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DOCKET NO. 51814

**APPLICATION OF UIC 13, LLC TO
AMEND ITS CERTIFICATES OF
CONVENIENCE AND NECESSITY IN
HARRIS COUNTY**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**CLARIFICATION, JOINT MOTION TO ADMIT EVIDENCE, AND PROPOSED
NOTICE OF APPROVAL**

On February 18, 2021, UIC 13, LLC (UIC) filed an application to amend its water certificate of convenience and necessity (CCN) No. 13242 and sewer CCN No. 21091 in Harris 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 area includes nine current customers and is comprised of approximately 67 acres of uncertificated area. The result of the application will be the addition of approximately 67 acres to CCN Nos. 13242 and 21091.

On September 27, 2021, Order No. 8 was issued, requiring UIC and the Staff of the Public Utility Commission of Texas (Staff) (collectively, the Parties) to file a revised joint motion to admit evidence and proposed order for continued processing of this matter by October 1, 2021. On October 1st, the administrative law judge (ALJ) requested clarification on whether the confidential information filed on August 18, 2021 should be admitted. Therefore, this pleading is timely filed.

The confidential information filed by UIC on August 18, 2021 should be admitted. Therefore, the parties have revised the previous version of these motions filed on October 1, 2021 to reflect this clarification and to respectfully request that the confidential information (Interchange Item No. 22) be admitted into evidence.

I. REVISED JOINT MOTION TO ADMIT EVIDENCE

The Parties move to admit the following evidence into the record of this proceeding:

1. Application of UIC 13, LLC To Amend Its Certificates of Convenience and Necessity in Harris County, filed on February 18, 2021 (Interchange Item No. 1);
2. Revised Service Area Maps, filed on March 15, 2021 (Interchange Item No. 3);

3. UIC's supplemental confidential information, filed on March 17, 2021 (Interchange Item No. 4);
4. Commission Staff's Supplemental Recommendation on Administrative Completeness of the Application, Proposed Notice, and Proposed Procedural Schedule, filed on March 22, 2021 (Interchange Item No. 6);
5. Neighbor Notices and Map, filed on March 29, 2021 (Interchange Item No. 8);
6. Publishers affidavit and tear sheets, filed on April 27, 2021 (Interchange Item No. 9);
7. Commission Staff's Recommendation on Sufficiency of Notice, filed on May 20, 2021 (Interchange Item No. 10);
8. UIC's response to Commission Staff's first request for information, filed on May 27, 2021 (Interchange Item No. 13); and
9. UIC's Consent Form, filed on June 24, 2021 (Interchange Item No. 14);
10. Commission Staff's Final Recommendation and all attachments, including the confidential excel spreadsheet, filed on July 15, 2021 (Interchange Item Nos. 15 and 16);
11. UIC's response to Order No. 5, filed on August 13, 2021 (Interchange Item No. 20);
12. UIC's confidential information filed on August 18, 2021 (Interchange Item No. 21);
13. Commission Staff's Response to Request for Clarification, filed on August 18, 2021 (Interchange Item No. 22); and
14. Commission Staff's Response to Order No. 6 and confidential attachments, filed on September 8, 2021 (Interchange Items Nos. 24 and 25).

II. REVISED JOINT PROPOSED NOTICE OF APPROVAL

The attached Revised Joint Proposed Notice of Approval would grant the application for an amendment to UIC's CCNs in Harris County, Texas.

III. CONCLUSION

The Parties respectfully request that the Commission grant the Revised Motion to Admit Evidence and adopt the attached Revised Joint Proposed Order.

Dated: October 8, 2021

Respectfully submitted,

**SHELLEY B. YOUNG, P.E.
UIC 13, LLC
17230 HUFFMEISTER ROAD
CYPRESS, TEXAS 77429**

By: /s/ Shelley B. Young
Shelley B. Young

**PUBLIC UTILITY COMMISSION OF TEXAS
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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 October 8, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Kevin R. Bartz
Kevin R. Bartz

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

REVISED JOINT PROPOSED NOTICE OF APPROVAL

This Revised Notice of Approval addresses the February 18, 2021 application of UIC 13, LLC (UIC) for an amendment to its water certificate of convenience and necessity (CCN) number 13242 and its sewer CCN number 21091 in Harris County. The Commission amends water CCN number 13242 and sewer CCN number 21091 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. UIC is a retail public utility registered with the Texas secretary of state under filing number 0142230500.
2. UIC operates, maintains, and controls several public water systems and one wastewater treatment plant approved by the Texas Commission on Environmental Quality (TCEQ).
3. The public water system that will provide service to the requested area is registered as Aldine Village Subdivision, identification number 1010931.

