

Control Number: 50789



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DOCKET NO. 50789

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FILING CLERK

**APPLICATION OF THE CITY OF §
RICHLAND FOR A WATER §
CERTIFICATE OF CONVENIENCE §
AND NECESSITY AND FOR DUAL §
CERTIFICATION WITH CORBET §
WATER SUPPLY CORPORATION AND §
PLEASANT GROVE WATER SUPPLY §
CORPORATION IN NAVARRO §
COUNTY §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

NOTICE OF APPROVAL

This Notice of Approval addresses the application of the City of Richland for a new water certificate of convenience and necessity (CCN) and for dual certification with a portion of Corbet Water Supply Corporation's CCN number 12278, and a portion of Pleasant Grove Water Supply Corporation's CCN number 10756, in Navarro County. The Commission grants Richland water CCN number 13294, which includes 8,608 total acres and 279 connections. The area approved for single certification is approximately 8,027 acres. The area approved for dual certification includes 206 acres of dual certification with Corbet WSC and approximately 375 acres of dual certification with Pleasant Grove WSC.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Richland is a Texas municipality that owns and operates a water utility serving retail customers.
2. Richland owns a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 1750020.

Application

3. On April 27, 2020, Richland filed the application at issue for approval to (1) obtain a water CCN in Navarro County; and (2) for dual certification with a portion of Corbet WSC's CCN number 12278 and a portion of Pleasant Grove WSC's CCN number 10756.

4. Richland filed supplemental information on May 5, 15, and 28, June 24, 25, and 26, and July 2 and 22, 2020.
5. The requested area includes 8,608 total acres and 279 connections.
6. The portion of the requested area to be dually certificated with Corbet WSC is 206 acres.
7. The portion of the requested area to be dually certificated with Pleasant Grove WSC is 375 acres.
8. The requested area is located approximately 10 miles south of downtown Corsicana, and is generally bounded on the north by Richland Creek; on the east by Richland Chambers Reservoir and Farm-to-Market Road 246; on the south by County Road 2380; and on the west by State Highway 14.
9. In Order No. 3 filed on July 29, 2020, the administrative law judge (ALJ) found the application administratively complete.

Notice

10. On October 19, 2020, Richland filed the affidavit of Sharon Settlemyer, Richland's city secretary, attesting that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on September 28, 2020.
11. On October 19, 2020, Richland filed a publisher's affidavit attesting to publication of notice in the *Corsicana Daily Sun*, a newspaper of general circulation in Navarro County, on October 3, and 10, 2020.
12. On October 30, 2020, Richland submitted a copy of the notice provided to customers, landowners, neighboring utilities, and other affected persons.
13. On December 4, 2020, Richland filed a copy of the correct map issued with notice.
14. In Order No. 7 filed on December 17, 2020, the ALJ found notice sufficient.

Map and Certificates

15. On January 21, 2021, Commission Staff emailed the proposed map and certificate to Richland.
16. On January 21, 2021, Commission Staff emailed the proposed map to Pleasant Grove WSC and Corbet WSC.

17. On January 22, 2021, Richland filed its consent to the proposed map and certificate.
18. On February 23, 2021, Pleasant Grove WSC filed its consent to the proposed map.
19. On March 1, 2021, Corbet WSC filed its consent to the proposed map.
20. The map and certificate were included as attachments to Commission's Staff's March 17, 2021 agreed motion to admit evidence and proposed Notice of Approval.

Evidentiary Record

21. On March 17, 2021, Richland and Commission Staff filed an agreed motion to admit evidence and proposed notice of approval.
22. In Order No. 9 filed on March 24, 2021, the ALJ admitted the following evidence into the record of this proceeding: (a) Richland's application and all attachments filed on April 27, 2020; (b) Richland's supplement to the application filed on May 5, 2020; (c) letters to Corbet WSC and Pleasant Grove WSC requesting dual certification and City of Corsicana water purchase contract filed on May 15, 2020; (d) Richland's Audit 2018 and Budget 2020 filed on May 28, 2020; (e) maps filed on June 24, 2020; (f) Richland's supplemental information to the application filed on June 25, 2020; (g) maps filed on June 25, 2020; (h) revised mapping information filed on June 26, 2020; (i) additional mapping information filed on July 2, 2020; (j) letter from Pleasant Grove WSC approving dual certification filed on July 16, 2020; (k) Commission Staff's supplemental recommendation on administrative completeness and proposed notice filed on July 28, 2020; (l) response to Commission Staff's first request for information filed on August 17, 2020; (m) Richland's affidavit of notice and non-standard agreements filed on August 20, 2021; (n) additional mapping information filed on September 22, 2020; (o) response to Commission Staff's second request for information filed on September 22, 2020; (p) response to Commission Staff's third request for information filed on October 8, 2020; (q) affidavit regarding newspaper publication and maps filed on October 19, 2021; (r) response to Commission Staff's fourth request for information filed on October 26, 2020; (s) updated affidavit regarding newspaper publication and maps filed on October 30, 2021; (t) second response to Commission Staff's fourth request for information filed on October 30, 2020; (u) corrected map filed on December 4, 2020; (v) Commission Staff's supplemental recommendation on sufficiency of notice, filed on December 16, 2020; (w) Richland's consent form filed on

January 22, 2021; (x) Pleasant Grove WSC's consent form filed on February 23, 2021; (y) Corbet WSC's consent form filed on March 1, 2021; (z) Commission Staff's recommendation on the transaction filed on March 4, 2021; and (aa) final map and certificate as attached to the joint motion to admit evidence filed on March 17, 2021.

