



## **Filing Receipt**

**Filing Date - 2023-08-29 02:51:19 PM**

**Control Number - 52551**

**Item Number - 42**

**DOCKET NO. 52551**

<b>PETITION OF BLACKLAND WATER</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SUPPLY CORPORATION AND THE</b>	<b>§</b>	
<b>CITY OF ROCKWALL TO</b>	<b>§</b>	<b>OF TEXAS</b>
<b>DECERTIFICATE PORTIONS OF A</b>	<b>§</b>	
<b>CERTIFICATE OF CONVENIENCE</b>	<b>§</b>	
<b>AND NECESSITY UNDER TEXAS</b>	<b>§</b>	
<b>WATER CODE § 13.254(a) IN</b>	<b>§</b>	
<b>ROCKWALL COUNTY</b>	<b>§</b>	

**NOTICE OF APPROVAL**

This Notice of Approval addresses the petition of Blackland Water Supply Corporation and the City of Rockwall to decertify approximately 881 acres of water service area from Blackland WSC’s water certificate of convenience and necessity (CCN) number 11305 under Texas Water Code (TWC) § 13.254(a) in Rockwall County. The Commission amends Blackland WSC’s water CCN number 11305 to decertify the requested area, to the extent provided in this Notice of Approval.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Petitioners**

1. Rockwall is a municipality located within Rockwall County.
2. Rockwall operates, maintains, and controls facilities for providing retail water service. Rockwall does not possess a CCN and does not wish to.
3. Blackland WSC is a Texas non-profit water supply corporation registered with the Texas secretary of state under filing number 0022170201.
4. Blackland WSC operates, maintains, and controls facilities for providing retail water service in Rockwall County under CCN number 11305.

**Petition and Amended Petitions**

5. On September 10, 2021, Rockwall and Blackland WSC filed a petition for approval of a service area contract under TWC § 13.248; amendment to Blackland WSC’s CCN under

- TWC § 13.255(a); and decertification of a portion of Blackland WSC's certificated service area under TWC § 13.254(a) based on agreements between Blackland WSC and developers.
6. In Commission Staff's recommendation on administrative completeness, filed on October 11, 2021, Commission Staff recommended that the agreements filed by the petitioners be processed under TWC §§ 13.254(a) and 13.255.
  7. On January 21, 2022, the petitioners filed a first amended petition seeking to:
    - a. under TWC § 13.254(a), decertify portions of Blackland WSC's certificated service area under CCN number 11305; and
    - b. under TWC § 13.255(a), approve changes to Blackland WSC's certificated service area under CCN number 11305 based on agreements between Blackland WSC and Rockwall entered into over a period of years.
  8. In Order No. 4 filed on February 25, 2022, the administrative law judge (ALJ) severed Docket No. 52551 into two separate dockets, with the CCN decertification under TWC § 13.254(a) to be addressed in Docket No. 52551, and the CCN amendments under TWC § 13.255(a) to be addressed in Docket No. 53262.<sup>1</sup>
  9. On March 25, 2022, the petitioners filed a second amended petition in this proceeding seeking solely to decertify approximately 881 acres of Blackland WSC's water service area under TWC § 13.254(a).
  10. On May 12, 2022, the petitioners filed errata to the second amended petition.
  11. The second amended petition included copies of a 2005 mediated settlement agreement between the petitioners and a 2016 agreement between Blackland WSC and a developer, both evidencing Blackland WSC's agreement to release land from CCN number 11305. No customers, facilities, or property were transferred under these agreements.
  12. In Order No. 5 filed on April 20, 2022, the ALJ found the second amended petition administratively complete.

---

<sup>1</sup> *Petition of Blackland Water Supply Corporation and the City of Rockwall for Approval to Amend Certificate of Convenience and Necessity Under Texas Water Code § 13.255(a) in Rockwall County*, Docket No. 53262, Notice of Approval (July 27, 2023).