Application

4. On February 18, 2021, UIC filed the application at issue to amend its water CCN number 13242 and its sewer CCN number 21091 in Harris County, Texas to add area that is currently uncertificated.
5. On March 15, 2021 and March 17, 2021, UIC filed supplements to the application.
6. The requested area includes approximately 67 acres and 9 current customers.

7. The requested area is located approximately 10.3 miles north of downtown Houston, Texas, and is generally bounded on the north by 2,000 feet north of intersection of Pear Street and Henry Road; on the east by East Hardy Road (Hardy Toll Road); on the south by Corvette Lane; and on the west by Henry Road.
8. In Order No. 2 filed on March 23, 2021, the administrative law judge (ALJ) found the application administratively complete.

Notice

9. On March 29, 2021, UIC filed the affidavit of Shelley Young, consulting engineer for UIC, attesting that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on March 24, 2021.
10. On April 27, 2021, UIC filed a publishers affidavit attesting to the publication of notice in the *Houston Chronicle dba Cypress Creek Mirror*, a newspaper of general circulation in Harris County, on March 31, 2021 and April 7, 2021
11. In Order No. 3 filed on May 21, 2021, the ALJ found the notice sufficient.

Map and Certificates

12. On June 24, 2021, Commission Staff emailed the proposed final maps, certificates, and tariffs to UIC.
13. On June 24, 2021, UIC filed its consent to the proposed final maps, certificates, and tariffs.
14. On July 15, 2021, Commission Staff filed the final maps, certificates, and tariffs as attachments to its final recommendation.

Evidentiary Record

15. On July 22, 2021, the parties filed a joint motion to admit evidence and proposed notice of approval.
16. In Order No. ____ filed on ____, 2021, the ALJ admitted the following evidence into the record of this proceeding: (a) UIC's application, filed on February 18, 2021; (b) revised service area maps, filed on March 15, 2021; (c) UIC's supplemental confidential information, filed on March 17, 2021; (d) Commission Staff's supplemental recommendation on administrative completeness of the application, proposed notice, and

proposed procedural schedule, filed on March 22, 2021; (e) Neighbor Notices and Map, filed on March 29, 2021; (f) publisher's affidavit and tear sheets, filed on April 27, 2021; (g) Commission Staff's recommendation on sufficiency of notice, filed on May 20, 2021; (h) UIC's response to Commission Staff's first request for information, filed on May 27, 2021; (i) UIC's consent form, filed on June 24, 2021; and (j) Commission Staff's final recommendation and all attachments, including the confidential excel spreadsheet, filed on July 15, 2021; (k) UIC's response to Order No. 5, filed on August 13, 2021; (l) UIC's confidential information filed on August 18, 2021; (m) Commission Staff's Response to Request for Clarification, filed on August 18, 2021; and (n) Commission Staff's Response to Order No. 6 and confidential attachments, filed on September 8, 2021.

Adequacy of Existing Service Currently Provided and System Compliance—Texas Water Code (TWC) § 13.246(c)(1); 16 Texas Administrative Code (TAC) § 24.227(a) and (e)(1)

17. No entity currently provides water service to the requested area, which is uncertificated.
18. UIC has several TCEQ approved public water systems and one TCEQ approved wastewater treatment plant.
19. The public water system that will provide service to the requested area is registered as Aldine Village Subdivision, identification number 1010931.
20. The wastewater treatment plant that will provide sewer service to the requested area is registered as Aldine Village, wastewater discharge permit number WQ1388201.
21. UIC does not have any violations listed in the TCEQ databases.
22. No additional construction is necessary for UIC to serve the requested area.
23. The Commission's complaint records show nine complaints on file under UIC's water CCN and no complaints on file under UIC's sewer CCN.

