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3755 South Capital of Texas Hwy, suite 105
Austin, Texas 78704
(512) 472-7216
www.twca.org
Stacey Allison Steinbach, General Manager

May 13, 2022

The Honorable Commissioners
Public Utility Commission of Texas
P.O. Box 13326
Austin, Texas 78711-3326

VIA ELECTRONIC MAIL

RE: PUC Docket No. 51091, Complaint of Certain Members of Rio Ancho Homeowners Association against Aqua Texas, Inc.

Dear Commissioners,

The Texas Water Conservation Association (TWCA) wishes to express support for the concepts related to adequate service and reasonable use in the proposal for decision (PFD) issued by the State Office of Administrative Hearings in the above-referenced matter pending before the Public Utility Commission of Texas.

TWCA is a water association whose members provide wholesale or retail water and wastewater service to the vast majority of Texans and include river authorities, cities, groundwater conservation districts, water/irrigation/drainage districts, industries, consultants, and individuals interested in Texas water policy. TWCA serves as a leader and advocate for sound water policy in Texas, engaging in state- and nation-wide water issues that may affect its members. As a rule, TWCA does not engage in individual or local water disputes. However, the legal principles presented in this case have potentially far-reaching implications for the responsible management of water resources. On that basis, and because this case is a one of first impression at the agency, TWCA urges the Commission to ensure that its decision reinforces that retail public utilities are not required to furnish quantities of treated water for unreasonable use, as outlined in the PFD.

The Commission's rules require retail public utilities to "plan, furnish, operate, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses." 16 Tex. Admin. Code § 24.205 (emphasis added). Recognizing that the regulation of retail public utilities is shared by the Commission with the Texas Commission on Environmental Quality (TCEQ), the same rule provides that "water system quantity and quality requirements of the TCEQ shall be the minimum standards for determining [compliance]," but that "capacity shall be provided to meet the reasonable local demand characteristics of the service area, including reasonable quantities of water for outside usage and livestock." *Id.* § 24.205(a) (emphasis added).

Based on the findings of fact as outlined, the PFD appropriately concludes that "the Rio Ancho

subdivision's actual demand is not a reasonable local demand" within the meaning of the above-referenced rule. PFD at 27. Any other finding would run contrary to statewide efforts to conserve existing water sources and could threaten water supplies in certain parts of the state. It would also accelerate the need for utilities to develop additional new sources of water, requiring capital expenditures to oversize systems at unreasonable expense to consumers, including those who would not benefit from such facilities as a result of a regionalized rate structure. Water utilities' use of conservation strategies and drought contingency plans are also critical tools to allow systems to continue to meet water demand in times of water shortage and emergencies, not just drought.

State and regional water planning in Texas is predicated on conservation and the reasonable use of water and management efforts that attempt to balance competing water needs with a limited supply. As recounted in the 2022 State Water Plan, the State's 16 Regional Water Planning Groups recommended approximately 778,000 acre-feet per year of conservation strategies in 2020, and 2,200,000 acre-feet of such strategies in 2070. Tex. Water Dev. Bd., 2022 State Water Plan (2021), at 102. Requiring retail public utilities to meet unreasonable demands would run headlong into the state's efforts to secure sufficient quantities of water to meet the current and future needs of Texans.

We greatly appreciate your time and consideration on this matter. Please let me know if you have any questions.

Respectfully submitted,

Stacey Allison Steinbach General Manager

ssteinbach@twca.org