**Notice**

13. On July 14, 2022, the petitioners filed proof of notice, including (1) a list of each Rockwall customer and landowner in the area to be decertified; (2) the affidavits of Mary Smith, City Manager for Rockwall, and Scott Muckensturm, General Manager of Blackland WSC, attesting, respectively, that notice of the decertification was provided to each of Rockwall's customers in the requested area and to Blackland WSC's single customer in the requested area; and (3) the notice form that was developed by the petitioners in consultation with Commission Staff.
14. On July 14 and 27, 2022 and August 22, 2022, the petitioners supplemented their proof of notice, confirming that notice was provided to all customers and all landowners within the requested area.
15. On September 12, 2022, the petitioners filed a supplemental affidavit of notice from Blackland WSC's General Manager, providing clarification concerning the provision of notice to Big Tex Trailer World Inc.
16. In Order No. 9 filed on September 28, 2022, the ALJ found the notice, as supplemented, sufficient.

**Evidentiary Record**

17. In Order No. 10 filed on August 29, 2023, the ALJ admitted the following evidence into the record of this proceeding:
  - a. the joint petition filed on September 10, 2021;
  - b. supplemental digital data for the petition filed on September 14, 2021;
  - c. Commission Staff's recommendation on administrative completeness and proposed notice and addressing other procedural matters filed on October 11, 2021;
  - d. Rockwall's letter to the ALJ filed on October 11, 2021;
  - e. the petitioners' response to Commission Staff's recommendation on administrative completeness and related matters filed on November 10, 2021;
  - f. the petitioners' supplemental response to Commission Staff's recommendation filed on November 17, 2021;

- g. Commission Staff's request for clarification filed on December 1, 2021;
- h. Commission Staff's supplemental recommendation on administrative completeness and notice filed on December 10, 2021;
- i. Commission Staff's response to Order No. 2 filed on January 14, 2022;
- j. the petitioners' response to potential severance under 16 Texas Administrative Code § 22.34(b) filed on January 14, 2022;
- k. the first amended joint petition filed on January 21, 2022;
- l. Commission Staff's supplemental recommendation on administrative completeness and notice filed on February 22, 2022;
- m. petition to decertify a portion of Blackland WSC's service area under Texas Water Code § 13.254(a), in accordance with Order No. 4, filed on March 25, 2022;
- n. Commission Staff's supplemental recommendation on administrative completeness and notice filed on April 18, 2022;
- o. letter to central records clerk (errata) with corrected exhibits E and F filed on May 12, 2022;
- p. second letter to central records clerk (errata) with corrected exhibits E and F filed on May 12, 2022;
- q. Commission Staff's supplemental recommendation on administrative completeness and notice filed on June 13, 2022;
- r. proof of notice filed on July 14, 2022;
- s. supplementation to the proof of notice filed on July 14, 2022;
- t. the petitioners' letter to the ALJ regarding proof of notice to customers and landowners filed on July 27, 2022;
- u. Commission Staff's recommendation on sufficiency of notice and proposed procedural schedule filed on July 28, 2022;
- v. the petitioners' letter to the ALJ regarding petitioners' proof of notice, in response to Order No. 7, filed on August 22, 2022;

- w. Commission Staff's recommendation on sufficiency of notice filed on September 6, 2022;
- x. the petitioners' supplemental notice filed on September 12, 2022;
- y. Commission Staff's supplemental recommendation on sufficiency of notice and proposed procedural schedule filed on September 27, 2022;
- z. the petitioners' signed consent forms filed on November 10, 2022; and
- aa. Commission Staff's final recommendation filed on November 30, 2022.

**Circumstances of Decertification**

- 18. Blackland WSC has never provided water service to any customers in the requested area.
- 19. Blackland WSC owns facilities that cross the area to be decertified but does not serve any customers in the area to be decertified.
- 20. Blackland WSC has agreed in writing to allow Rockwall to provide service within the requested area.
- 21. Blackland WSC has provided written consent for the Commission to amend its CCN by decertifying the requested area.