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

24. There is a need for service, as there are nine existing water and sewer customers in the requested area.

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

25. UIC will be the certificated entity for the requested area and will be required to provide adequate and continuous service to the requested area.
26. The landowners in the area will have a water and sewer provider available upon a request for water and sewer service.
27. 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.
28. There will be no effect on any retail public utility servicing the proximate area; all public utilities in the proximate area were provided notice of the CCN amendment requested in UIC's application 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)

29. UIC has several TCEQ approved public water systems and one wastewater treatment plant.
30. UIC will provide service to the requested area using its public water system registered as Aldine Village Subdivision, identification number 1010931.
31. UIC will provide sewer service to the requested area using its wastewater treatment plant registered as Aldine Village, wastewater permit number WQ1388201.
32. UIC does not have any violations listed in the TCEQ databases.
33. UIC employs TCEQ-licensed operators to operate and maintain its public water system and wastewater system.
34. No additional construction is necessary for UIC to serve the requested area.
35. The Commission's complaint records show nine complaints on file under UIC's water CCN, and no complaints on file under UIC's sewer CCN.
36. UIC has the managerial and technical capability to provide continuous and adequate service to the requested area.

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

37. UIC is currently serving customers in the requested area and will not need to construct a physically separate water or wastewater system.

38. Therefore, concerns of regionalization or consolidation do not apply to this application.

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

39. UIC's affiliate, Utilities Investment Company, Inc. (UIC, Inc.) has a debt-to-equity ratio that is less than one, satisfying the leverage test.
40. UIC, Inc. demonstrated that it has sufficient cash and net operating income 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.
41. UIC has the financial ability and stability necessary to provide continuous and adequate service to the requested area.

Financial Assurance—TWC §§ 13.246(d); 16 TAC § 24.227(f)

42. There is no need to require UIC 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)

43. There will be minimal effects on environmental integrity and the land because no additional construction is needed for UIC to serve the requested area.

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

44. UIC will continue to provide water service to the existing customers in the area with no change to the cost to customers.
45. Water and sewer service to the requested area will improve because UIC will be obligated to provide service to future customers in the requested area.

Informal Disposition

46. More than 15 days have passed since the completion of notice provided in this docket.
47. No person filed a protest or motion to intervene.
48. UIC and Staff are the only parties to this proceeding.
49. No party requested a hearing and no hearing is needed.

50. Commission Staff recommended approval of the application.
51. 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. UIC is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).
3. UIC provided notice of the application that complies with TWC § 13.246(a) and 16 TAC § 24.235.
4. The Commission processed the application in accordance with the Administrative Procedure Act,¹ the TWC, and Commission rules.
5. After consideration of the factors in TWC § 13.246(c) and 16 TAC § 24.227(e), UIC has demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested area and Harris County its current service area, as required by TWC § 13.241(a) and 16 TAC § 24.227.
6. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water system or sewer system is not required.
7. It is not necessary for UIC to provide a bond or other financial assurance under TWC § 13.246(d).
8. UIC demonstrated that the amendment of water CCN number 13242 and sewer CCN number 21091 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).
9. Under TWC § 13.257(r) and (s), UIC must record a certified copy of the approved maps and certificates, along with a boundary description of the service areas, in the real property

¹ Tex. Gov't Code § 2001.001–.903.

records of Harris County within 31 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 the preceding findings of fact and conclusions of law, the Commission issues the following orders:

11. The Commission amends UIC's water CCN number 13242 and sewer CCN number 21091 to add the requested area as described in this Notice of Approval and shown on the attached maps.
12. The Commission issues the certificates attached to this Notice of Approval.
13. The Commission approves the maps and tariffs attached to this Notice of Approval.
14. UIC must provide service to every customer and applicant for service within the approved area under water CCN number 13242 who requests water service and meet the terms of UIC's water service, and such service must be continuous and adequate.
15. UIC must provide to service to every customer and applicant for service within the approved area under sewer CCN number 21091 who requests sewer service and meets the terms of UIC's sewer service, and such service must be continuous and adequate.
16. UIC must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Harris 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.
17. 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 this ____ day of _____, 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

ADMINISTRATIVE LAW JUDGE