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DOCKET NO. 51660

APPLICATION OF PAMPA	§	PUBLIC UTILITY COMMISSION
INVESTMENT GROUP, LP FOR A	§	
SEWER CERTIFICATE OF	§	OF TEXAS
CONVENIENCE AND NECESSITY IN	§	
BELL COUNTY	§	

AGREED MOTION TO ADMIT EVIDENCE AND PROPOSED NOTICE OF APPROVAL

On December 28, 2020, Pampa Investment Group, LP (Pampa) filed an application to obtain a sewer certificate of convenience and necessity (CCN) in Bell County, Texas under Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237. The requested service area consists of approximately 218 acres, zero existing connections, and 575 planned connections. Pampa filed revised mapping information on February 23, 2021 and March 2, 2021.

On June 2, 2021, the administrative law judge (ALJ) filed Order No. 4, establishing a deadline of July 28, 2021 for the Staff of the Public Utility Commission of Texas (Staff) and Pampa (collectively, the Parties) to jointly file proposed findings of fact and conclusions of law. Therefore, this pleading is timely filed.

I. MOTION TO ADMIT EVIDENCE

The Parties request the entry of the following items into the record of this proceeding:

- (a) Pampa's application filed on December 28, 2020 (Interchange Item No. 1);
- (b) Pampa's supplements to the application filed on February 23, 2021 and March 2, 2021 (Interchange Item Nos. 5 and 6);
- (c) Staff's Supplemental Recommendation on Administrative Completeness filed on March 23, 2021 (Interchange Item No. 7);
- (d) Pampa's proof of notice filed on April 14, 2021 (Interchange Item No. 9);
- (e) Staff's Recommendation on Sufficiency of Notice filed on May 18, 2021 (Interchange Item No. 10);
- (f) Pampa's revised rate study filed on June 9, 2021 (Interchange Item No. 12);
- (g) Pampa's consent form filed on July 2, 2021 (Interchange Item No. 14);

- (h) Staff's Final Recommendation and attachments filed on July 14, 2021 (Interchange Item No. 15); and
- (i) the attached map, certificate, and tariff.

II. JOINT PROPOSED NOTICE OF APPROVAL

The Parties have agreed on the attached proposed notice of approval, which would grant Pampa's application to obtain sewer CCN No. 21125. The Parties request that the Commission adopt the findings of fact, conclusions of law, and ordering paragraphs included in the proposed notice of approval.

III. CONCLUSION

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the attached proposed notice of approval be adopted.

Date: July 28, 2021

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Rachelle Nicolette Robles
Division Director

Eleanor D'Ambrosio
Managing Attorney

/s/ John Harrison

John Harrison
State Bar No. 24097806
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7277
(512) 936-7268 (facsimile)
John.Harrison@puc.texas.gov

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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 July 28, 2021, in accordance with the Order Suspending Rules, filed in Project No. 50664.

/s/ John Harrison
John Harrison

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SEWER CERTIFICATE OF	§	OF TEXAS
CONVENIENCE AND NECESSITY IN	§	
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PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Pampa Investment Group, LP (Pampa) to obtain a sewer certificate of convenience and necessity (CCN) in Bell County. The Commission issues sewer CCN number 21125 to Pampa.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicant

1. Pampa is a limited partnership registered with the Texas secretary of state under file number 0200401060.
2. Pampa does not currently hold a CCN or provide sewer service to customers in Texas.
3. Pampa owns, maintains, and controls facilities to provide sewer service registered with the Texas Commission on Environmental Quality (TCEQ) as Salado Center wastewater treatment plant under wastewater discharge permit number WQ-0015709001, in Bell County.

Application

4. On December 28, 2020, Pampa filed an application to obtain a sewer CCN in Bell County.
5. Pampa filed supplemental information on February 23, 2021, and March 2, 2021.
6. The requested area consists of 218 acres and zero existing customers.
7. The requested area is located approximately 2 miles north-northeast of downtown Salado, TX, and is generally bounded on the north by W. Amity Road; on the east by I-35; on the south by FM 2484; and on the west by Lark Trail.
8. In Order No. 3 filed on March 23, 2021, the administrative law judge (ALJ) found the application as supplemented administratively complete.

Notice

9. On April 14, 2021, Pampa filed the affidavit of Bret W. Fenner, authorized representative for Pampa, testifying that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on March 24, 2021.
10. On April 14, 2021, Pampa filed a publisher's affidavit attesting to publication of notice in the *Temple Daily Telegram*, a publication of general circulation in Bell County, on April 2 and 9, 2021.
11. In Order No. 4 filed on June 2, 2021, the ALJ found the notice sufficient.

Map, Certificate, and Tariff

12. On June 16, 2021, Commission Staff emailed its proposed map, certificate, and tariff to Pampa.
13. On July 2, 2021, Pampa filed its consent to the proposed map, certificate, and tariff.
14. On July 28, 2021, Commission Staff filed the proposed map, certificate, and tariff as attachments to the agreed motion to admit evidence.

Evidentiary Record

15. On July 28, 2021, Commission Staff filed an agreed motion to admit evidence and proposed notice of approval.
16. In Order No. ___ filed on _____, 2021, the ALJ admitted the following into evidence: (a) Pampa's application filed on December 28, 2020; (b) Pampa's supplements to the application filed on February 23, 2021 and March 2, 2021; (c) Commission Staff's supplemental recommendation on administrative completeness filed on March 23, 2021; (d) Pampa's proof of notice filed on April 14, 2021; (e) Commission Staff's recommendation on sufficiency of notice filed on May 18, 2021; (f) Pampa's revised rate study filed on June 9, 2021; (g) Pampa's consent form filed on July 2, 2021; (h) Commission Staff's final recommendation and attachments filed on July 14, 2021; and (i) the map, certificate and tariff attached to the agreed motion to admit evidence and proposed notice of approval filed on July 28, 2021.