**Effect on Customers, Landowners, and the CCN Holder in the Requested Area**

- 22. There are no customers that Blackland WSC serves in the requested area.
- 23. Blackland WSC owns facilities that cross the requested area but does not serve any customers in the requested area.
- 24. After decertification, Blackland WSC will not be obligated to provide continuous and adequate service to the requested area.
- 25. Rockwall currently provides water service to the customers in the requested area and will continue to do so after the requested decertification is complete.
- 26. Because Blackland WSC does not serve any customers or landowners in the requested area, the requested decertification will have no adverse effects on any customers or landowners.

**Compensation from a Prospective Retail Public Utility**

27. Because it is requesting decertification, Blackland WSC is not entitled to compensation from a prospective retail utility if the request to decertify the requested area is granted.

**Map and Certificate**

28. On October 31, 2022, Commission Staff emailed its proposed final map and certificate to the petitioners.
29. On November 10, 2022, the petitioners filed their consents to the proposed final map and certificate.
30. On November 30, 2022, Commission Staff filed the final map and certificate as attachments to its final recommendation.

**Informal Disposition**

31. More than 15 days have passed since the completion of notice provided in this docket.
32. No person filed a protest or motion to intervene.
33. Rockwall, Blackland WSC, and Commission Staff are the only parties to this proceeding.
34. No party requested a hearing, and no hearing is needed.
35. Commission Staff recommended approval of the amended petition.
36. 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 petition under TWC § 13.254.
2. Blackland WSC and Rockwall are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. The second amended petition meets the requirements of TWC § 13.244.
4. Rockwall and Blackland WSC provided notice of the petition that complies with TWC § 13.254 and 16 TAC § 24.245(d)(2).

5. The Commission processed the petition and amended petitions in accordance with the requirements of the Administrative Procedure Act,<sup>2</sup> the TWC, and Commission rules.
6. The petitioners demonstrated that the amended petition meets the requirements set forth in TWC § 13.254 and 16 TAC § 24.245 to be granted a decertification amendment to its CCN number 11305.
7. Blackland WSC consented in writing to the decertification amendment of its CCN number 11305 in accordance with TWC § 13.254(a) and 16 TAC § 24.245(d)(1)(E).
8. Under 16 TAC § 24.245(d)(2)(F), Blackland WSC is not entitled to compensation for the decertification amendment.
9. Under TWC § 13.254(h), after the date of this Notice of Approval, Blackland WSC has no obligation to provide retail water service to the requested area.
10. Under TWC § 13.257(r) and (s), Blackland WSC 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 Rockwall County within 31 days of this Notice of Approval and submit evidence of the recording to the Commission.
11. 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 amends Blackland WSC's CCN number 11305 to decertify the approximately 881 acres as described in this Notice of Approval and as shown on the attached map.
2. The Commission approves the map attached to this Notice of Approval.
3. The Commission issues the certificate attached to this Notice of Approval.

---

<sup>2</sup> Tex. Gov't Code §§ 2001.001-.903.



4. Blackland WSC must comply with the recording requirements of TWC §§ 13.257(r) and (s) for the areas in Rockwall County affected by this Notice of Approval and file in this docket proof of the recording no later than 45 days after the date of this Notice of Approval.
5. 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 on the 29th day of August 2023.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
\_\_\_\_\_  
**HUNTER BURKHALTER**  
**CHIEF ADMINISTRATIVE LAW JUDGE**



