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DOCKET NO. 51801

APPLICATION OF THE CITY OF	§	PUBLIC UTILITY COMMISSION
SCHERTZ TO AMEND ITS A SEWER	§	
CERTIFICATE OF CONVENIENCE	§	OF TEXAS
AND NECESSITY IN COMAL	§	
COUNTY	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application of the City of Schertz to amend its certificate of convenience and necessity (CCN) number 20271 in Comal County. The Commission amends Schertz's CCN number 20271 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. Schertz is a municipality located in Comal County.
2. Schertz provides retail sewer service to customers in Comal County under CCN number 20271.
3. Schertz purchases sewer treatment service from Cibolo Creek Municipal Authority, which owns and operates a sewer system permitted with the Texas Commission on Environmental Quality (TCEQ) under Texas Pollutant Discharge Elimination System (TPDES) permit number WQ00112690001.

Application

4. On February 8, 2021, Schertz filed the application at issue in this proceeding.
5. Schertz filed supplemental information on February 11, March 16, July 19, and August 3 and 11, 2021.
6. Schertz's application, as supplemented, requests a sewer service area that is 150 acres and has no existing customers.

7. The requested area is located approximately five miles north-northwest of downtown Schertz and is generally bounded on the north by Union Pacific Railroad, on the east by Doerr Lane, on the south by Union Pacific Railroad, and on the west by Cibolo Creek.
8. In Order No. 3 filed on May 11, 2021, the administrative law judge (ALJ) found the application administratively complete.

Notice

9. On June 18, 2021, Schertz filed the affidavits of Stephen Mayfield, authorized representative for Schertz, attesting that notice was mailed to current customers, landowners, neighboring utilities, and affected parties on June 8, 2021.
10. On June 28, 2021, Schertz filed the affidavit of Mr. Mayfield attesting that notice was mailed to an additional affected party on June 28, 2021.
11. On June 18 and August 11, 2021, Schertz filed proof of publication of notice in the *San Antonio Express-News*, a publication of general circulation in Comal County, on June 9 and 16, 2021.
12. In Order No. 7 filed on September 15, 2021, the ALJ found the notice sufficient.

Map and Certificate

13. On October 15, 2021, Commission Staff emailed the proposed map and certificate to Schertz.
14. On October 18, 2021, Schertz filed its consent to the proposed map and certificate.
15. On November 19, 2021, Commission Staff filed the proposed map and certificate as attachments to the agreed motion to admit evidence and proposed notice of approval.

Evidentiary Record

16. On November 19, 2021, Schertz and Commission Staff filed an agreed motion to admit evidence and proposed notice of approval.
17. On December 6, 2021, Schertz and Commission Staff filed a joint supplemental motion to admit evidence.
18. In Order No. 8 filed on December 6, 2021, the ALJ admitted the following into evidence into the record of this proceeding: (a) Schertz's application and all attachments filed on

February 8, 2021; (b) Schertz's supplement to the application filed on February 11, 2021; (c) Schertz's supplement to the application filed on March 16, 2021; (d) Commission Staff's supplemental recommendation on administrative completeness filed on May 10, 2021; (e) Schertz's proof of notice filed on June 18, 2021; (f) Schertz's supplemental proof of notice filed on June 28, 2021; (g) a representative copy of the detailed map that was included with Schertz's notice filed on July 19, 2021; (h) Schertz's supplement to the application filed on August 3, 2021; (i) Schertz's supplement to the application filed on August 11, 2021; (j) Commission Staff's second supplemental recommendation on sufficiency of notice filed on September 10, 2021; (k) Schertz's consent form filed on October 18, 2021; (l) Commission Staff's final recommendation and attachments filed on November 5, 2021; (m) the proposed map attached to the agreed motion to admit evidence and proposed notice of approval filed on November 19, 2021; and (n) the revised certificate attached to the joint supplemental motion to admit evidence filed on December 6, 2021.

Adequacy of Existing Service

19. Sewer service is not currently being provided to the requested area.
20. Schertz will need to install collection lines to provide sewer service to the requested area.

Need for Service

21. There is a need for service because the requested area has been annexed into Schertz's city limits and the requested area is being developed into an industrial area.

