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Received - 2023-01-11 02:15:19 PM

Control Number - 51923

ItemNumber - 61

DOCKET NO. 51923

**APPLICATION OF QUADVEST, L.P. TO § PUBLIC UTILITY COMMISSION
AMEND ITS WATER CERTIFICATE OF §
CONVENIENCE AND NECESSITY IN § OF TEXAS
MONTGOMERY COUNTY §**

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

COME NOW Quadvest, L.P. (Quadvest or Applicant), together with the Staff of the Public Utility Commission of Texas (Commission Staff or Staff) (collectively, the Parties), and file this Joint Motion to Admit Evidence and Proposed Notice of Approval. In support of this Joint Motion to Admit Evidence and Proposed Notice of Approval, the Parties show the following:

I.

BACKGROUND

On March 22, 2022, Quadvest filed an application with the Public Utility Commission of Texas (Commission) to amend its Certificates of Convenience and Necessity (CCN) in Montgomery County. Specifically, Quadvest seeks to amend its water service area under CCN number 11612 to add approximately 175 acres of uncertificated land. Supplemental information was filed on March 24 and April 5, 2021.

On June 18, 2021, Staff filed recommendations that Applicants' application was administratively complete, consistent with the applicable Commission rules.

On June 22, 2021, the administrative law judge (ALJ) filed Order No. 3, finding the application and amended application, as supplemented, administratively complete.

On August 12, 2021, the ALJ filed Order No. 4, finding notice sufficient.

On March 18, 2022, Applicant filed a motion to concur with the maps, tariffs, and certificates subject to requested changes.

On July 15, 2022, Staff filed a clarification and supplement to its original recommendations on administrative completeness.

On November 1, 2022, the ALJ granted Parties' joint motion to sever the application into two dockets with this docket, as restyled, proceeding on the requested water CCN amendment and

a new docket opened to consider the requested sewer CCN amendment.

On December 1, 2022, the ALJ filed Order No. 21, establishing a deadline of December 14, 2022, for the Parties to file joint proposed findings of fact and conclusions of law. Therefore, this pleading is timely filed.

II.

JOINT MOTION TO ADMIT EVIDENCE

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

- A. The application to amend certificates of convenience and necessity, filed on March 22 and April 5, 2021 (AIS Item Nos. 1 and 3-4);
- B. Staff's recommendation on administrative completeness and notice and proposed procedural schedule, filed on June 8, 2021 (AIS Item No. 8);
- C. Applicant's response to Order No. 3 regarding proof of notice, filed on July 22, 2021 (AIS Item No. 10);
- D. Staff's recommendation on sufficiency of notice, filed on August 12, 2021 (AIS Item No. 12);
- E. Applicant's response to Staff's first request for information, filed on August 24, 2022 (AIS Item No. 15);
- F. Applicant's supplemental response to Staff's first request for information, filed on November 2, 2021 (AIS Item No. 22);
- G. Applicant's second supplemental response to Staff's first request for information,, filed on January 21, 2022 (AIS Item No. 25);
- H. Applicant's motion to concur with maps, tariffs, and certificates, filed on March 18, 2022 (AIS Item No. 28);
- I. Applicant's response to Staff's second request for information, filed on June 13, 2022 (AIS Item No. 40);
- J. Applicant's second response to Staff's second request for information, filed on July 14, 2022 (AIS Item No. 43);
- K. Staff's clarification on sufficiency, filed on July 15, 2022 (AIS Item No. 44);
- L. Joint motion to sever and abate, request to restyle the docket, and proposed procedural schedule, filed on October 27, 2022 (AIS Item No. 52); and
- M. Staff's request for extension, filed on November 30, 2022 (AIS Item No. 55).

III.

JOINT PROPOSED NOTICE OF APPROVAL

Commission Staff and Quadvest have agreed to the attached Joint Proposed Notice of Approval, which would grant Applicant's application to amend its water certificate in Montgomery County.

IV.

CONCLUSION

The Parties respectfully request that the Commission grant the Motion to Admit Evidence and adopt the attached Proposed Notice of Approval.

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

Marisa Lopez Wagley
Managing Attorney

/s/ Kevin Bartz
Kevin R. Bartz
State Bar No. 24101488
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
Phone: (512) 936-7465
Fax: (512) 936-7268
Kevin.bartz@puc.texas.gov

GREGG LAW PC



Peter T. Gregg
State Bar No. 00784174
910 West Ave., No. 3
Austin, Texas 78701
Phone: 512-522-0702
Fax: 512-727-6070
pgregg@gregglawpc.com

Attorneys for Quadvest, L.P.

