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DOCKET NO. 51161

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APPLICATION OF POSSUM
KINGDOM WATER SUPPLY
CORPORATION TO AMEND A
CERTIFICATE OF CONVENIENCE
AND NECESSITY IN PALO PINTO
COUNTY

§ PUBLIC UTILITY COMMISSION
§
§ OF TEXAS
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NOTICE OF APPROVAL

This Notice of Approval addresses the application of Possum Kingdom Water Supply Corporation (PKWSC) to amend its water certificate of convenience and necessity (CCN) number 12890 in Palo Pinto County. The Commission amends PKWSC's water CCN number 12890 to include the requested area to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. PKWSC is a Texas non-profit, member-owned, member-controlled cooperative corporation organized under chapter 67 of the Texas Water Code (TWC) and registered with the Texas secretary of state under filing number 0123223101.
2. PKWSC operates, maintains, and controls facilities for providing retail water service in Palo Pinto County under water CCN number 12890.
3. PKWSC owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 1820076.

Application

4. On August 12, 2020, PKWSC filed the application at issue to amend its water CCN number 12890 in Palo Pinto County to add 1,099 acres of water service area (the original requested area).
5. On September 14, 2020, PKWSC filed a supplement to the application.
6. In Order No. 2 filed on September 14, 2020, the administrative law judge (ALJ) found the application administratively complete.

7. On January 7, 2021, PKWSC amended its application and reduced the size of the requested water service area to 169 acres (the requested area).
8. The original requested area is located approximately eight miles west of downtown Graford, Texas, and is generally bounded on the north by the Hills Over PK Lake Subdivision; on the east by a line approximately two miles west and parallel to Dark Valley Creek; on the south by State Highway 16; and on the west by State Highway 16.
9. The requested area is wholly located within the boundaries of the original requested area.
10. In Order No. 5 filed on February 8, 2021, the ALJ found PKWSC's revised mapping, which reflects the 169 acres comprising the requested area, sufficient.

Notice

11. On October 12, 2020, PKWSC filed the affidavit of Jeremiah Gore, general manager of PKWSC, attesting that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on September 21 and 23, 2020.
12. On October 12, 2020, PKWSC filed a publisher's affidavit attesting to the publication of notice in the *Graham Leader*, a newspaper of general circulation in Palo Pinto County, on September 19 and 26, 2020.
13. In Order No. 3 filed on November 6, 2020, the ALJ found the notice sufficient.

Map and Certificates

14. On March 18 and 24, 2021, Commission Staff emailed the proposed final map and certificate to PKWSC.
15. On March 26, 2021, PKWSC filed its consent to the proposed map and certificate.
16. On April 15, 2021, Commission Staff filed the map and certificate as attachments to its final recommendation.

Evidentiary Record

17. On April 29, 2021, the parties filed an agreed motion to admit evidence and proposed notice of approval.
18. In Order No. 6 filed on May 10, 2021, the ALJ admitted the following evidence into the record of this proceeding: (a) PKWSC's application, and all attachments, filed on August 12, 2020; (b) Commission Staff's recommendation on administrative completeness

and proposed notice filed on September 11, 2020; (c) PKWSC's supplemental information filed on September 14, 2020; (d) PKWSC's response to Commission Staff's first request for information filed on September 29, 2020; (e) PKWSC's notice and affidavit filed on October 12, 2020; (f) Commission Staff's recommendation on sufficiency of notice filed on November 5, 2020; (g) PKWSC's response to Commission Staff's second request for information filed on November 19, 2020; (h) PKWSC's amended application filed on January 7, 2021; (i) Commission Staff's recommendation on sufficiency of supplemental mapping filed on February 4, 2021; (j) PKWSC's signed consent form filed on March 26, 2021; and (k) Commission Staff's final recommendation, and all attachments, filed on April 15, 2021.

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

19. No entity currently provides retail water service to the requested area.

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

20. A developer requested PKWSC provide water service to the requested area for a proposed residential subdivision with 170 potential connections.

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

21. Granting the CCN amendment will obligate PKWSC to provide service to future customers in the requested area and such service must be continuous and adequate.
22. Nearby water utilities were properly noticed and no protests or motions to intervene were filed by any adjacent retail public utility in this docket.
23. There will be no effect on any retail public utility serving the proximate area.
24. All landowners with a tract of land of 25 acres or more that are located within the requested area received notice and did not file comments or a request to opt out.

