

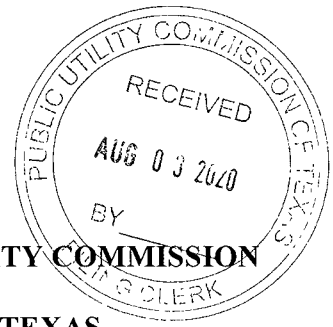
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**DOCKET NO. 50792**



**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**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**RESPONSE OF VAL VERDE UTILITY COMPANY, LLC TO COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION  
QUESTION NO. STAFF 1-1**

**COMES NOW** Val Verde Utility Company, LLC ("Val Verde") and files this Response to Commission Staff's First Request for Information Question No. Staff 1-1, which was filed with the PUC and served on Val Verde on July 16, 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,

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By: 

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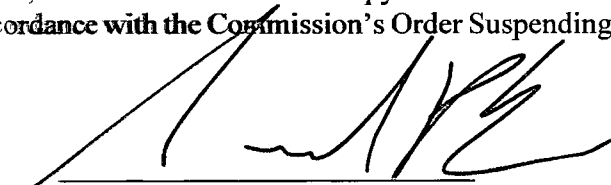
Megan M. Green  
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**ATTORNEYS FOR VAL VERDE UTILITY  
COMPANY, LLC**

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**CERTIFICATE OF SERVICE**

I hereby certify that on the 3rd day of August, 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.

  
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Michael P. Repp

**DOCKET NO. 50792**

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

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

**Staff 1-1**

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 the following information:

- a) The effect of this petition being granted on the landowners in the service area;
- b) If any issue regarding compliance with any applicable statute, rule, or regulation exists, identify the issue and any expected costs necessary to bring the system into compliance;
- c) Steps taken by Val Verde to locate alternate sources of service;
- d) Whether there have been any efforts to sell the utility, such as running advertisements, contacting other retail public utilities, or discussing cooperative organization with the customers;
- e) If any attempt to sell the utility has been made, the asking price for purchase of the utility as it relates to the undepreciated original cost of the system for ratemaking purposes. If no attempt to sell the utility has been made, please explain why;
- f) The relationship, if any, between Val Verde and the original developer of the area;
- g) The availability of alternative sources of service, such as adjacent retail public utilities or groundwater; and
- h) The 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 eight factors, below.

At the time Certificate of Convenience and Necessity No. 13179 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 13179.

As Val Verde has never provided water 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 CCN be cancelled.
- b. A system for water services has never been constructed.
- c. No steps have been taken to locate alternate sources of service as no services are needed
- d. 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.
- e. No attempt to sell the utility has been made as the land covered by the service area has already been conveyed to Val Verde County.
- f. 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.
- g. Unknown. As indicated in the Petition, the Del Rio Utilities Commission provides utility services within two miles of the service area covered by CCN 13179. 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.
- h. Unknown. Val Verde has not determined the feasibility of obtaining service from alternate sources, 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