



Control Number: 50792



Item Number: 15

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DeAnn T. Walker
Chairman
Arthur C. D'Andrea
Commissioner
Shelly Botkin
Commissioner
John Paul Urban
Executive Director



Greg Abbott
Governor

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Public Utility Commission of Texas

TO: DeAnn T. Walker, Chairman
Arthur C. D'Andrea, Commissioner
Shelly Botkin, Commissioner

All Parties of Record

FROM: Gregory R. Siemankowski
Administrative Law Judge

A handwritten signature in dark ink, appearing to be "G. Siemankowski".

RE: **Open Meeting of December 17, 2020**
Docket No. 50792 – *Petition of Val Verde Utility Company, LLC to Decertify its Certificated Water Area and Cancel its Water Certificate of Convenience and Necessity in Val Verde County*

DATE: November 13, 2020

Because of the COVID-19 state of disaster, the Commission has moved to a work-at-home environment and is working to maintain operations as normally as possible. However, all known challenges have not yet been overcome and the dates provided in this notice are subject to change.

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission will consider this docket at an open meeting currently scheduled to begin at 9:30 a.m. on Thursday, December 17, 2020, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties must file corrections or exceptions to the Proposed Order on or before Friday, November 20, 2020.

If there are no corrections or exceptions, no response is necessary.

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DOCKET NO. 50792

PETITION OF VAL VERDE UTILITY	§	PUBLIC UTILITY COMMISSION
COMPANY, LLC TO DECERTIFY ITS	§	
CERTIFICATED WATER AREA AND	§	OF TEXAS
CANCEL ITS WATER CERTIFICATE	§	
OF CONVENIENCE AND NECESSITY	§	
IN VAL VERDE COUNTY	§	

PROPOSED ORDER

In this proceeding, Val Verde Utility Company, LLC seeks to cease providing water service and cancel its certificate of convenience and necessity (CCN) number 13179 in Val Verde County. The Commission cancels Val Verde Utility's water CCN number 13179.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Val Verde Utility is a Texas limited liability company registered with the Texas secretary of state under filing number 801087469.
2. Val Verde Utility holds water CCN number 13179 in Val Verde County.

Background

3. The water service area to be decertified consists of 3,103 acres and no customers.
4. Val Verde Utility obtained CCN number 13179.
5. Val Verde Utility was established by the officers of SE Ranch Holdings, LTD., the original developer of the water service area to be decertified.
6. Val Verde Utility has not constructed a system to provide water service, has never provided water service, has no water customers, and has never had any water customers.
7. Val Verde Utility does not purchase water treatment capacity from any other source.
8. In October 2019, SE Ranch Holdings entered an agreement conveying the land covered by water CCN number 13179 to Val Verde County.

9. As part of the agreement and at the request of Val Verde County, Val Verde Utility filed the petition at issue in this proceeding.

Petition

10. On April 20, 2020, Val Verde Utility filed the petition at issue in this proceeding, in which it seeks to cancel water CCN number 13179.
11. In Order No. 2 filed on August 20, 2020, the administrative law judge (ALJ) found the petition administratively complete.

Notice

12. On August 5, 2020, Val Verde Utility filed the affidavit of Megan Green, attorney for Val Verde Utility, attesting that notice of the petition was provided to the City of Del Rio, Del Rio Utilities Commission, and the Val Verde county judge.
13. On August 14, 2020, Val Verde Utility filed a publisher's affidavit attesting that notice of the petition was published in the *Del Rio News-Herald*, a newspaper of general circulation in Val Verde County, on August 5 and 12 , 2020.
14. In Order No. 3 filed on August 26, 2020, the ALJ found the notice sufficient.

Evidentiary Record

15. On October 22, 2020, the parties filed an agreed motion to admit evidence.
16. In Order No. 4 filed on October 23, 2020, the ALJ admitted the following evidence into the record of this proceeding: (a) Val Verde Utility's petition and all attachments filed on April 20, 2020; (b) Val Verde Utility's response to Commission Staff's request for information filed on August 3, 2020; (c) Val Verde Utility's affidavit attesting to proof of notice filed on August 5, 2020; (d) Val Verde Utility's affidavit attesting to published notice filed on August 14, 2020; (e) Commission Staff's recommendation on administrative completeness filed on July 9, 2020; and (f) Commission Staff's recommendation on final disposition filed on October 1, 2020.

Ability to Render Continuous and Adequate Service—Texas Water Code (TWC) § 13.250(a)

17. Consideration of Val Verde Utility's ability to render continuous and adequate service within its certified area is unnecessary because Vale Verde Utility has no customers or facilities.