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

25. PKWSC will extend water service to the proposed subdivision using public water system number 1820076.
26. PKWSC received approval from the TCEQ to construct a booster pump station that will be needed to meet the future demands of the requested area.

27. After construction of the required booster pump station, PKWSC will have access to an adequate supply of water to serve the requested area.
28. PKWSC's 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.
29. PKWSC employs TCEQ-licensed operators to operate and maintain its public water system.
30. PKWSC does not have any active violations listed in the TCEQ database.
31. PKWSC 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)

32. The developer of the proposed subdivision requested water service from PKWSC.
33. PKWSC is the only utility located within half a mile of the requested area that can provide water service necessary to meet the needs of the developer.
34. It is not feasible to obtain service from an adjacent retail public utility.

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

35. PKWSC has a debt-to-equity ratio that is less than one, satisfying the leverage test.
36. PKWSC demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after completion of the CCN amendment, satisfying the operations test.
37. PKWSC 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)

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

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

39. There will be minimal effects on environmental integrity and on the land as development occurs and water facilities are constructed.

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

40. Water service to the requested area will improve because PKWSC will be obligated to provide service to future customers in the requested area.

41. PKWSC will provide water service to future customers in the requested area with the same level of service and at the same rates it currently charges.

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

42. PKWSC 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.

Informal Disposition

43. More than 15 days have passed since the completion of notice provided in this docket.

44. No person filed a protest or motion to intervene.

45. PKWSC and Commission Staff are the only parties to this proceeding.

46. No party requested a hearing and no hearing is needed.

47. Commission Staff recommended approval of the application.

48. 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. PKWSC is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31) and a water supply corporation as defined in 16 TAC § 24.3(40).

3. PKWSC provided notice of the application that complies with TWC § 13.246 and 16 TAC § 24.235.

4. The Commission processed the application as required by the TWC, the Administrative Procedure Act,¹ and Commission rules.
5. After consideration of the factors in TWC § 13.246(c) and 16 TAC § 24.227(e), PKWSC demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested area in Palo Pinto County and its current service area as required by TWC § 13.241 and 16 TAC § 24.227.
6. It is not necessary for PKWSC to provide a bond or other financial assurance under TWC § 13.246(d).
7. PKWSC has demonstrated that the amendment of its water CCN number 12890 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. PKWSC must record a certified copy of the approved map and certificate, along with a boundary description of the service area, in the real property records of Palo Pinto County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording, as required by TWC § 13.257(r) and (s).
9. 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.

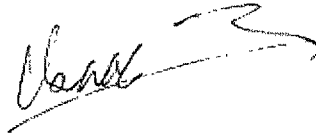
1. The Commission amends PKWSC's water CCN number 12890 to include the requested area described in this Notice of Approval and shown on the attached map.
2. The Commission approves the map attached to this Notice of Approval.
3. The Commission issues the certificate attached to this Notice of Approval.
4. PKWSC must provide service to every customer and applicant for service within the approved area under water CCN number 12890 that requests water service and meets the terms of PKWSC's water service, and such service must be continuous and adequate.

¹ Tex. Gov't Code §§ 2001.001–.903.

5. PKWSC must comply with the recording requirements in TWC §§ 13.257(r) and (s) for the areas in Palo Pinto County affected by the application and submit to the Commission evidence of the recording no later than 45 days after receipt of this Notice of Approval.
6. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

