



Control Number: 49559



Item Number: 20

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DOCKET NO. 49559

**APPLICATION OF THE CITY OF
HALLSVILLE TO AMEND ITS
CERTIFICATE OF CONVENIENCE
AND NECESSITY AND TO
DECERTIFY A PORTION OF WEST
HARRISON WATER SUPPLY
CORPORATION'S SERVICE AREA IN
HARRISON COUNTY**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

NOTICE OF APPROVAL

This Notice of Approval addresses the application of the City of Hallsville to amend its water certificate of convenience and necessity (CCN) number 13200 to add approximately 16 acres to its water service area in Harrison County, and to decertify a portion of West Harrison Water Supply Corporation's water CCN number 12728. The Commission approves the application.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant and Interested Parties

1. Hallsville is a type A general law municipality with a population of less than 5,000.
2. Hallsville operates, maintains, and controls facilities for providing water service under CCN number 13200 in Harrison County.
3. Hallsville owns Texas Commission on Environmental Quality (TCEQ) approved public water system (PWS) number 1020004.
4. West Harrison WSC is a domestic nonprofit corporation registered with the Texas secretary of state on June 10, 1991, under filing number 119606201.
5. West Harrison WSC operates, maintains, and controls facilities for providing water service under CCN number 12728 in Harrison County.

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Application

6. On May 21, 2019, Hallsville filed the application to amend its water CCN number 13200 in Harrison County by adding additional acreage and to decertify this area from West Harrison WSC's service area.
7. The application was supplemented on July 19 and August 16, 2019.
8. The requested area consists of approximately 16 acres, no current customers, and 24 proposed connections.
9. The requested area is located within West Harrison WSC's water CCN number 12728.
10. The application included a copy of an interlocal agreement dated February 20, 2017, in which West Harrison WSC consented to the decertification of the requested area.
11. The requested area is located approximately one mile south of downtown Hallsville and is generally bounded on the north by Rutland Drive, on the east by Farm-to-Market Road 450, on the south by Deer Run Road, and on the west by Country Club Road.
12. There are no existing customers to be transferred.
13. In Order No. 3 filed on September 12, 2019, the administrative law judge (ALJ) found the application administratively complete.

Certificates and Maps

14. On December 13, 2019, Commission Staff emailed its proposed map and certificates to Hallsville and West Harrison WSC.
15. On January 3, 2020, Hallsville filed its consent to the proposed map and the applicable certificate.
16. On January 3, 2020, West Harrison WSC filed its consent to the proposed map and the applicable certificate.
17. On January 10, 2020, Commission Staff filed the proposed map and certificates as an attachment to its final recommendation.

Notice of the Application

18. On October 7, 2019, Hallsville filed the affidavit of Mayor Jesse Casey, attesting that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on September 6, 2019.
19. On October 7, 2019, Hallsville filed a publisher's affidavit attesting to publication of notice in the *Marshall News Messenger*, a newspaper of general circulation in Harrison County, on September 10 and 17, 2019.
20. In Order No. 4 filed on October 23, 2019, the ALJ found notice sufficient.

Evidentiary Record

21. On January 24, 2020, the parties filed an agreed motion to admit evidence and proposed Notice of Approval.
22. In Order No. 5 filed on January 30, 2020, the ALJ admitted the following evidence into the record of this proceeding: (a) Hallsville's application filed on May 21, 2019 and as supplemented on July 19, 2019 and August 16, 2019; (b) Commission Staff's supplemental recommendation on administrative completeness and notice filed on September 3, 2019; (c) Hallsville's proof of notice filed on October 7, 2019; (d) Commission Staff's recommendation on sufficiency of notice filed on October 14, 2019; (e) Hallsville's consent form filed on January 3, 2020; (f) West Harrison WSC's consent form filed January 3, 2020; (g) Commission Staff's final recommendation and attachments filed January 10, 2020; (h) correction to Commission Staff's final recommendation filed on January 23, 2020; and (i) supplement to Commission Staff's recommendation filed on January 28, 2020.

Adequacy of Existing Service — Texas Water Code (TWC) §13.246(c)(1); 16 Texas Administrative Code (TAC) § 24.227(d)(1)

23. Because there are no current customers, there is no existing water service in the requested area.

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

24. A developer has requested service from Hallsville to serve 24 residential lots that have been proposed for the area; therefore, there is a need for additional service.

