



Control Number: 49879



Item Number: 5

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**J.F. FONTAINE & ASSOCIATES, INC.**

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PUBLIC UTILITY COMMISSION  
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October 10, 2019

Public Utility Commission of Texas  
Attention: Filing Clerk  
P.O. Box 13326  
Austin, Texas 78711-3326

Re: Docket No. 49879  
Application to Obtain or Amend a Water Certificate of  
Convenience and Necessity (CCN)  
Swift Water Supply Corporation (CCN # 11420)  
in Nacogdoches County;


CN600703490; RN101275170

Dear Sirs/Madam:

Please find enclosed one (1) original and eleven (11) copies of the requested information outlined in the PUC Interoffice Memorandum dated September 16, 2019 for the above referenced Docket No. 49879 (Swift Water Supply Corporation).

Please call or email our office ([jffontaine@jffontaine.com](mailto:jffontaine@jffontaine.com)) if you have any questions or require additional information. Thank you!

Sincerely,

  
Sean Conner, Project Manager  
SC/ ela

encl:

5

## PUC Interoffice Memorandum

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**To:** John Harrison, Attorney  
Legal Division

**Thru:** Heidi Graham, Manager  
Infrastructure Division

**From:** Nabaraj Pokharel, Engineering Specialist  
Infrastructure Division

Fred Bednarski, Financial Analyst  
Rate Regulation Division

**Date:** September 16, 2019

**Subject:** **Docket 49879**, Application of Swift Water Supply Corporation to Amend its Water Certificate of Convenience and Necessity in Nacogdoches County

On August 21, 2019, Swift Water Supply Corporation (Applicant) filed with the Public Utility Commission of Texas (Commission) an application to amend its sewer Certificate of Convenience and Necessity (CCN) No. 11420 in Nacogdoches County, Texas pursuant to Texas Water Code Ann. (TWC), §§ 13.242 to 13.250 and the 16 Tex. Admin Code (TAC) §§ 24.225 to 24.237. The total service area being requested includes approximately 3,123 acres and 62 current customers.

A Staff review of the above referenced application found deficiencies in the required application; therefore, Staff recommends that the application be deemed insufficient for filing and administratively incomplete. Staff further recommends the Applicant provide the following:

1. Please answer question number 8, 27 and 29. If you need to attach any documents to answer the questions, enter "See attached sheet" with appropriate page number in the blank; and
2. Provide a map indicating where the facilities, existing connections, and requests for service are located in each of the requested areas.

**Part B: Requested Area Information**

6. Provide details on the existing or expected land use in the requested area, including details on requested actions such as dual certification or decertification of service area.

Residential area, will not be a dual certification nor will a decertification required.

7. The requested area (check all applicable):

- ☒ Currently receives service from the Applicant ☐ Is being developed with no current customers  
☐ Overlaps or is within municipal boundaries ☐ Overlaps or is within district boundaries

Municipality: \_\_\_\_\_ District: \_\_\_\_\_

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

N/A

8. Describe the circumstances (economic, environmental, etc.) driving the need for service in the requested area:

Swift W.S.C. is already serving customers in this area outside the current CCN, this is driving the need for the CCN expansion.

9. Has the Applicant received any requests for service within the requested area?

☐ Yes\* ☒ No \*Attach copies of all applicable requests for service and show locations on a map

10. Is there existing or anticipated growth in the requested area?

☐ Yes\* ☒ No \*Attach copies of any reports and market studies supporting growth

11. A. Will construction of any facilities be necessary to provide service to the requested area?

☐ Yes\* ☒ No \*Attach copies of TCEQ approval letters

B. Date Plans & Specifications or Discharge Permit App. submitted to TCEQ: \_\_\_\_\_

23. A. Will the system serving the requested area purchase water or sewer treatment capacity from another source?

☐ Yes\* ☒ No \*Attach a copy of purchase agreement or contract.

Capacity is purchased from:

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

- B. Are any of the Applicants PWS's required to purchase water to meet the TCEQ's minimum capacity requirements or TCEQ's drinking water standards?

☐ Yes ☒ No

- C. What is the amount of supply or treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0%
Sewer:		0%

24. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☒ Yes ☐ No

25. List the name, class, and TCEQ license number of the operators that will be responsible for the operations of the water or sewer utility service provided to the requested area:

Name (as it appears on license)	Class	License No.	Water/Sewer
Barrett, Matthew B	C	WG0015640	Water
Randall, Lance R	C	WG0014727	Water
Randall, Thomas C	C	WG0000040	Water

26. A. Are any improvements required for the existing PWS or sewer treatment plant to meet TCEQ or Commission standards?

☐ Yes ☒ No

- B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
N/A		

27. Provide a map (or maps) showing all facilities for production, transmission, and distribution, and the location of existing or proposed customer connections, in the requested area. Facilities should be identified on subdivision plats, engineering planning maps, or other large scale maps. Color coding can be used, and is encouraged, to distinguish types of facilities.