CERTIFICATE OF SERVICE

As indicated by my signature above, I, Peter Gregg, 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 January 11, 2023 in accordance with the Order Suspending Rules, issued in Project No. 50664.

DOCKET NO. 51923

**APPLICATION OF QUADVEST, L.P. TO § PUBLIC UTILITY COMMISSION
AMEND ITS WATER CERTIFICATE OF §
CONVENIENCE AND NECESSITY IN § OF TEXAS
MONTGOMERY COUNTY §**

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Quadvest, L.P. (Quadvest or Applicant) to amend its Certificate of Convenience and Necessity (CCN) number 11612 in Montgomery County. The requested area consists of 175 acres and 0 existing customers. The Commission approves the amendment of Quadvest’s CCN number 11612.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Quadvest is a for-profit limited partnership registered with the Texas secretary of state under file number 800539284.
2. Quadvest operates, maintains, and controls facilities for providing water service under CCN No. 11612 in Montgomery County.

Application

3. On March 22, 2021, Quadvest filed an application to amend its water and sewer certificates of convenience and necessity in Montgomery County. Specifically, Applicant seeks to amend its water service area under CCN number 11612 to add 175 acres of uncertificated land.
4. The amendment affects approximately 175 acres and 0 current customers in Montgomery County, Texas.
5. The requested area is located approximately 3.4 miles west/northwest of downtown Tomball, TX, and is generally bounded on the north by Decker Prairie-Rosehill Road; on the east by North Memory Lane and Candy Lane; on the south by Spring Creek; and on the west by Decker Prairie-Rosehill Road and Baker Cemetery Road, in Montgomery County.

6. In Order No. 3 issued on June 13, 2021, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

Notice

7. On July 22, 2021, Yvette McNellie, Partner, filed an affidavit on behalf of Quadvest attesting that notice was provided to all neighboring systems, cities, and landowners on June 30, 2021.
8. In Order No. 4, issued on August 12, 2021, the ALJ found the notice of the application sufficient.

Comments, Landowner Opt-Outs, and Motions to Intervene

9. No comments, landowner opt-out requests, or motions to intervene were filed in this docket.
10. All retail public utilities in the proximate area were provided notice of the CCN amendment requested in this application and none requested to intervene.

Evidentiary Record

11. On January 11, 2023, the parties filed a joint motion to admit evidence.
12. In Order No. ____, issued on _____, 2023 the ALJ admitted the following evidence into the record: (a) the application to amend the water certificate of convenience and necessity, filed on March 22 and April 5, 2021; (b) Staff's recommendation on administrative completeness and notice and proposed procedural schedule, filed on June 8, 2021; (c) Applicant's response to Order No. 3 regarding proof of notice, filed on July 22, 2021; (d) Staff's recommendation on sufficiency of notice, filed on August 12, 2021; (e) Applicant's response to Staff's first request for information, filed on August 24, 2022; (f) Applicant's supplemental response to Staff's first request for information, filed on November 2, 2021; (g) Applicant's second supplemental response to Staff's first request for information,, filed on January 21, 2022; (h) Applicant's motion to concur with maps, tariffs, and certificates, filed on March 18, 2022; (i) Applicant's response to Staff's second request for information, filed on June 13, 2022; (j) Applicant's second response to Staff's second request for information, filed on July 14, 2022; (k) Staff's clarification on sufficiency, filed on July 15, 2022; (l) Joint motion to sever and abate, request to restyle the docket, and proposed procedural schedule, filed on October 27, 2022; and (m) Staff's request for extension, filed on November 30, 2022.

Adequacy of Existing Service

13. There are no existing customers in the requested area and water service is not currently being provided to the requested area.

Need for Service

14. There are no existing water connections in the requested area.
15. There is a need for service, as there is a developer requesting service from Quadvest for the requested area.

Effect of Granting the Amendment

16. Quadvest will be the certificated entity for the requested area and will be required to provide continuous and adequate water service to the requested area.
17. The landowners in the area will have a reliable water service provider available when they need to request water service.
18. There will be no effect on any other retail public utility servicing the proximate area as there are no other water providers in the area.

Ability to Serve: Managerial and Technical

19. Quadvest has several Texas Commission on Environmental Quality (TCEQ) approved public water systems (PWS) throughout Texas.
20. Quadvest has a proven record of ability to provide continuous and adequate water service to customers in the requested area and Quadvest's other certificated areas throughout Texas.
21. The PWS that will provide service to the requested area is registered as Decker Farms Water Plant, PWS ID No. 1700922.
22. As this is a new PWS, there are no violations listed in TCEQ's database for this water system. The Commission's complaint records, which date back to 2017, show 110 complaints against Quadvest.
23. Quadvest demonstrated a compliance history that is adequate for approval of the amendment to proceed.
24. Quadvest has a sufficient number of licensed operators and the managerial and technical capability to provide adequate and continuous service to the requested service area.