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

25. A portion of West Harrison WSC's water CCN number 12728 will be decertified.
26. On February 20, 2017, Hallsville and West Harrison WSC executed an interlocal agreement for the provision of water service to the planned subdivision and the transfer of the requested area into Hallsville's CCN and out of West Harrison WSC's CCN.
27. Landowners in the requested area will benefit because the cost of extending West Harrison WSC's facilities to serve the area would be greater than the cost to extend Hallsville's facilities.
28. Notice of the application was provided to adjoining retail public utilities and no protests or adverse comments were filed.
29. There will be no effect on any adjoining retail public utilities.

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

30. Hallsville operates PWS number 1020004 approved by the TCEQ and has adequate capacity to meet the projected demands in the requested area.
31. Hallsville's TCEQ-approved PWS is capable of providing drinking water that meets the requirements of Texas Health and Safety Code chapter 341, TCEQ rules, and the TWC.
32. Hallsville has an existing wholesale water contract with the City of Longview for the purchase of treated water.
33. Hallsville 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)

34. It is not feasible for another retail public utility to serve the requested area.

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

35. Hallsville will extend its existing water system to serve the requested area. Because it will not be necessary to construct a new water system, concerns of regionalization or consolidation are not applicable.

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)

36. Hallsville has a debt-to-equity ratio of less than one, a debt-service-coverage ratio of greater than 1.25, and unrestricted cash available to cover two years of debt service, satisfying the leverage tests.
37. Hallsville has sufficient cash on hand to cover any projected operations and maintenance shortages in the first five years of operations, satisfying the operations test.
38. Hallsville has the financial ability and stability to provide continuous and adequate service to the requested area.

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

39. There is no need to require Hallsville 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)

40. The environmental integrity of the land will be minimally affected as a result of the requested CCN amendments because the PWS has already been constructed.

Improvement of Service or Lowering of Costs — TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)

41. No improvement of service or lowering of cost to customers in the requested area will result from granting the CCN amendment because Hallsville 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)

42. 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.

43. More than 15 days have passed since the completion of the notice provided in this docket.
44. No person filed a protest or motion to intervene.
45. Commission Staff and Hallsville are the only parties to this proceeding.
46. No party requested a hearing and no hearing is necessary.
47. Commission Staff recommended approval of the application, as supplemented.

48. 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 the application under TWC §§ 13.041, 13.241, 13.244, and 13.246.
2. Hallsville and West Harrison WSC are retail public utilities as defined 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. The amendments to CCN number 13200 and CCN number 12728 are necessary for the service, accommodation, convenience, or safety of the public as required by TWC § 13.246(b) and 16 TAC § 24.227(c).
6. Hallsville has demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested service area and its current service area in Harrison County as required by TWC § 13.241(a) and 16 TAC § 24.227.
7. Under TWC § 13.257(r) and (s), Hallsville and West Harrison WSC are each required to record a certified copy of its revised CCN and map, along with a boundary description of its service area, in the real property records of each county in which the service area or a portion of the service area is located, within 31 days of receiving this Notice of Approval.
8. The requirements for informal disposition under 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 Tex. Gov't Code ch. 2001.

1. The Commission amends Hallsville's water CCN number 13200 as described in this Notice of Approval and shown on the attached map.
2. The Commission decertifies the portion of West Harrison WSC's water CCN number 12728 as described in this Notice of Approval and shown on the attached map.
3. The Commission grants the certificates attached to this Notice of Approval.
4. Hallsville must serve every customer and applicant for service within the approved area for CCN number 13200 who requests water service and such service must be continuous and adequate.
5. Hallsville and West Harrison WSC must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Harrison County affected by this application.
6. Hallsville and West Harrison 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 14th day of February 2020.

PUBLIC UTILITY COMMISSION OF TEXAS



STEVEN LEARY
ADMINISTRATIVE LAW JUDGE

City of Hallsville
Portion of Water CCN No. 13200
PUC Docket No. 49559

Decertified a Portion of West Harrison Water Supply Corporation, CCN 12728 in Harrison County



CCN
12728

CCN
13200



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

Water CCN

-  13200 - City of Hallsville
-  12728 - West Harrison WSC

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Feet



Map by Komal Patel
Date created November 7, 2019
Project Path n\finalmapping\
49559CityofHallsville.mxd

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Public Utility Commission of Texas

By These Presents Be It Known To All That

City of Hallsville

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, the City of Hallsville is entitled to this

Certificate of Convenience and Necessity No. 13200

to provide continuous and adequate water utility service to that service area or those service areas in Harrison County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 49559 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the City of Hallsville 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, the 14th day of February 2020.



Public Utility Commission of Texas

By These Presents Be It Known To All That

West Harrison 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, West Harrison Water Supply Corporation is entitled to this

Certificate of Convenience and Necessity No. 12728

to provide continuous and adequate water utility service to that service area or those service areas in Harrison County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 49559 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of West Harrison 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, the 14th day of February 2020.