Adequacy of Existing Service

23. Richland currently provides water service to 279 customers in the requested area and such service has been continuous and adequate.
24. Richland has a TCEQ approved PWS registered as PWS number 1750020.
25. Richland does not have any unresolved violations listed in the TCEQ database.
26. The only construction necessary for Richland to serve the requested area is the installation of distribution lines.

Need for Additional Service

27. There are 279 existing connections and six requests for service in the requested area.
28. Richland anticipates 329 new connections in the requested area; therefore, there is a need for service.

Effect of Approving the Application and Granting the Certificate

29. Granting the certificate will obligate Richland to provide adequate and continuous service to the requested area.
30. The landowners in the area will have a water provider available when they need to request water service.
31. Corbet WSC and Pleasant Grove WSC consented to dual certification with Richland in the areas identified in the application.
32. Notice was provided to landowners, county authorities, municipalities, retail public utilities within two miles from the outer boundary of the requested area, and affected parties. No adverse comments, opt out requests, or motions to intervene were filed in this docket; therefore, there will be no effect on landowners or adjacent public utilities in the proximate area.

Ability to Serve: Managerial and Technical

33. Richland is currently providing water service to 279 customers in the requested area through public water system number 1750020 and has adequate capacity to serve the demand in the requested area.
34. Richland employs TCEQ-licensed operators to operate its public water system.
35. Richland has access to an adequate supply of water and is capable of providing drinking water that meets the requirements of chapter 341 of the Health and Safety Code, chapter 13 of the TWC, and the TCEQ's rules.
36. Richland has the managerial and technical capability to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from an Adjacent Retail Public Utility

37. Approximately 4,342 acres of the requested area is already within Richland's city limits or extraterritorial jurisdiction, and an additional 581 acres are already certificated to Pleasant Grove WSC and Corbet WSC.
38. The requested area is either currently being served by Richland or includes parcels for which Richland has received a request for service or parcels Richland will need to cross to reach parcels for which service has been requested.
39. Utilities within a two-mile radius of the requested area were noticed and no protests were received.
40. It is not feasible to obtain water or sewer service from another utility.

Ability to Serve: Financial Ability and Stability

41. Richland has a debt-to-equity ratio of 0.00, which is less than one, satisfying the leverage test.
42. Richland has sufficient cash on hand to cover any projected operations and maintenance shortages during the first five years of operations following the issuance of the CCN, satisfying the operations test.
43. Richland demonstrated the financial capability and stability to provide continuous and adequate service to the requested area.

Financial Assurance

44. There is no need to require Richland to provide a bond or other financial assurance to ensure continuous and adequate service to the requested area.

Regionalization or Consolidation

45. Regionalization or consolidation is not feasible as there are no other retail public utilities in the vicinity to serve the requested area.

Environmental Integrity and Effect on the Land

46. There will be little effect on the land and the environmental integrity of the requested area will be minimally affected when distribution lines are installed to serve the requested area.

Improvement in Service or Lowering Cost to Consumers

47. Richland will continue to provide water service to the existing customers in the area with no change to the cost to customers.
48. No lowering of cost to customers in the requested areas will result from granting the CCN. Customers requesting service in the area will be able to receive water service from Richland.

Informal Disposition

49. More than 15 days have passed since the completion of notice provided in this docket.
50. No person filed a protest or motion to intervene.
51. Richland and Commission Staff are the only parties to this proceeding.
52. No party requested a hearing and no hearing is needed.
53. Commission Staff recommended approval of the application.
54. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this proceeding under TWC §§ 13.041, 13.241, 13.244, and 13.246.
2. Richland is a retail public utility as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).

3. Richland provided notice of the application that complies with TWC § 13.246 and 16 TAC § 24.235.
4. The Commission processed the application as required by the TWC, the Administrative Procedure Act,¹ and Commission rules.
5. After consideration of the factors in TWC § 13.246(c) and 16 TAC § 24.277(e), Richland demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested area in Navarro County as required by TWC § 13.241(a) and 16 TAC § 24.227.
6. Richland meets the requirements of TWC § 13.241(b) to provide water utility service.
7. It is not necessary for Richland to provide a bond or other financial assurance under TWC § 13.246(d).
8. Richland, Corbet WSC, and Pleasant Grove WS must each record a certified copy of the approved map and certificate, along with a boundary description of the relevant service area, in the real property records of Navarro County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording, as required by TWC § 13.257(r) and (s).
9. The requirements for informal disposition in 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. The Commission approves the application.
2. The Commission grants Richland water CCN number 13294 to include the requested area described in this Notice of Approval and shown on the attached map.
3. The Commission grants the certificate attached to this Notice of Approval.

¹ Texas Gov't Code §§ 2001.001–.903.