Effect of Granting the Amendment

22. Granting the CCN request will obligate Schertz to provide sewer service to future customers in the requested area.
23. Landowners in the requested area will benefit because they will have a sewer provider available when they need to request sewer service.
24. No protests, adverse comments, or motions to intervene were filed by any adjacent retail public utility in this docket.
25. There will be no effect on any retail public utility serving the proximate area.

Ability to Serve: Managerial and Technical

26. Schertz purchases sewer service from Cibolo Creek, which owns and operates a sewer system permitted by the TCED under TPDES permit number WQ00112690001.
27. Cibolo Creek has no violations listed in the TCEQ's database.
28. Cibolo Creek's sewer system has adequate capacity to provide continuous and adequate service to its existing customers and future customers in the requested area.
29. Cibolo Creek's sewer system meets the TCEQ's design criteria for sewer treatment plants and the requirements of chapter 13 of the Texas Water Code (TWC).
30. The Commission's complaint records, which go back to 2014, show five complaints against Schertz. However, the complaints were regarding city billing, which is not within the Commission's jurisdiction.
31. Cibolo Creek and Schertz have the managerial and technical capability to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from Adjacent Utilities

32. The requested area is within the city limits of Schertz; therefore, it is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

33. Because the requested area will not require construction of a physically separate sewer system, consideration of regionalization or consolidation with another retail public utility is not required.

Ability to Serve: Financial Ability and Stability

34. Schertz has a debt-to-equity ratio that is less than one, satisfying the leverage test.
35. Schertz 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 amendment, satisfying the operations test.
36. Schertz demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance

37. There is no need to require Schertz to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land

38. There will be minimal effect on the land and on environmental integrity as collection lines are installed to provide sewer service to the requested area.

Improvement in Service and Lowering of Cost

39. Sewer service to the requested area will improve because Schertz will be obligated to serve future customers in the requested area.
40. No lowering of cost to customers in the requested area will result from granting the CCN amendment.

Informal Disposition

41. More than 15 days have passed since the completion of notice provided in this docket.
42. No person filed a protest or motion to intervene.
43. Schertz and Commission Staff are the only parties to this proceeding.
44. No party requested a hearing and no hearing is needed.
45. Commission Staff recommended that the application be approved.
46. This 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, 13.242, 13.244, and 13.246.
2. Schertz is a retail public utility as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Schertz's application meets the requirements of TWC § 13.244.
4. Schertz provided notice of the application that complies with TWC § 13.246 and 16 TAC § 24.235.

5. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,¹ the TWC, and Commission rules.
6. After consideration of the factors in TWC §§ 13.241(a) and 13.246(c) and 16 TAC § 24.227(e), Schertz demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service in the requested area and its current service area in Comal County, as required by TWC § 13.241(a) and 16 TAC § 24.227.
7. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate sewer system is not required.
8. It is not necessary for Schertz to provide a bond or other financial assurance under TWC § 13.246(d).
9. Schertz demonstrated that the amendment of CCN number 20271 to include the requested area 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).
10. Under TWC § 13.257(r) and (s), Schertz 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 Comal County within 31 days of this Notice of Approval and submit evidence of the recording to the Commission.
11. 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 Schertz's CCN number 20271 to add the requested area as described in this Notice of Approval and shown on the map attached to this Notice of Approval.
2. The Commission issues the certificate attached to this Notice of Approval.

¹ Tex. Gov't Code §§ 2001.001–.903.

3. The Commission approves the map attached to this Notice of Approval.
4. Schertz must provide service to every customer and applicant for service within the approved area under CCN number 20271 who requests sewer service and meets the terms of Schertz's sewer service, and such service must be continuous and adequate.
5. Schertz must comply with the recording requirements in TWC §§ 13.257(r) and (s) for the areas in Comal County affected by this application and file in this docket proof of the recording no later than 45 days after the date of this Notice of Approval.
6. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