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

## **Blackland Water Supply Corporation**

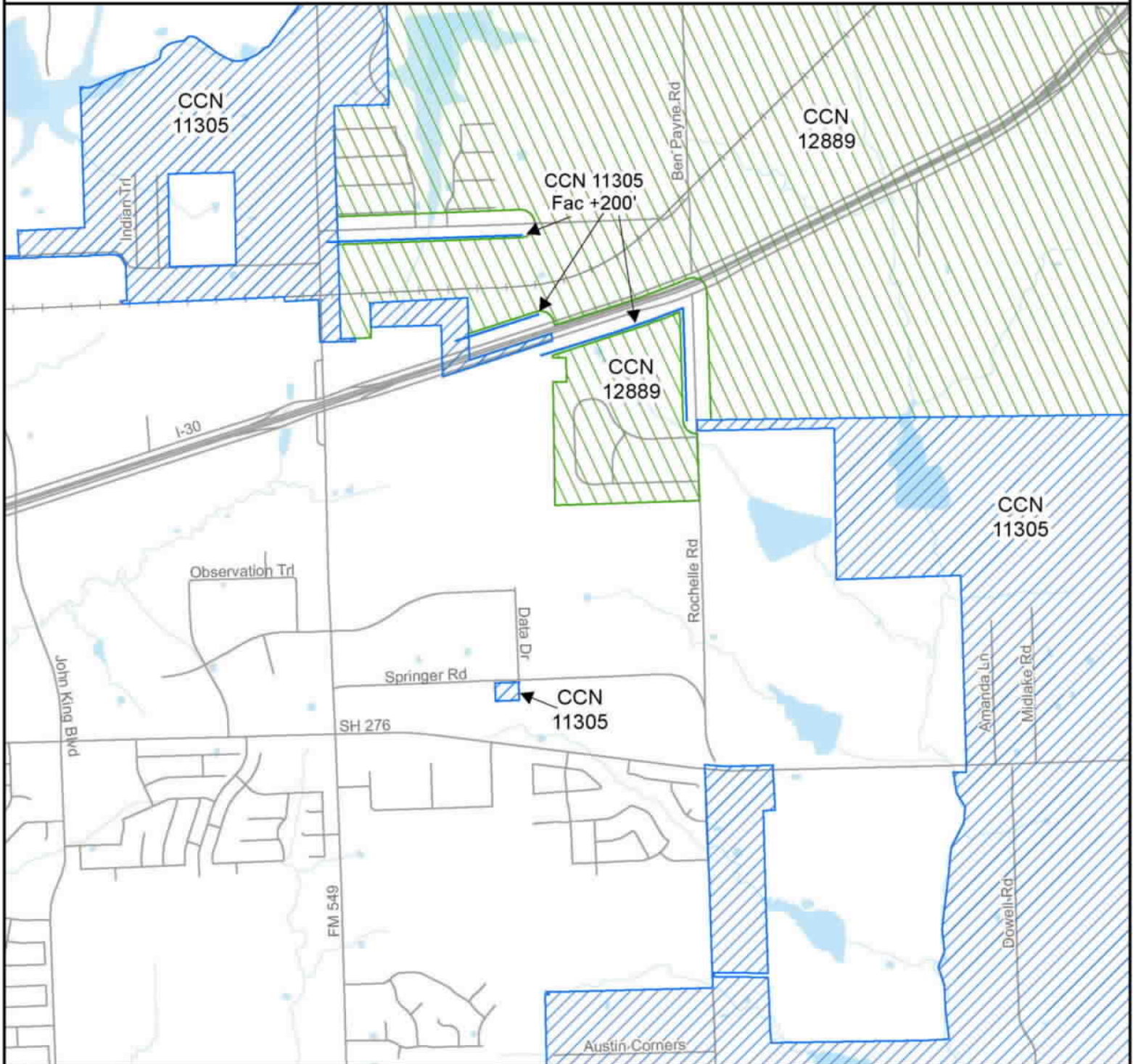
having obtained certification to provide water or sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Blackland Water Supply Corporation is entitled to this

### **Certificate of Convenience and Necessity No. 11305**

to provide continuous and adequate water utility service to that service area or those service areas in Hunt and Rockwall counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 52551 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 Blackland Water Supply Corporation 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.

Blackland Water Supply Corporation  
Portion of Water CCN No. 11305  
PUC Docket No. 52551


13.254(a) Agreement Decertified a Portion of Blackland Water Supply Corporation, CCN No. 11305 in  
Rockwall County



**Water CCN**

-  11305 - Blackland WSC
-  12889 - City of Fate

**Water CCN Facilities +200'**

-  11305 - Blackland WSC

