



Control Number: 51035



Item Number: 24

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DOCKET NO. 51035

RECEIVED

**PETITION OF QUADVEST, L.P. TO  
DISCONTINUE WATER SERVICE AND  
CANCEL ITS WATER CERTIFICATE  
OF CONVENIENCE AND NECESSITY  
TO THE CAPE SHORES SUBDIVISION  
IN JACKSON COUNTY**

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**PUBLIC UTILITY COMMISSION**

2021 APR 20 AM 11:03  
PUBLIC UTILITY COMMISSION  
OF TEXAS  
FILING CLERK

### **COMMISSION STAFF'S FINAL RECOMMENDATION**

On July 10, 2020, Quadvest, L.P. (Quadvest) filed an application under 16 Texas Administrative Code (TAC) § 24.249 to discontinue service and cancel its water certificate of convenience and necessity (CCN) number 11612 in Jackson County, Texas. On September 8, 2020, Quadvest filed a revised application to amend water CCN number 11612 to decertify a portion of its service area in Jackson County. The total area to be decertified includes approximately 152 acres and no current customers.

#### **I. FINAL RECOMMENDATION ON THE APPLICATION**

Staff has reviewed Quadvest's application and supplemental filings, and as detailed in the attached memorandum from Alicia Maloy of the Infrastructure Division, recommends that the application be approved. As provided above, the area to be decertified contains no customers.

On April 21, 2021, Cape Shores Property Owners Association, the authorized agent (CSPOA) for Cape Shores Land, LLC, which is the anticipated developer of the decertification area, filed a letter stating that an agreement is in place between Cape Shores and an alternative water service provider to provide all necessary water service to future customers in the area.<sup>1</sup> CSPOA stated that they are unopposed to the decertification. As such, Staff recommends that approval of the application will not detrimentally affect the service, accommodation, convenience, and safety of the public. On or before May 14, 2021, the parties will jointly file proposed findings of fact and conclusions of law.

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<sup>1</sup> Comment Letter by Cape Shores POA and Cape Shores Land LLC (Apr. 21, 2021).

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## **II. CONCLUSION**

For the reasons detailed above, Staff respectfully recommends that the application be approved.

Dated: April 30, 2021

Respectfully submitted,

### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Rashmin J. Asher  
Managing Attorney

/s/ Justin C. Adkins

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### **DOCKET NO. 51035 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 30, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Justin C. Adkins

Justin C. Adkins

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Justin Adkins, Attorney  
Legal Division

**FROM:** Alicia Maloy, Senior Infrastructure Analyst  
Infrastructure Division

**DATE:** April 30, 2021

**RE:** Docket No. 51035 – *Application of Quadvest L.P. to Decertify a Portion of its Water Certificate of Convenience and Necessity in Jackson County*

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### **1. Application**

On September 8, 2020, Quadvest, L.P. (Quadvest) filed with the Public Utility Commission of Texas (Commission) an application to decertify a portion of its water certificate of convenience and necessity (CCN) No. 11612 in Jackson County, Texas under Texas Water Code (TWC) § 13.250 and 16 Texas Administrative Code (TAC) § 24.245. The result of the application will be the subtraction of approximately 152 acres from Quadvest's water CCN No. 11612.

### **2. Notice**

The deadline to intervene was December 11, 2020; there were no motions to intervene, protests, or opt-out requests received.

### **3. Factors Considered**

TWC § 13.250 and 16 TAC § 24.245 require the Commission to consider certain factors when decertifying a portion of a water CCN. Therefore, the following factors were considered.

#### **3.1. *Consideration of whether the Applicant qualifies for decertifying a portion of its water CCN (16 TAC § 24.245(d)(1)).***

Quadvest has never provided water service to any customers in the requested area. Quadvest has not received any requests for water service in the requested area.

#### **3.2. *Consideration of the effect of granting the decertification on the current CCN holder, any existing customers, and the landowners in the area (16 TAC § 24.245(d)(2)(C)).***

Quadvest will not be required to provide adequate and continuous service to the requested area. Quadvest does not own any facilities in the requested area. There are no current customers.

On April 21, 2021, Renee Howes, President of the Cape Shores Property Owners Association, the authorized agent for Cape Shores Land LLC (developer), filed a letter stating that both Cape Shores Property Owners Association and the developer do not oppose Quadvest's request in their application. Ms. Howes confirmed that there is an agreement in place with an alternative water service provider who is willing and able to serve the development. Future landowners in the development will have to request water service from the alternative water service provider or another retail public utility. 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.

**3.3. *Consideration of the Applicant's ability to provide continuous and adequate service to all remaining customers within its certificated area (TWC § 13.250(a)).***

Decertification of the requested area will not impact Quadvest's ability to serve the remaining customers in its certificated area. The remaining customers are served by separate water systems outside of the requested area.

**3.4 *Consideration of whether the requested area will be adversely impacted in the present or future (TWC § 13.250(b)).***

Quadvest has no customers and owns no facilities in the requested area, so service to the requested area will not be discontinued, reduced, or impaired. New facilities would need to be constructed by a future CCN holder to serve the area.

**3.5. *Compensation from a prospective retail public utility (16 TAC § 24.245(d)(2)(F)).***

The provisions of 16 TAC § 24.245(d)(2)(F) makes clear that Quadvest is not entitled to compensation from a prospective retail public utility if the request to decertify the requested area is granted.

Based on the mapping review by Tracy Montes, Infrastructure Division and my technical and managerial review, I recommend that Quadvest meets all of the statutory requirements of TWC Chapter 13 and 16 TAC Chapter 24, is capable of providing continuous and adequate service to its remaining customers, and approving this application to decertify a portion of its CCN No. 11612 is necessary.

Quadvest consented to the attached map, tariff, and certificate on March 11, 2021.

**4. Recommendation**

Based on the above information, I recommend that Quadvest meets all of the statutory requirements of TWC Chapter 13 and 16 TAC Chapter 24 and is capable of providing continuous and adequate service to its remaining customers. I also recommend that approving this application to decertify a portion of its CCN No. 11612 is necessary.