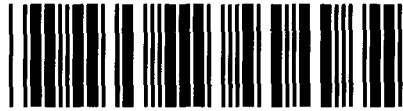


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DOCKET NO. 50488

**PETITION OF RIVER OAKS RANCH
WATER SYSTEM TO DISCONTINUE
WATER SERVICE AND CANCEL ITS
EXEMPT UTILITY REGISTRATION IN
BANDERA COUNTY**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

COMMISSION STAFF'S FINAL RECOMMENDATION

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this response to Order No. 2, Commission Staff's Final Recommendation. In support thereof, Staff shows the following:

I. BACKGROUND

On January 27, 2020, River Oaks Ranch Water System (Applicant) filed a petition to discontinue water service and cancel the associated exempt utility registration No. N0069 in Bandera County. The Applicant asserts there is no charge for the provision of water service in the area, which includes approximately 81 acres and no customers.

On February 28, 2020, the administrative law judge (ALJ) issued Order No. 2 requiring Staff to file a final recommendation on the petition or request a hearing by March 26, 2020. Therefore, this pleading is timely filed.

II. COMMISSION STAFF'S FINAL RECOMMENDATION

Staff has reviewed the application, and as supported by the attached memoranda of Patricia Garcia, Engineering Specialist of the Commission's Infrastructure Division, Staff has concluded that the Applicant meets all of the statutory requirements of Texas Water Code Chapter 13 and the Commission's Chapter 24 rules and regulations to discontinue water service and cancel an exempt utility registration. Therefore, Staff recommends the cancellation of Exempt Utility Registration No. N0069.

III. CONCLUSION

For the reasons specified above, Staff respectfully recommends the cancellation of Exempt Utility Registration No. N0069.

Dated: March 26, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

/s/ John Harrison

John Harrison
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DOCKET NO. 50488

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on March 26, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ John Harrison

John Harrison

PUC Interoffice Memorandum

To: John Harrison, Attorney
Legal Division

From: Patricia Garcia, Engineering Specialist
Infrastructure Division

Date: March 26, 2020

Subject: **Docket No. 50488**, *Petition of River Oaks Ranch Water System to Discontinue Water Service and Cancel its Exempt Utility Registration in Bandera County*

On January 27, 2020, River Oaks Ranch Water System (Applicant) filed a petition to discontinue water service and cancel the associated exempt utility registration No. N0069 in Bandera County. The Applicant asserts there is no charge for the provision of water service in the area which includes approximately 81 acres and no customers. The Applicant's former customers have all drilled private wells.

Criteria Considered

16 Texas Administrative Code (TAC) § 24.249(i) states "In determining whether to authorize a retail public utility to discontinue, reduce, or impair retail water or sewer utility service, the commission shall consider, but is not limited to, the following factors." Therefore, the following criteria were considered:

16 TAC § 24.249(i)(1) requires the Commission to consider the effect on the customers and landowners.

There will be no effect on customers and landowners. The former customers have all drilled private wells.

16 TAC § 24.249(i)(2) requires the Commission to consider the costs associated with bringing the utility into compliance.

The Applicant had a Texas Commission on Environmental Quality (TCEQ) approved Public Water System (PWS) Identification No. 0100103. The PWS is now listed as inactive in the TCEQ Drinking Water Watch website. The customers have drilled private wells and are no longer being provided water service from the PWS.

16 TAC § 24.249(i)(3) requires the Commission to consider the applicant's diligence in locating alternative sources of service.

There are no other water providers in the area willing to serve the former customers in this area who are currently using private wells for water service.

16 TAC § 24.249(i)(4) requires the Commission to consider the applicant's efforts to sell the utility, such as running advertisements, contacting other retail public utilities, or discussing cooperative organization with the customers.

Applicant was provided assistance through the TCEQ and the Commission to try to locate a purchaser for the system. These efforts were unsuccessful.

16 TAC § 24.249(i)(5) requires the Commission to consider the asking price for purchase of the utility as it relates to the undepreciated original cost of the system for ratemaking purposes.

Applicant did not provide an asking price for the purchase of the utility.

16 TAC § 24.249(i)(6) requires the Commission to consider the relationship between the applicant and the original developer of the area services.

Applicant is several owners removed from the original owner and developer of the subdivision.

16 TAC § 24.249(i)(7) requires the Commission to consider the availability of alternative sources of service, such as adjacent retail public utilities or groundwater.

There are no other water providers or sources for water service willing to serve the former customers in this area. The former customers are using private wells for water service.

16 TAC § 24.249(i)(7) requires the Commission to consider the feasibility of customers and landowners obtaining service from alternative sources, considering the costs to the customer, quality of service available from the alternative source, and length of time before full service can be provided.

There are no other water providers or sources for water service willing to serve the former customers in this area. The former customers are using private wells for water service.

Applicant meets all of the statutory requirements of Texas Water Code Chapter 13 and the Commission's Chapter 24 rules and regulations. Therefore, Staff recommends the cancellation of Exempt Utility Registration No. N0069. Upon approval, the exempt utility's registration number will be removed from the Commission's water database and the area will be removed from the online map viewer during the next Commission Staff mapping update.