to serve requested area A2; therefore, concerns of regionalization or consolidation are not applicable.

Map and Certificate

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

Informal Disposition

41. More than 15 days have passed since the completion of notice provided in this docket.
42. No person filed a protest or motion to intervene.
43. Jackson WSC and Commission Staff are the only parties to this proceeding.
44. No party requested a hearing and no hearing is needed.

- 45. Commission Staff recommended approval of the application.
- 46. 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 TWC §§13.241, 13.244, and 13.246.
- 2. Jackson WSC is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(59).
- 3. Notice of the application was provided in compliance 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 adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested service area and its current service area 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 its approved certificate and map, along with a boundary description of the service area, in the real property records of Smith County within 31 days of receiving this Notice of Approval and submit evidence of the recording to the Commission, 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.

¹ Tex. Gov't Code ch. 2001

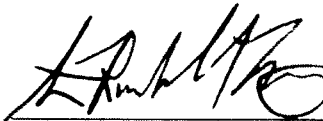
III. Ordering Paragraphs

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

1. The Commission approves the application.
2. The Commission amends Jackson WSC's CCN number 10763 to include the areas described in this Notice of Approval and shown on the attached map.
3. The Commission grants the certificate attached to this Notice of Approval.
4. Jackson WSC must serve every customer and applicant for service within the approved areas 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.
5. 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.
6. Jackson WSC must file in this docket proof of the recording required in ordering paragraph five no later than 45 days after the date this Notice of Approval is signed.
7. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

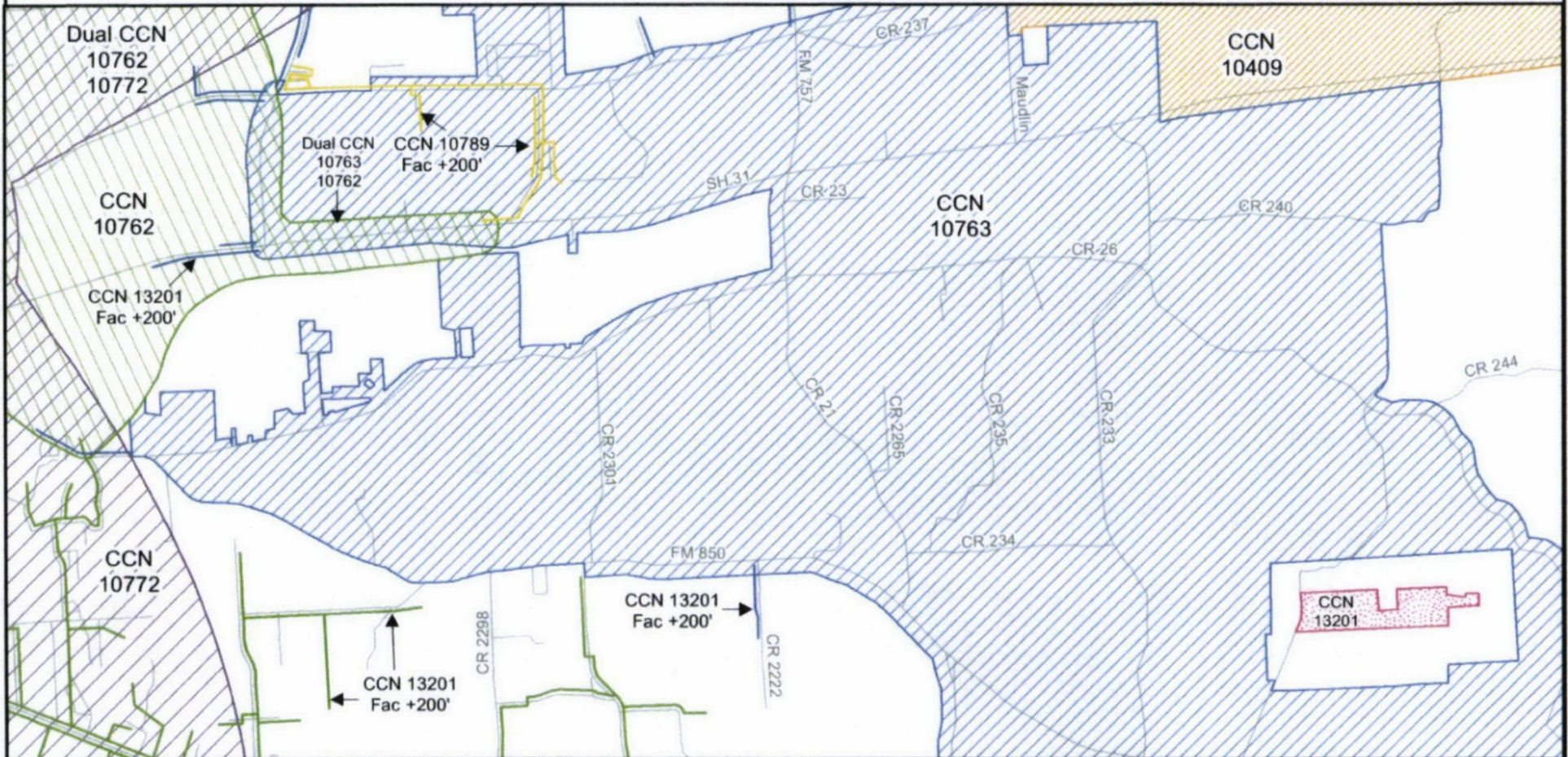
Signed at Austin, Texas the 17th day of April 2020.

PUBLIC UTILITY COMMISSION OF TEXAS








STEVEN LEARY
ADMINISTRATIVE LAW JUDGE

Jackson Water Supply Corporation
Portion of Water CCN No. 10763
PUC Docket No. 49269
Amended CCN No. 10763 in Smith County



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

Water CCN

-  10763 - Jackson WSC
-  10762 - Southern Utilities Company
-  10772 - City of Tyler
-  10409 - West Gregg WSC
-  13201 - Aqua Texas Inc

Water CCN Facility +200'

-  10763 - Jackson WSC
-  10762 - Southern Utilities Company
-  10789 - Heights Water Company

0 2,600 5,200
Feet



Map by: Komal Patel
Date created: October 28, 2019
Project Path: n:\finalmapping\
49269JacksonWSC.mxd



Public Utility Commission of Texas

By These Presents Be It Known To All That

Jackson Water Supply Corporation

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Jackson Water Supply Corporation is entitled to this

Certificate of Convenience and Necessity No. 10763

to provide continuous and adequate water utility service to that service area or those service areas in Smith County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 49269 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Jackson Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 17th day of April 2020.