



Control Number: 50711



Item Number: 8

Addendum StartPage: 0



**DOCKET NO. 50711**

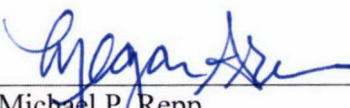
<b>PETITION OF VAL VERDE UTILITY COMPANY, LLC TO DISCONTINUE SEWER SERVICE IN VAL VERDE COUNTY AND CANCEL CERTIFICATE OF CONVENIENCE AND NECESSITY NUMBER 21047</b>	<b>§ § § § § §</b>	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
---	--	--

**RESPONSE OF VAL VERDE UTILITY COMPANY, LLC TO STAFF'S FIRST  
REQUEST FOR INFORMATION**

**COMES NOW** Val Verde Utility Company, LLC ("Val Verde") and files this Response to PUC Staff's First Request for Information Question Nos. Staff 1-1 through Staff 1-2, which was filed with the PUC and served on Val Verde on April 28, 2020. This Response is timely filed. Val Verde agrees and stipulates that all parties may treat these responses as if the answers were filed under oath.

Respectfully submitted,

DUNCAN, BRESSLER, & WILLIAMSON, INC.  
1020 N.E. Loop 410, Suite 500  
San Antonio, Texas 78209  
Telephone: (210) 224-0781  
Fax: (210) 224-6958

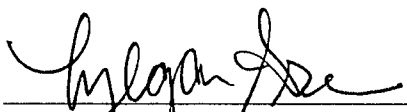
By:   
Michael P. Repp  
State Bar No. 24064104  
Email: mrepp@duncanlaw.com

Megan M. Green  
State Bar No. 24103021  
Email: mgreen@duncanlaw.com

**ATTORNEYS FOR VAL VERDE UTILITY  
COMPANY, LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that on the 18th day of May, 2020 a true and correct copy of the above and foregoing instrument has been transmitted in accordance with the Commission's Order Suspending Rules in Docket No. 50664.

  
\_\_\_\_\_  
Megan M. Green

**DOCKET NO. 50711**

<b>PETITION OF VAL VERDE UTILITY</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>COMPANY, LLC TO DISCONTINUE</b>	<b>§</b>	
<b>SEWER SERVICE IN VAL VERDE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>COUNTY AND CANCEL CERTIFICATE</b>	<b>§</b>	
<b>OF CONVENIENCE AND NECESSITY</b>	<b>§</b>	
<b>NUMBER 21047</b>	<b>§</b>	

**RESPONSE OF VAL VERDE UTILITY COMPANY, LLC TO STAFF'S FIRST  
REQUEST FOR INFORMATION**

**Staff 1-1** Please refer to the application, specifically at Page 6, Question No. 4. In response to Question No. 4, Val Verde indicates that no utility services have ever been provided in the area. In relation to Val Verde's response to Question No. 4, please clarify the following:

- a. Has Val Verde provided water service in the area?
- b. If the response to Staff 1-1(a) is "No," what are Val Verde's plans for water certificate of convenience and necessity No. 13179?

**Response**

- a. No, Val Verde has not provided water service in the area.
- b. Val Verde is petitioning the Commission to cancel water certificate of convenience and necessity No. 13179 ("water CCN"). Val Verde filed the Petition to Discontinue and Cancel Certificate of Convenience and Necessity Number 13179 under Tracking Number GQQUNGDS on March 30, 2020, the same day as the Petition pending under this Docket Number. Val Verde made multiple requests that a Docket Number be assigned to the Petition for the water CCN. However, as no such assignment was made, Val Verde refiled the Petition on April 20, 2020 under Tracking Number YOQDZAOV, which was assigned Docket Number 50792 on April 28, 2020.