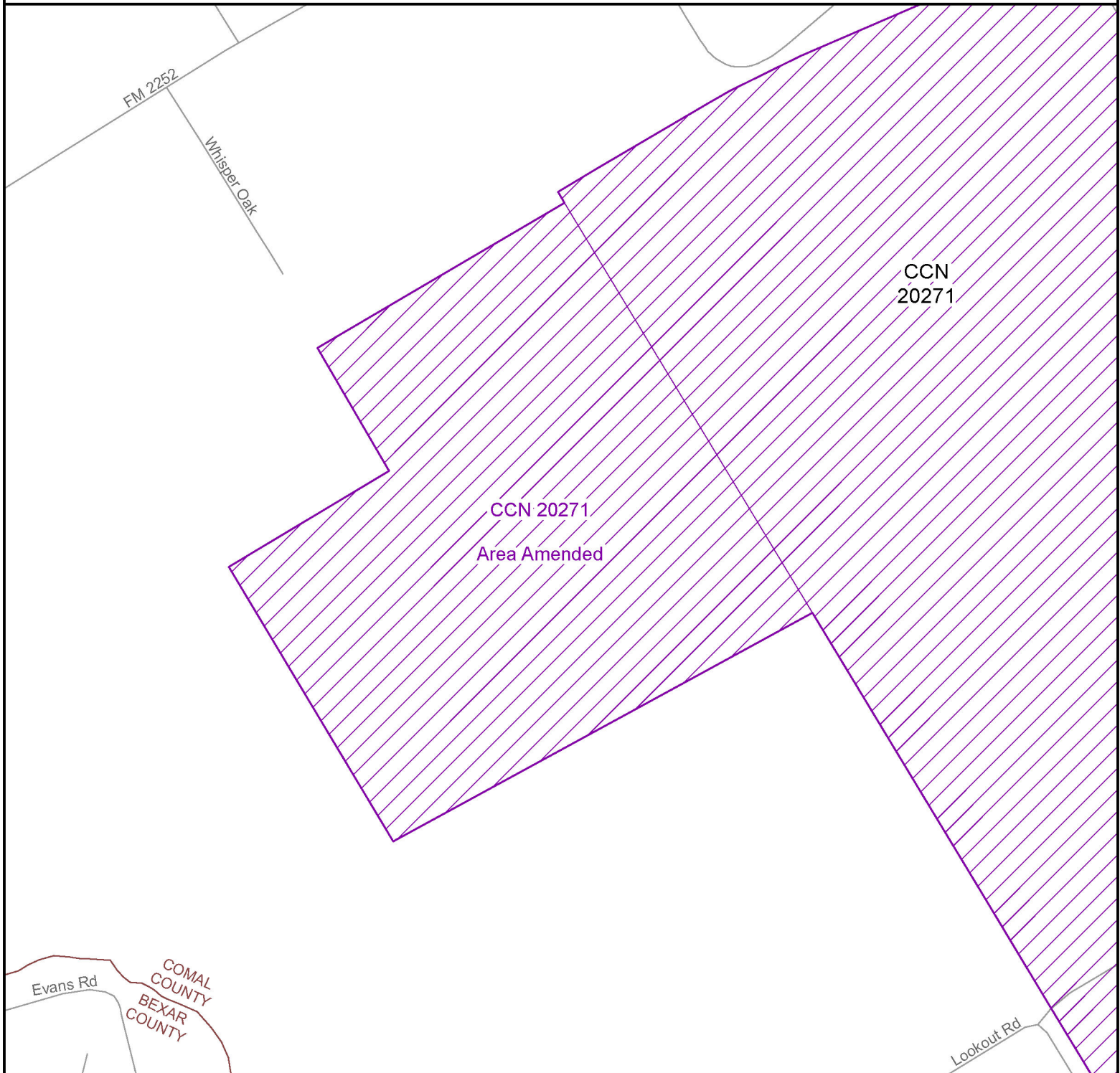
Signed at Austin, Texas the 6th day of December 2021.

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

City of Schertz
Portion of Sewer CCN No. 20271
PUC Docket No. 51801
Amended CCN No. 20271 in Comal County



Sewer CCN

 20271 - City of Schertz

0 400 800
Feet





Public Utility Commission of Texas

By These Presents Be It Known To All That

City of Schertz

having obtained certification to provide sewer 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, City of Schertz is entitled to this

Certificate of Convenience and Necessity No. 20271

to provide continuous and adequate sewer utility service to that service area or those service areas in Bexar, Comal, and Guadalupe Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 51801 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 City of Schertz 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.