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APPLICATION OF WEST HARRISON WATER SUPPLY CORPORATION TO AMEND ITS WATER CERTIFICATE OF CONVENIENCE AND NECESSITY IN HARRISON COUNTY §
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§ PUBLIC UTILITY COMMISSION OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of the West Harrison Water Supply Corporation to amend its water certificate of convenience and necessity (CCN) number 12728 in Harrison County to add 447 acres to its CCN. The Commission amends West Harrison WSC water CCN number 12728 to include the 447-acre requested area.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. West Harrison WSC is a Texas non-profit water supply corporation organized under chapter 67 of the Texas Water Code (TWC) and registered with the Texas secretary of state under filing number 119606201.
2. West Harrison WSC operates, maintains, and controls facilities for providing retail water service in Harrison County under water CCN number 12728.
3. West Harrison WSC owns and operates a public water system that is registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 1700592.

Application

4. On May 4, 2020, West Harrison WSC filed an application to amend its water CCN number 12728 in Harrison County to add 437 acres to its certificated service area.
5. On May 13, 2020, West Harrison WSC supplemented its application with additional maps.
6. On July 1, 2020, West Harrison WSC amended its application to add additional acreage to the area originally requested.

7. West Harrison WSC's application, as amended, requests an area that is approximately 447 acres, includes three existing customers, and includes area for which there have been 16 requests for service.
8. The requested area is located approximately 4.7 miles southeast of downtown Hallsville, Texas, and is generally bounded on the north by Interstate Highway 20; on the east by Farm-to-Market Road 3251; on the south by Red Oak Road; and on the west by Finklea Road.
9. In Order No. 4 filed on August 4, 2020, the administrative law judge (ALJ) found the application administratively complete.

Notice

10. On August 13, 2020, West Harrison WSC filed the affidavit of Eddy Daniel, P.E., West Harrison WSC's authorized representative, attesting that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on August 5, 2020.
11. On August 13, 2020, West Harrison WSC filed a publisher's affidavit attesting to the publication of notice in the *Marshall News Messenger*, a newspaper of general circulation in Harrison County, on August 6 and 13, 2020.
12. In Order No. 6 filed on September 14, 2020, the ALJ found the notice sufficient.

Map and Certificate

13. On November 13, 2020, Commission Staff emailed the proposed map and certificate to West Harrison WSC.
14. On November 16, 2020, West Harrison WSC filed its consent to the proposed map and certificate.
15. On December 4, 2020, the proposed map and certificate were included as attachments to Commission Staff's final recommendation on the application.

Evidentiary Record

16. On December 11, 2020, the parties filed an agreed motion to admit evidence.
17. In Order No. 7 filed on December 30, 2020, the ALJ admitted the following evidence into the record of this proceeding: (a) the application of West Harrison WSC's and attachments

filed on May 4, 2020; (b) West Harrison WSC's response to Commission Staff's email requesting PDF maps and digital data files filed on May 13, 2020; (c) Commission Staff's recommendation on administrative completeness and proposed notice filed on June 8, 2020; (d) West Harrison response to Order No. 1 filed on June 24, 2020; (e) West Harrison WSC's response to Commission Staff's request for information number 1-1 filed on June 25, 2020; (f) West Harrison WSC's response to administrative completeness and proposed notice filed on July 1, 2020; (g) Commission Staff's supplemental recommendation on administrative completeness and proposed notice filed on August 3, 2020; (h) West Harrison WSC's response to Order No. 4 filed on August 13, 2020; (i) Commission Staff's supplemental recommendation on sufficiency of notice filed on September 9, 2020; (j) West Harrison WSC's response to Commission Staff's requests for information numbers 2-1 through 2-3 filed on November 3, 2020; (k) West Harrison WSC's consent form filed on November 16, 2020; and (l) Commission Staff's final recommendation on the application, including the attached proposed map and certificate, filed on December 4, 2020.

Adequacy of Existing Service—TWC § 13.246(c)(1), 16 Texas Administrative Code (TAC) § 24.227(e)(1)

18. West Harrison WSC is currently providing water service to three existing customers in the requested area through public water system number 1020078, and such service has been continuous and adequate.
19. West Harrison WSC does not have any unaddressed violations listed in the TCEQ database.

Need for Service—TWC § 13.246(c)(2), 16 TAC § 24.227(e)(2)

20. There is a need for service because West Harrison WSC currently serves three customers in the requested area.
21. West Harrison WSC has received 16 requests for service from landowners in the requested area.

Effect of Granting the Amendment—TWC § 13.246(c)(3), 16 TAC § 24.227(e)(3)

22. Granting the CCN amendment will allow West Harrison WSC to continue serving its three existing customers, the 16 landowners who have requested service, and will obligate West Harrison WSC to provide service to future customers in the requested area.

23. Nearby utilities were properly noticed and no protests or motions to intervene were filed by other utilities; there will be no effect on any other retail public utility servicing the proximate area.

