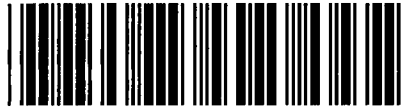




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APPLICATION OF QUADVEST, L.P.
TO AMEND ITS CERTIFICATES OF
CONVENIENCE AND NECESSITY IN
HARRIS COUNTY

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PUBLIC UTILITY COMMISSION
OF TEXAS

COMMISSION STAFF'S REVISED PROPOSED NOTICE OF APPROVAL

Staff of the Public Utility Commission of Texas (Staff) files this Revised Proposed Notice of Approval including new Finding of Fact number 16 to include reference to this revised proposed notice of approval, and revising Finding of Fact number 40 to reflect that Quadvest, L.P. will in fact be constructing a physically separate water or sewer system.

Staff has conferred with counsel for Quadvest, who indicates Quadvest is in agreement with the proposed revisions.

Date: April 22, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

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/s/ Justin C. Adkins
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DOCKET NO. 50943
CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on April 22, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Justin C. Adkins
Justin C. Adkins

DOCKET NO. 50943

**APPLICATION OF QUADVEST, L.P. § PUBLIC UTILITY COMMISSION
TO AMEND ITS CERTIFICATES OF §
CONVENIENCE AND NECESSITY IN § OF TEXAS
HARRIS COUNTY §**

REVISED PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Quadvest, L.P. (Quadvest) to amend its water certificate of convenience and necessity (CCN) number 11612 and sewer CCN number 20952 in Harris County, Texas pursuant to Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237. The Commission amends Quadvest’s water CCN number 11612 and CCN number 20952 to add the approximately 98 acres and no customers.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicant

1. Quadvest is a Texas limited partnership registered with the Texas secretary of state under filing number 800539284.
2. Quadvest operates, maintains, and controls facilities for providing retail water utility service under water CCN number 11612 in Harris County.
3. Quadvest owns multiple public water systems in Harris County registered with the Texas Commission on Environmental Quality (TCEQ) under identification numbers 1010096, 1013526, 1010212, 1011806, 1013703, 1013708, 1013288, 1013393, 1013468, 1013638, 1011805, 1011810, and 1013389.
4. Quadvest operates, maintains, and controls facilities for providing retail sewer service under sewer CCN number 20952 in Harris County.

Application

5. On June 16, 2020, Quadvest filed an application to amend its water CCN number 11612 and sewer CCN number 20952 in Harris County.
6. On July 6, 2020, August 13, 2020, August 17, 2020, September 16, 2020, October 29, 2020, November 24, 2020, January 7, 2021 and March 5, 2021, Quadvest filed supplements to its application.

7. The requested water service area and sewer service areas (requested areas) completely overlap and consist of approximately 98 acres and no current customers.
8. The requested area is located approximately 4.5 miles northwest of downtown Humble, Texas, and is generally located on the north by Cypress Creek, on the east by Cypresswood Drive, on the south by FM 1960, and on the west by Broze Road.
6. In Order No. 3 filed on September 18, 2020, the administrative law judge (ALJ) found the application administratively complete.

Notice of Application

7. On October 29, 2020, Quadvest filed the affidavit of Yvette McNellie, Quadvest's authorized representative, attesting that notice was mailed to current customers, landowners, neighboring utilities, and affected parties on September 25, 2020.
8. On October 29, 2020, Quadvest filed the publisher's affidavit attesting to publication of notice in the *Houston Chronicle dba Cypress Creek Mirror*, a newspaper of general circulation in Harris County, on September 23, 2020, and September 30, 2020.
9. On November 12, 2020, Quadvest filed the supplemental affidavit of Yvette McNellie, attesting that notice was mailed to additional affected parties on November 11, 2020.
10. In Order No. 5, issued December 1, 2020, the ALJ found the notice, as supplemented, sufficient.

Maps, Certificates, and Tariffs

11. On February 8, 2021, Commission Staff emailed the proposed maps, certificates, and tariffs to Quadvest.
12. On March 4, 2021, Quadvest filed its consent to the maps, certificates, and tariffs.
13. On April 15, 2021, Commission Staff filed the maps, certificates, and tariffs as attachments to its final recommendation.

Evidentiary Record

14. On April 21, 2021, the Parties filed an agreed motion to admit evidence and proposed notice of approval.
15. On _____, 2021, Order No. 7 was filed, admitting the following evidence into the record of this proceeding (a) Quadvest's application and all attachments filed on June 16, 2020; (b) Quadvest's supplement to its application filed on July 6, 2020; (c) Quadvest's

supplements to its application filed on August 13, 2020 and August 17, 2020; (d) Commission Staff's Supplemental Recommendation on Administrative Completeness and Proposed Notice filed on September 16, 2020; (e) Quadvest's confidential supplemental information filed September 16, 2020; (f) Quadvest's proof of notice filed on October 29, 2020; (g) TCEQ water plant approval letter filed on October 29, 2020; (h) Quadvest's supplemental proof of notice filed on November 12, 2020; (i) Quadvest's confidential supplemental information filed on November 24, 2020; (j) Commission Staff's Supplemental Recommendation on Sufficiency of Notice and Proposed Procedural Schedule filed on November 30, 2020; (k) TCEQ wastewater approval letter filed on January 7, 2021; (l) TCEQ water underground approval letter filed on January 7, 2021; (m) Quadvest's signed consent form filed on March 4, 2021; (n) Quadvest's response to Staff's Second Request for Information filed on March 5, 2021; (o) Commission Staff's final recommendation, attachments, and confidential attachment filed on April 15, 2021; and (p) the attached final maps and revised certificates filed on April 22, 2021.