4. Richland must serve every customer and applicant for service within the approved area under water CCN number 13294 who requests water service and meets the terms of Richland's water service, and such service must be continuous and adequate.
5. Richland must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Navarro County affected by the application and submit to the Commission evidence of the recording no later than 45 days after receipt of this Notice of Approval.
6. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

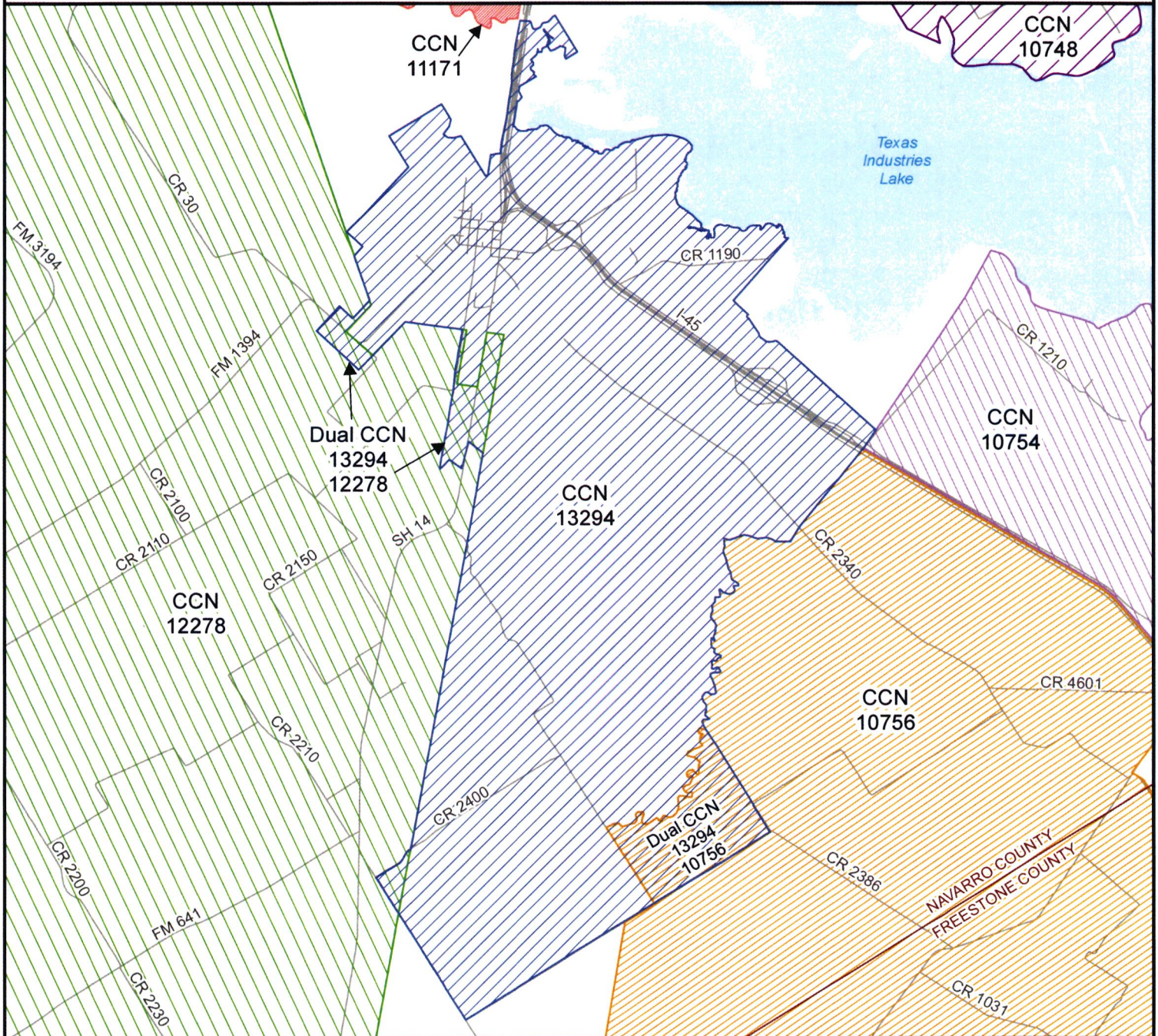
Signed at Austin, Texas the 29th day of June 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read 'G. R. Siemankowski', is written over a horizontal line.

**GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE**

City of Richland
Water CCN No. 13294
PUC Docket No. 50789
Obtained New CCN in Navarro County



Water CCN

-  13294 - City of Richland
-  12278 - Corbet WSC
-  11171 - Angus WSC
-  10748 - M E N WSC
-  10754 - Winkler WSC
-  10756 - Pleasant Grove WSC

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Feet



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

Map by: Komal Patel
Date created: January 11, 2021
Project Path: n:\finalmapping\
50789CityofRichland.mxd



Public Utility Commission of Texas

By These Presents Be It Known To All That

City of Richland

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, City of Richland is entitled to this

Certificate of Convenience and Necessity No. 13294

to provide continuous and adequate water utility service to that service area or those service areas in Navarro County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50789 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 City of Richland 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 29th day of June 2021.