Discontinuation, Reduction, or Impairment of Service—TWC § 13.250(b), (c), (d)

18. Neither the present nor future convenience and necessity will be adversely affected because there are no customers in Val Verde Utility's certified area and because Val Verde Utility has never provided service to the certified area..

Consent of Certificate Holder—TWC § 13.254(a), (b)

19. Val Verde Utility is the certificate holder and provided written consent to cancel its CCN.

New Service Provider—TWC § 13.254(c)

20. No utility will be required to to serve the area because there are no customers in Val Verde Utility's service area,

Adequate Compensation—TWC § 13.254(d), (e), (f), (g)

21. Because Val Verde has no customers or facilities, and because there are no current plans for another utility to provide service to the certified area following the cancellation of Val Verde Utility's CCN, no compensation for the certified area has been paid or is due to Val Verde Utility from another retail public utility.

Service After Decertification—TWC § 13.254(h)

22. After discontinuance and cancellation of its CCN, Val Verde will no longer be obligated to serve the certified area.
23. There will be no service to the area after decertification, and none is required, because there are no customers in Val Verde Utility's certified area.

Effect on Customers and Landowners—16 Texas Administrative Code (TAC) § 24.249(i)(1)

24. The proposed discontinuation of service will have no adverse effect on customers and landowners because there are no customers in Val Verde Utility's certified area and all of the land located within the boundaries of the CCN is now owned by Val Verde County, who requested Val Verde Utility cancel its CCN.

Costs Associated with Achieving Compliance—16 TAC § 24.249(i)(2)

25. There are no costs associated with achieving compliance because Val Verde Utility has never constructed a system for providing water services.

Diligence in Locating Alternative Sources of Water Service—16 TAC § 24.249(i)(3)

26. There is no need for Val Verde Utility to locate alternative sources of water service because there are no customers in Val Verde Utility's service area and the current landowner, Val Verde County, requested Val Verde Utility cancel its CCN.

Efforts to Sell Utility—16 TAC § 24.249(i)(4)

27. There are no facilities to be sold.

Asking Price—16 TAC § 24.249(i)(5)

28. There are no facilities to be sold.

Relationship Between Applicant and Developer—16 TAC § 24.249(i)(6)

29. SE Ranch Holdings was the original landowner and developer of the area. The officers of SE Ranch Holdings established Val Verde in anticipation of developing the land and providing utility services following the development.
30. In October 2019, SE Ranch Holdings entered an agreement to convey the land covered by water CCN number 13179 to Val Verde County. Val Verde Utility filed this petition to cancel water CCN number 13179 in furtherance of the terms of the agreement between SE Ranch Holdings and Val Verde County.

Availability of Alternative Sources of Water Service—16 TAC § 24.249(i)(7)

31. Consideration of the availability of alternative sources of water service is unnecessary because there are no customers in the certified area and the current landowner, Val Verde County, requested Val Verde Utility cancel its CCN.

Feasibility of Obtaining Service from Alternative Sources—16 TAC § 24.249(i)(8)

32. Consideration of the feasibility of obtaining service from alternative sources is unnecessary because there are no customers in the certified area and the current landowner, Val Verde County, requested Val Verde Utility cancel its CCN.

Informal Disposition

33. More than 15 days have passed since the completion of the notice provided in this docket.
34. No person filed a protest or motion to intervene.
35. Val Verde Utility and Commission Staff are the only parties to this proceeding.
36. No party requested a hearing and no hearing is needed.

37. Commission Staff recommended that the petition be approved.
38. 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 and 13.250.
2. Notice of the petition was provided in compliance with TWC § 13.246 and 16 TAC § 24.249(b).
3. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,¹ the TWC, and Commission rules.
4. After consideration of the factors in TWC §§ 13.250 and 13.254 and 16 TAC § 24.249(i), Val Verde Utility demonstrated that it meets the criteria to have its water CCN number 13179 cancelled.
5. 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 cancels Val Verde Utility's water CCN number 13179, effective the date of this Order.
2. Commission Staff must remove Val Verde's water CCN number 13179 from its databases of active CCNs.
3. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

¹ Tex Gov't Code §§ 2001.001-.903

Signed at Austin, Texas the _____ day of December 2020.

PUBLIC UTILITY COMMISSION OF TEXAS

DEANN T. WALKER, CHAIRMAN

ARTHUR C. D'ANDREA, COMMISSIONER

SHELLY BOTKIN, COMMISSIONER

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