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

17. There are no existing customers in the requested area and the area is currently uncertificated.

Need for Service - TWC § 13.246(c)(2); 16 TAC § 24.227(e)(2)

18. There are zero existing water connections in the requested area.
19. There is a need for service as Pampa is developing the area and anticipates a total of 575 individual sewer connections.

Effect of Granting the Certificate - TWC § 13.246(c)(3); 16 TAC § 24.227(e)(3)

20. Pampa will be the certificated entity for the requested area and will be required to provide adequate and continuous service to the requested area.
21. The landowners in the area will have a sewer provider available when they need to request sewer service.
22. There will be no effect on any retail public utility servicing the proximate area. All retail public utilities in the proximate area were provided notice that a CCN has been requested for this area and did not request to intervene.

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

23. Pampa has a TCEQ approved wastewater discharge permit registered as Salado Center Wastewater Treatment Plant, Wastewater Discharge Permit number WQ0015709001, issued on June 21, 2019.
24. Pampa is capable of meeting the TCEQ's design criteria for wastewater treatment plants and the requirements of chapter 13 of the Texas Water Code.
25. Pampa is a new utility and does not have any violations listed in the TCEQ database; no complaints against Pampa have been filed with the Commission.
26. Pampa employs a sufficient number TCEQ licensed operators to serve the requested area.
27. Pampa 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) and 16 TAC § 24.227(e)(5)

28. Pampa requester service from two neighboring utilities. One utility r did not respond to the request and the other stated that it did not have the capacity to serve the requested area.

29. Pampa has TCEQ approved plans to build facilities in the requested area to serve future customers, has obtained a wastewater discharge permit for the requested area, and will have sufficient capacity to serve the area.
30. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation - TWC § 13.241(d) and 16 TAC § 24.227(b)

31. Pampa requested service from the Village of Salado and the City of Belton.
32. The Village of Salado did not provide a response to the request.
33. The City of Belton stated that it could not provide service to the requested area.
34. Pampa has TCEQ approved plans to build facilities in the requested area to serve future customers and will have sufficient capacity to serve the area.

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. Pampa has a debt-to-equity ratio of less than one, satisfying the leverage test.
36. Pampa demonstrated it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after approval of the CCN, satisfying the operations test.
37. Pampa demonstrated 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 Pampa to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity - TWC § 13.246(c)(7); 16 TAC § 24.227(e)(7)

39. The environmental integrity of the land will be affected as the wastewater treatment plant is constructed and collection lines are installed to serve the area.

Effect on the Land - TWC § 13.246(c)(9); 16 TAC § 24.227(e)(9)

40. The environmental integrity of the land will be affected as the wastewater treatment plant is constructed and collection lines are installed to serve the area.

Improvement in Service - TWC § 13.246(c)(8); 16 TAC § 24.227(e)(8)

41. This factor is not applicable as there are no connections currently receiving service in the requested area.

Lowering of Cost - TWC § 13.246(c)(8); 16 TAC § 24.227(e)(8)

42. Pampa's proposed rates are reasonable with respect to the projected financial information provided with the application and revised on June 9, 2021.

Proposed Tariff and Supporting Documentation - 16 TAC § 24.25(b)

43. Pampa filed a proposed tariff in its application.
44. Pampa filed a rate study supporting its proposed rates.
45. Pampa provided all assumptions for projections included in its rate study.
46. Pampa provided an estimated completion date for the wastewater system.
47. Service and billing will commence upon the approval of this application by the Commission and completion of the wastewater system.

Informal Disposition

48. More than 15 days have passed since the completion of notice provided in this docket.
49. No person filed a protest or motion to intervene.
50. Commission Staff and Pampa are the only parties to this proceeding.
51. No party requested a hearing and no hearing is needed.
52. 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. Pampa is a retail public utility as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. Pampa's notice 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. The application meets the requirements set forth in TWC § 13.244 and 16 TAC §§ 24.25 and 24.277.
6. After consideration of the factors in TWC § 13.246(c) and 16 TAC § 24.227(e), Pampa has demonstrated adequate the financial, managerial, and technical capability to provide

¹ Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-.902 (West 2008 & Supp. 2014).

continuous and adequate service to the requested service area as required by TWC § 13.241 and 16 TAC § 24.227.

7. Pampa meets the requirements of TWC § 13.246(b) and (c) to provide sewer service.
7. It is not necessary for Pampa to provide a bond or other financial assurance under TWC § 13.246(d).
8. Pampa has demonstrated that issuing sewer CCN number 21125 is necessary for the service, accommodation, convenience, and safety of the public as required by TWC § 13.246(b) and 16 TAC § 24.227(d).
9. Under TWC § 13.257(r) and (s), Pampa must record a certified copy of the approved map and certificate, along with a boundary description of the service area, in the real property record of Bell County within 30 days of this Order and must submit evidence of the recording to the Commission.
10. 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 grants Pampa sewer CCN number 21125 as described in this notice of approval and shown on the attached map.
2. The Commission approves the certificate, map, and tariff attached to this Notice of Approval.
3. Pampa must serve every customer and applicant for service within the approved area under CCN number 21125 who requests sewer service and meets the terms Pampa's sewer service, and such service must be continuous and adequate.
4. Pampa must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Bell County affected by this application and file in this docket proof of the recording no later than 30 days after the date of this notice of approval.
5. Pampa must provide notice to the Commission once billing for sewer service begins under 16 TAC § 24.25(b)(1)(B)(vi).

6. Pampa shall file a rate application with the Commission within 18 months from the date service begins, as required by 16 TAC § 24.25(b)(1)(C).
7. 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

ADMINISTRATIVE LAW JUDGE