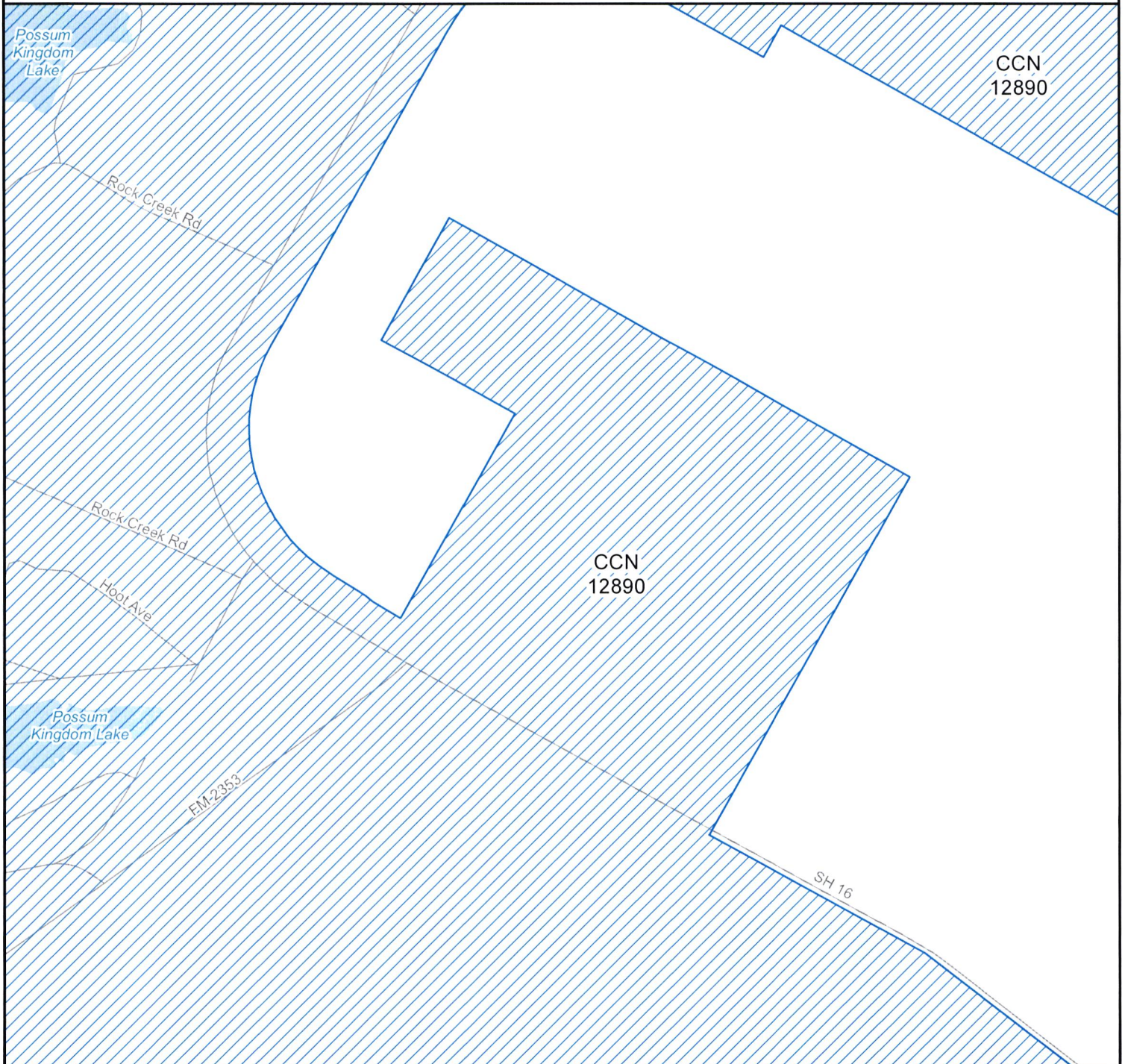
Signed at Austin, Texas the 13th day of May 2021.

PUBLIC UTILITY COMMISSION OF TEXAS


A handwritten signature in black ink, appearing to read 'Isaac Ta', is written over a horizontal line.

**ISAAC TA
ADMINISTRATIVE LAW JUDGE**

Possum Kingdom Water Supply Corporation
Portion of Water CCN No. 12890
PUC Docket No. 51161
Amended CCN No. 12890 in Palo Pinto County



Water CCN

 12890 - Possum Kingdom WSC

0 450 900
Feet





Public Utility Commission of Texas

By These Presents Be It Known To All That

Possum Kingdom Water Supply Corporation

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Possum Kingdom Water Supply Corporation is entitled to this

Certificate of Convenience and Necessity No. 12890

to provide continuous and adequate water utility service to that service area or those service areas in Palo Pinto and Stephens Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 51161 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Possum Kingdom Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 13th day of May 2021.