16. On April 22, 2021, the Parties filed a revised proposed notice of approval.

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

17. Quadvest has the ability to provide adequate service to the requested areas through the capacity of its public water systems and sewer treatment facilities, approved by the Texas Commission on Environmental Quality (TCEQ).
18. Quadvest's public water system and sewer system have no unresolved regulatory violations.
19. Quadvest employs experienced operators that are knowledgeable about water and sewer facility operations and regulatory requirements.

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

20. There is a need for service as the landowner has requested water and wastewater service for their development to serve future customers.

Effect of Granting the Amendment—TWC §§ 13.241(b) and 13.246(c)(3), 16 TAC § 24.227(e)(3)

21. Quadvest will be the certificated entity for the requested area and be required to provide adequate and continuous service to the requested area.

22. The landowners in the areas will have a water and sewer provider available when they need to request water and sewer service.
23. There will be no adverse effect on any adjacent retail public utility servicing the proximate area. All retail public utilities in the proximate area were provided notice of the transaction taking place in this application and did not request to intervene.

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

24. Quadvest has several TCEQ approved public water systems and wastewater systems. Quadvest has approved TCEQ plans to build facilities and install the distribution system in the requested area to serve future customers and will have sufficient capacity to serve the area.
25. Quadvest does not have any unaddressed violations listed in the TCEQ database.
26. Quadvest employs TCEQ-licensed operators to operate its public water and sewer systems.
27. Quadvest 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.
28. Quadvest 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—TWC § 13.246(c)(5); 16 TAC § 24.227(e)(5)

29. Retail public utilities within a two-mile radius of the requested areas were noticed and no protests or motions to intervene were received.
30. Water and sewer service were requested from retail public utilities within one half mile of the outer boundary of the requested areas and no affirmative responses were received.
31. The developer of the requested areas requested water and sewer service from Quadvest.
32. It is not feasible to obtain service from an adjacent retail public utility.

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

33. Quadvest has a debt service coverage ratio that is greater than 1.25, satisfying the leverage test.

34. Quadvest has sufficient cash on hand to cover any projected operations and maintenance shortages during the first five years of operations following the approval of the requested CCN amendments, satisfying the operations test.
35. Quadvest demonstrated the financial capability and stability to provide continuous and adequate service to the requested areas.

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

36. The environmental integrity of the land will be minimally affected, as the water system is constructed, and the distribution and collection lines are installed, to provide service to the requested area.
37. The land and environmental integrity will not be affected to such a degree that the application should not be granted.

Improvement in Service and Lowering of Cost to Consumers—TWC § 13.246(c)(8); 16 TAC § 24.227(e)(8)

38. This factor is not applicable because there are no homes currently receiving service in the requested service area.
39. No lowering of cost to customers in the requested areas will result from granting the CCN amendments. Quadvest will serve future water and sewer customers in the requested area under Quadvest's Commission-approved rates.

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

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

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

41. There are currently no other water or sewer service providers in the adjacent area.

Informal Disposition

42. More than 15 days have passed since the completion of the notice provided in this docket.
43. No person filed a protest or motion to intervene.
44. Quadvest and Commission Staff are the only parties to this proceeding.
45. No party requested a hearing and no hearing is necessary.
46. Commission Staff recommended approval of application.
47. The decision is not adverse to any party.

II. Conclusion of Law

The Commission makes the following conclusions of law:

1. The Commission has jurisdiction over this proceeding under TWC §§ 13.041, 13.241, 13.244, and 13.246.
2. Quadvest is a retail public utility as defined by TWC § 13.002(19) and 16 TAC § 24.3(39).
3. Quadvest provided notice of the application that complies with TWC § 13.246 and 16 TAC § 24.235.
4. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,¹ the TWC, and Commission rules.
5. Quadvest possesses the financial, managerial, and technical capability to provide continuous and adequate service to the requested service areas and its current service areas in Harris County as required by TWC § 13.246(c) and 16 TAC § 24.227(e).
6. Quadvest demonstrated that the requested amendments to its water CCN number 11612 and sewer CCN number 20952 will serve the public interest and are necessary for the service, accommodation, convenience, and safety of the public, as required by TWC § 13.246(b).
7. Under TWC § 13.257(r) and (s), Quadvest must record a certified copy of the approved maps for the water and sewer service areas, along with a boundary description of the service areas, in the real property records of Harris County within 31 days of receiving this Notice of Approval and submit evidence of the recording to the Commission.
8. 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 amends Quadvest's water CCN number 11612 and sewer CCN number 20952 to add the requested areas.
2. The Commission approves the maps and certificates attached to this Notice of Approval.

¹ Tex. Gov't Code Ann. §§ 2001.001-.903.

3. Quadvest must serve every customer and applicant for water and sewer service within the approved areas under water CCN number 11612 and sewer CCN number 20952 who requests water or sewer service and meets the terms of Quadvest's water service, and such service must be continuous and adequate.
4. Quadvest must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Harris County affected by this application.
5. Quadvest must file in this docket proof of the recording required in ordering paragraph four no later than 31 days after the date of this Notice of Approval.
6. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the _____ day of _____, 2021

PUBLIC UTILITY COMMISSION OF TEXAS

**KATIE MOORE-MARX
ADMINISTRATIVE LAW JUDGE**