**Part E: Financial Information**

28. If the Applicant seeking to obtain a CCN for the first time is an Investor Owned Utility (IOU) and under the original rate jurisdiction of the Commission, a proposed tariff must be attached to the application. The proposed rates must be supported by a rate study, which provides all calculations and assumptions made. Once a CCN is granted, the Applicant must submit a rate filing package with the Commission within 18 months from the date service begins. The purpose of this rate filing package is to revise a utility's tariff to adjust the rates to a historic test year and to true up the new tariff rates to the historic test year. It is the Applicant's responsibility in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service. Any dollar amount collected under the rates charged during the test year in excess of the revenue requirement established by the Commission during the rate change proceeding shall be reflected as customer contributed capital going forward as an offset to rate base for ratemaking purposes.

29. If the Applicant is an existing IOU, please attach a copy of the current tariff and indicate:

A. Effective date for most recent rates: \_\_\_\_\_

B. Was notice of this increase provided to the Commission or a predecessor regulatory authority?

☐ No

☐ Yes

Application or Docket Number: \_\_\_\_\_

C. If notice was not provided to the Commission, please explain why ( ex: rates are under the jurisdiction of a municipality)

N/A. Swift W.S.C. is not an IOU.

**If the Applicant is a Water Supply or Sewer Service Corporation (WSC/SSC) and seeking to obtain a CCN, attach a copy of the current tariff.**

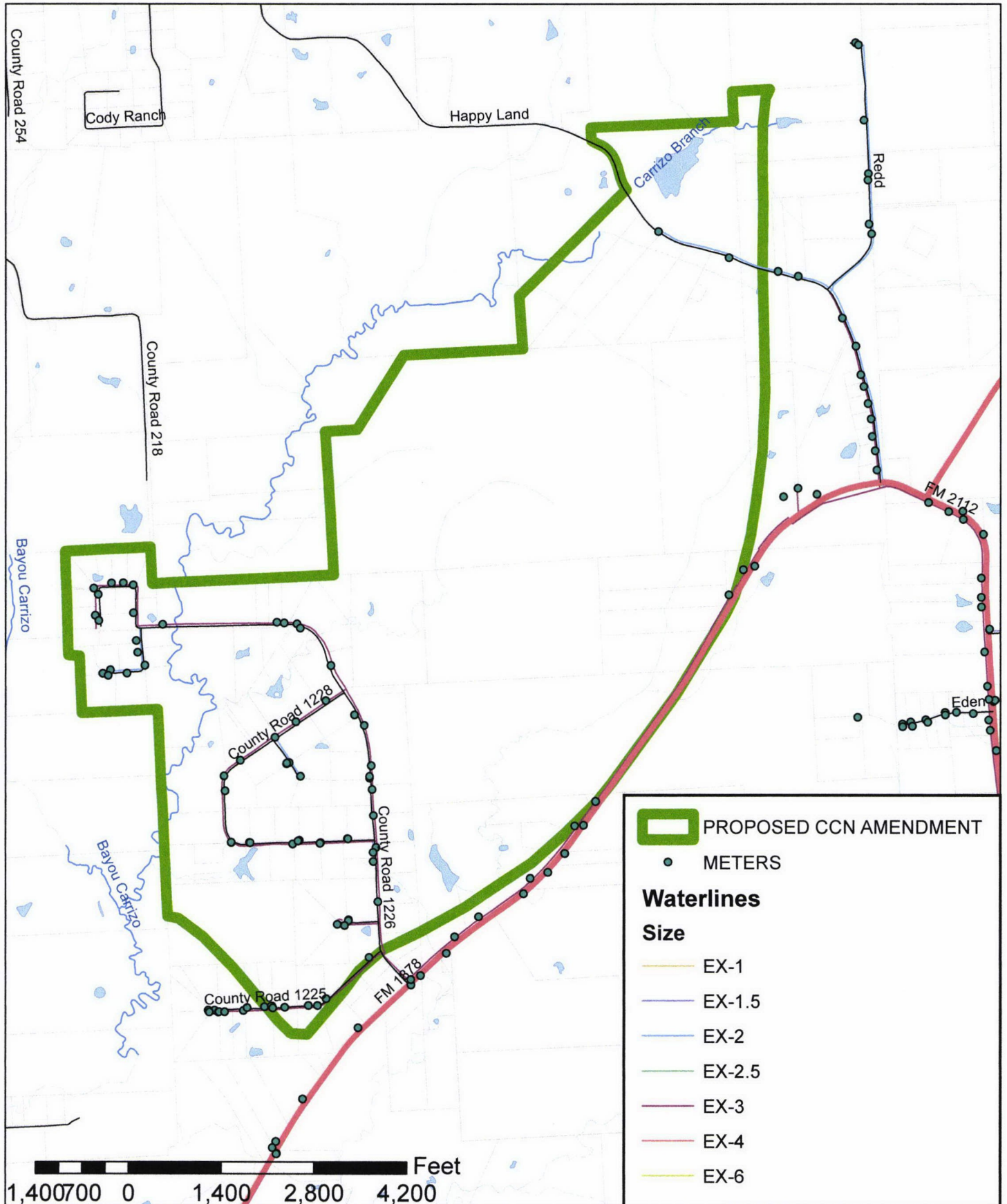
30. **Financial Information**

Applicants must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Commission Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection.

**Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:**

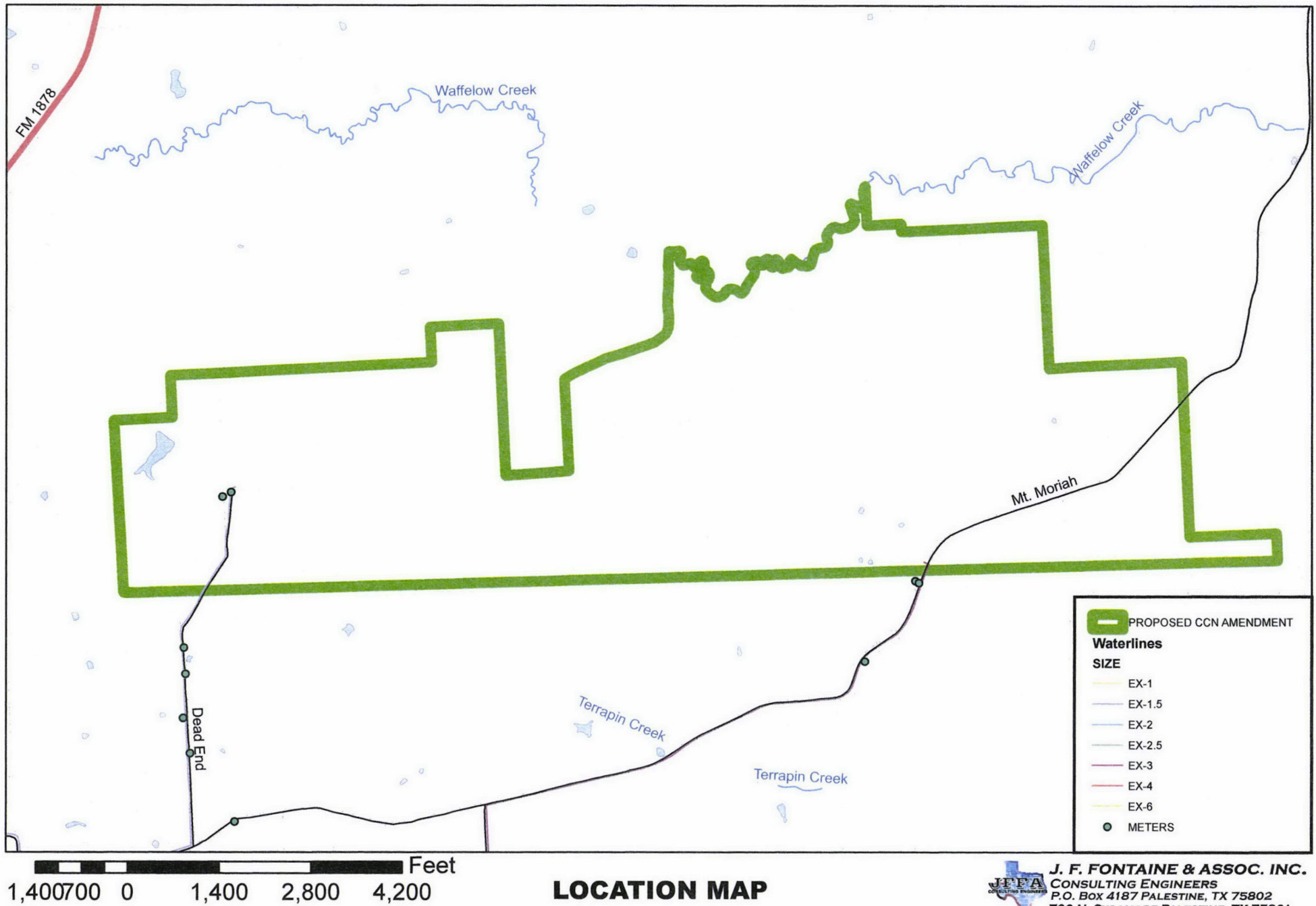
1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

# SWIFT WSC CCN AMENDMENT AREA A



**LOCATION MAP**

# SWIFT WSC CCN AMENDMENT AREA B



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