25. Quadvest has an adequate supply of water and is capable of providing drinking water that meets the requirements of chapter 341 of the Texas Health & Safety Code, chapter 13 of the Texas Water Code (TWC), and TCEQ's rules.

Ability to Serve: Financial Ability and Stability

26. Quadvest has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations.
27. Quadvest demonstrated adequate financial and managerial capability to provide continuous and adequate service to the requested area.

Financial Assurance

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

Feasibility of Obtaining Service from Adjacent Retail Public Utility

29. Quadvest received a request for service for the requested area from a land owner.
30. Quadvest requested service from neighboring utilities and none of them were able to provide service.
31. Quadvest has approved TCEQ plans to build facilities in the requested area to serve future customers and will have sufficient capacity to serve the area.

32. It is not feasible to obtain service from an adjacent retail public utility in the requested area.

Regionalization or Consolidation

34. Service was requested from neighboring utilities and none of them responded to the request to provide service. TCEQ has approved plans for Quadvest to build facilities in the requested area to serve future customers and will have sufficient capacity to serve the area. Therefore, concerns of regionalization or consolidation do not apply.

Environmental Integrity and Effect on the Land

35. The environmental integrity and effect on the land will be minimally affected as facilities are constructed to provide service to the requested area.
36. Where new construction is planned, proper construction protocols will be followed to ensure that the environmental integrity of the land will not be disrupted or negatively affected to such a degree that the application should not be granted.

Improvement of Service or Lowering Cost to Consumers

37. Future residents of the planned development in the requested area will have water service.
38. No lowering of cost to consumers in the requested area will result from amending the CCN because there are no existing customers in the requested area.

Informal Disposition

39. More than 15 days have passed since the completion of notice provided in this docket.
40. No person filed a protest or motion to intervene.
41. Quadvest and Commission Staff are the only parties to this proceeding.
42. No party requested a hearing and no hearing is needed.
43. Commission Staff recommended approval of the application.
44. The decision is not adverse to any party.

II. Conclusions 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. Quadvest is a retail public utility as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Quadvest's application meets the requirements of TWC § 13.244 and 16 TAC § 24.227.
4. Public notice of the application was provided as required by TWC §§ 13.246(a) and 13.301(a) and 16 TAC § 24.239(a) through (c).
5. The Commission processed the application as required by the TWC, the Administrative Procedure Act,¹ and Commission Rules.
6. After consideration of the factors in TWC § 13.246(c), Quadvest has demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area. TWC §§ 13.301(b) and 16 TAC § 24.239(e).
7. Quadvest has access to an adequate supply of water to serve the requested area and its existing certificated service areas, and its 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 in accordance with TWC § 13.241(b) and 16 TAC § 24.227(a)(1).

8. After consideration of TWC § 13.241(d) and 16 TAC § 24.277(b), regionalization or consolidation is not feasible, because no neighboring utilities have the facilities needed to provide service to the requested area.
9. It is not necessary for Quadvest to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
10. Quadvest has demonstrated that the amendment of its CCN number 11612 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.
11. Quadvest must record a certified copy of the certificate granted and map approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Montgomery County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording in accordance with TWC §13.257(r) and (s).
12. The requirements for informal disposition under 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 approves the amendment of Quadvest's water CCN number 11612 to the extent provided in this Notice of Approval and shown on the attached map.
2. The Commission approves the map and tariff attached to the Joint Motion to Admit Evidence and Proposed Notice of Approval filed on _____, 2022.
3. The Commission issues the certificate attached to this Notice of Approval.
4. Quadvest must serve every customer and applicant for service within the approved area under water CCN number 11612 who requests water service and meets the terms of Quadvest's water service, and such service must be continuous and adequate.
5. Quadvest must comply with the recording requirements in TWC §13.257(r) and (s) for the area in Montgomery County affected by the application and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice of Approval.

6. Within ten days of the date of this Notice of Approval, Commission Staff must provide a clean copy of the tariff approved by this Notice of Approval to central records to be marked Approved and filed in the Commission ' s tariff books.
7. Staff must file a recommendation regarding the sufficiency of the documents and propose a schedule for continued processing of this docket.
8. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the _____ day of _____ 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

ADMINISTRATIVE LAW JUDGE