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APPLICATION OF MR. CHESTER MAPLES, JR. D/B/A OLD HIGHWAY 90 WATER SERVICE TO AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY IN MEDINA AND FRIO COUNTIES

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

YANCEY WATER SUPPLY CORPORATION'S RESPONSE TO OLD HIGHWAY 90 WATER SERVICE'S SUBMISSION OF <u>LETTER FROM NAFTA FREEWAY JOINT VENTURE</u>

Yancey Water Supply Corporation ("YWSC"), a Texas retail public utility and nonprofit water supply corporation, files this Response to Mr. Chester Maples, Jr., individually, doing business as Old Highway 90 Water Service's ("Old Highway 90") submission of a letter from NAFTA Freeway Joint Venture (the "Developer"), and would respectfully show as follows:

I. **RESPONSE**

On August 18, 2021, Old Highway 90 submitted a letter, which appears to be provided as a response to YWSC's Request for a Hearing on the Merits. The letter asserts a fact pattern that is untruthful, inconclusive, and irrelevant.

The Developer insinuates that it approached YWSC in 2004. That statement is blatantly false, and not supported by any evidence offered by the Developer—who is not a party to this proceeding. If YWSC's Request for a Hearing on the Merits is granted, YWSC will show that the Developer approached YWSC for the first time last year, requesting that YWSC provide retail public water service to the Sand Hurst Subdivision. YWSC agreed to serve, and expended thousands of dollars in preliminary planning and consulting in order to serve the Sand Hurst Subdivision before the Developer unexpectedly backed out of its application to receive non-standard service under YWSC's tariff in August 2020.

The Developer also suggests that Old Highway 90's system needs an "upgrade" in order to serve the subdivision. If that were the case, this proceeding would likely have a much different procedural history. If Old Highway 90's application to amend its certificate of convenience and necessity (the "Application") is granted, Old Highway 90 will have to install a new standalone public water system in order to serve the Sand Hurst Subdivision. A retail water utility must demonstrate that it has (1) a public water system approved by the Texas Commission on Environmental Quality ("TCEQ"), capable of providing drinking water that meets the requirements of Texas Health and Safety Code ("THSC"), chapter 341, TCEQ rules, and the Texas Water Code ("TWC"); and (2) access to an adequate supply of water or a long-term contract for purchased water. Old Highway 90 has not demonstrated either.¹

The Developer's assertions are not true. But even if they were, the Developer's assertions are not relevant to the gaping holes in Old Highway 90's Application, Old Highway 90's lack of transparency with Staff and YWSC, and Old Highway 90's casual indifference to fundamental human health statutes and its lack of financial, managerial, and technical capabilities to provide continuous and adequate retail public water service to the Sand Hurst Subdivision.

If YWSC's Request for a Hearing is granted, YWSC will show that the scheme pursued by Old Highway 90 and the Developer flies in the face of the TWC, the Public Utility Commission ("PUC") Rules, and the legislative intent backing public utility laws and regulations. Not only are Old Highway 90 and the Developer attempting to skirt the regulatory framework of the PUC and TCEQ, Chester Maples, Jr., individually, doing business as Old Highway 90 Water Service is also the owner of MGMC, LLC—the company responsible for constructing the stand alone public water system that will serve the Sand Hurst Subdivision. This proceeding bears all the telltale signs of a private developer looking to make a quick buck by cutting corners and skirting mandatory regulatory standards, before bolting to the next project and escaping the accountability of the public.

II. CONCLUSION

The August 18, 2021, letter from the Developer submitted by Old Highway 90 is just another example of the unprofessional and unsophisticated forces behind the Application. The letter only adds to the reasons why YWSC's Request for a Hearing on the Merits should be granted. YWSC stands by its Request for a Hearing on the Merits, and respectfully asks that it be granted.

¹ 16 Tex. Admin. Code § 24.227(a)(1).

Respectfully submitted,

<u>/s/ C. Cole Ruiz</u> C. Cole Ruiz State Bar No. 24117420 Michael A. Gershon State Bar No. 24002134 Lloyd Gosselink Rochelle & Townsend, P.C. 816 Congress Avenue, Suite 1900 Austin, Texas 78701 (512) 322-5800 phone (512) 472-0532 facsimile cruiz@lglawfirm.com mgershon@lglawfirm.com

ATTORNEYS FOR YANCEY WATER SUPPLY CORPORATION

DOCKET NO. 51488 CERTIFICATE OF SERVICE

I certify that notice of the filing of this document was provided to all parties of record via electronic mail and through the Interchange on the Commission's website on August 25, 2021, in accordance with Order No. 9 in this proceeding and the Order Suspending Rules issued in PUC Project No. 50664.

/s/ C. Cole Ruiz C. Cole Ruiz