Ability to Serve: Managerial and Technical—TWC §§ 13.241(a)-(c), 13.246(c)(4), 16 TAC §§ 24.227(a), (e)(4)

24. Public water system number 1020078, through which West Harrison WSC is currently providing service to three customers in the requested area, has adequate capacity to meet the current and projected demands in the requested area.
25. West Harrison WSC has access to an adequate supply of water to serve the requested area, and its public water system is capable of providing water that meets the requirements of chapter 341 of the Texas Health and Safety Code, chapter 13 of the TWC, and the rules of the TCEQ.
26. West Harrison WSC employs TCEQ-licensed water operators who are responsible for operating public water system number 1020078.
27. West Harrison WSC has the managerial and technical capability to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from Adjacent Utilities—TWC § 13.246(c)(5); 16 TAC § 24.227(e)(5)

28. There are no other water retail public utilities in the proximate area from which customers could obtain service.

Ability to Serve: Financial Ability and Stability—TWC §§ 13.246(c)(6), 13.241(a), 16 TAC §§ 24.11(e), 24.227(a), 24.227(e)(6)

29. West Harrison WSC has a debt-service coverage ratio that is greater than 1.25, satisfying the leverage test.
30. West Harrison WSC demonstrated that it has sufficient cash on hand to cover any projected operations and maintenance shortages during the first five years of operations after completion of the CCN amendment, satisfying the operations test.
31. West Harrison WSC has the financial ability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance—TWC § 13.246(d); 16 TAC § 24.227(f)

32. There is no need to require West Harrison WSC to provide a bond or other financial assurance to ensure continuous and adequate service.

Regionalization or Consolidation—TWC § 13.241(d); 16 TAC § 24.227(b)

33. West Harrison WSC will not need to construct a physically separate water system to provide service the requested area. Accordingly, concerns of regionalization or consolidation do not apply.

Environmental Integrity and Effect on the Land—TWC § 13.246(c)(7), (c)(9); 16 TAC § 24.227(e)(7), (e)(9)

34. There will be minimal effects on environmental integrity and on the land as waterlines are extended to provide service to customers in the requested area.

Improvement in Service or Lowering of Cost—TWC § 13.246(c)(8), 16 TAC § 24.227(e)(8)

35. Water service to the requested area will improve because West Harrison WSC will be obligated to provide service to future customers in the requested area.
36. West Harrison WSC will provide water service to existing and future customers in the requested area with no change in the cost of service to customers.

Informal Disposition

37. More than 15 days have passed since the completion of the notice provided in this docket.
38. No person filed a protest or motion to intervene.
39. West Harrison WSC and Commission Staff are the only parties to this proceeding.
40. No party requested a hearing and no hearing is needed.
41. Commission Staff recommended that the application be approved.
42. 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. West Harrison WSC is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).
3. Notice of the application was provided in compliance with TWC § 13.246 and 16 TAC § 24.235.
4. The application meets the requirements set forth in TWC § 13.244 and 16 TAC § 24.25 and 24.227.
5. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,¹ the TWC, and Commission rules.
6. After consideration of the factors in TWC § 13.246(c) and 16 TAC § 24.227(e), West Harrison WSC demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested area in Harrison County as required by TWC § 13.241 and 16 TAC § 24.227.
7. West Harrison WSC demonstrated that the amendment of its water CCN number 12728 will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public, as required by TWC § 13.246(b) and 16 TAC § 24.227(d).
8. It is not necessary for West Harrison WSC to provide a bond or other financial assurance under TWC § 13.246(d) of 16 TAC § 24.227(f).
9. West Harrison WSC has access to an adequate supply of water to serve the requested area, and its public water system is capable of providing water that meets the requirements of chapter 341 of the Texas Health and Safety Code, chapter 13 of the TWC, and the rules of the TCEQ in accordance with TWC § 13.241(b) and 16 TAC § 24.227(a)(1).
10. Under TWC § 13.257(r) and (s), West Harrison WSC is required to record a certified copy of its approved map and certificate, along with a boundary description of its service area, in the real property records of Harrison County no later than the 31st day after the date it receives this Notice of Approval.
11. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

¹ Tex. Gov't Code §§ 2001.001-.903.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission amends West Harrison WSC water CCN number 12728 to include the 447-acre requested area and shown on the map filed by Commission Staff on December 4, 2020.
2. The Commission approves the map filed by Commission Staff on December 4, 2020.
3. The Commission issues the certificate filed by Commission Staff on December 4, 2020.
4. West Harrison WSC must provide service to every customer and applicant for service within the approved area under water CCN number 12728 who requests water service and meets the terms of West Harrison WSC's water service, and such service must be continuous and adequate.
5. West Harrison WSC must file in this docket proof of the recording required in TWC § 13.257(r) and (s) within 45 days of the date of this Notice of Approval.
6. The Commission denies all other motions and any other requests for general or specific relief not expressly granted.

Signed at Austin, Texas the 19th day of January 2021.

PUBLIC UTILITY COMMISSION OF TEXAS



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ADMINISTRATIVE LAW JUDGE