Sponsored by: David L. Earl  
President, Val Verde Utility Company, LLC

Prepared by: Duncan, Bressler & Williamson, Inc.  
Attorneys for Val Verde Utility Company, LLC

**DOCKET NO. 50711**

<b>PETITION OF VAL VERDE UTILITY</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>COMPANY, LLC TO DISCONTINUE</b>	<b>§</b>	
<b>SEWER SERVICE IN VAL VERDE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>COUNTY AND CANCEL CERTIFICATE</b>	<b>§</b>	
<b>OF CONVENIENCE AND NECESSITY</b>	<b>§</b>	
<b>NUMBER 21047</b>	<b>§</b>	

**RESPONSE OF VAL VERDE UTILITY COMPANY, LLC TO STAFF'S FIRST  
REQUEST FOR INFORMATION**

**Staff 1-2**

In determining whether to authorize a retail public utility to discontinue, reduce, or impair retail water or sewer utility service, the Commission is provided a non-exhaustive list of factors to consider under 16 TAC § 24.249(i). Based on the factors enumerated, please provide responses to the following:

- a. Effect of this petition being granted on landowners in the area;
- b. Expected costs to bring system into compliance;
- c. Steps taken by Val Verde to locate a service provider or purchaser for the service area;
- d. Relationship between Val Verde and the original developer of the area;
- e. Availability of alternative sources of service, such as adjacent retail public utilities or groundwater; and
- f. Feasibility of landowners obtaining service from alternative sources and the length of time before full service can be provided.

**Response**

The following background information is included in order to provide the Commission with all relevant facts and context for the responses for the six factors, below.

At the time Certificate of Convenience and Necessity No. 21047 was obtained, in March of 2010, the land covered by the service area was owned by SE Ranch Holdings, Ltd., the original developer of the area. The officers of SE Ranch Holdings, Ltd. established Val Verde Utility Company, LLC in anticipation of developing the land and providing utility services following such development. However, as the land was not developed, no facilities or lines for utilities were installed and no utility services were ever provided.

In October 2019, SE Ranch Holdings, Ltd., and Val Verde County entered an agreement under which the land covered by the CCN service area was conveyed to Val Verde County. The General Warranty Deed conveying the land to Val Verde County is recorded in Document Number 00316621, of the Official Public Records of Val Verde County, Texas. In furtherance of the terms of that agreement and at the request of Val Verde County, Val Verde Utility Company, LLC is petitioning the cancellation of CCN 21047.

As Val Verde has never provided sewer services to any customer, it is not seeking to discontinue, reduce, or impair services, for which the factors enumerated in 16 TAC § 24.249(i) are evaluated.

- a. The granting of this petition shall have no effect on landowners in the service area as no landowners ever received utility services and, as explained above, the land is now owned by Val Verde County, which has requested the CCNs be cancelled.
- b. A system for sewer services has never been constructed.
- c. The land covered by the service area has already been conveyed to Val Verde County, as reflected in the General Warranty Deed recorded in Document Number 00316621, of the Official Public Records of Val Verde County, Texas.
- d. SE Ranch Holdings, Ltd. was the original developer for the service area. The officers of SE Ranch Holdings, Ltd. established Val Verde Utility Company, LLC in anticipation of providing utility services following the development of the land.
- e. Unknown. As indicated in the Petition, the Del Rio Utilities Commission provides sewer services within two miles of the service area covered by CCN 21047. However, as the landowner, Val Verde County, has requested Val Verde petition for the cancellation of the CCNs covering the land and has not indicated to Val Verde there will be a need for utility services provided to the land, Val Verde has not determined the availability of alternative sources of services.
- f. Unknown. Val Verde has not determined the feasibility of sewer services being provided, as the landowner, Val Verde County, has requested Val Verde cancel the CCNs covering its land and has not indicated to Val Verde any need for utility services on its land.

Sponsored by: David L. Earl  
President, Val Verde Utility Company, LLC

Prepared by: Duncan, Bressler & Williamson, Inc.  
Attorneys for Val Verde Utility Company, LLC