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DOCKET NO. 53201

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| PETITION OF 2021 FII WALNUT | § | PUBLIC UTILITY COMMISSION |
| SPRINGS, LLC TO AMEND SPRINGS | § | |
| HILL WATER SUPPLY | § | OF TEXAS |
| CORPORATION'S CERTIFICATE OF | § | |
| CONVENIENCE AND NECESSITY IN | § | |
| GUADALUPE COUNTY BY | § | |
| STREAMLINED EXPEDITED | § | |
| RELEASE | § | |

ORDER NO. 2
FINDING PETITION ADMINISTRATIVELY COMPLETE, NOTICE
SUFFICIENT, AND ESTABLISHING PROCEDURAL SCHEDULE

This Order addresses the sufficiency of the February 8, 2022 petition of 2021 FII Walnut Springs, LLC to amend Springs Hill Water Supply Corporation's certificate of convenience and necessity number 10666 in Guadalupe County by streamlined expedited release.

I. Finding Application Administratively Complete

On March 10, 2022, Commission Staff recommended that the petition be found administratively complete, with the exception of tract 2 because tract 2 is only 0.19 acres, which is below the 25-acre requirement and not qualified for release.

The finding of administrative completeness does not address the merits of the petition. In the February 8, 2022 petition, the petitioner pled that the “[p]etitioner owns 200.81 acres of *contiguous* land in fee simple in Guadalupe County.” It appears to the administrative law judge (ALJ) that at least some of the land owned by the petitioner does not qualify for release. Streamlined expedited release is an option available for *a contiguous tract of land* that is at least 25 acres in size. As noted in a prior Commission proceeding:

[T]o constitute a single tract of land under [Texas Water Code] TWC § 13.254(a-5) [now TWC § 13.2541] the property must have common ownership and be contiguous, meaning that all portions of the property must be in uninterrupted physical contact. *A single tract cannot be separated by other property with different ownership, such as road [sic] and railroads, whether owned by governmental entities or private interests.*¹

¹ *Petition of SLF IV-114 Assemblage, L.P. to Amend Aqua Texas, Inc.'s Certificate of Convenience and Necessity in Denton County by Expedited Release*, Docket No. 44667, Order at 5 and 6 (Sep. 11, 2015) (emphasis added).

At this preliminary stage and based on the pleadings filed thus far, the relevant facts appear to be as follows. The petitioner is seeking release for 200.81 acres. The land is comprised of the following three parcels owned by the petitioner, which do not appear to be contiguous as identified on the map:

- Parcel 1, consisting of 104.60 acres;
- Parcel 2, consisting of 0.19 acres; and
- Parcel 3, consisting of 96.02 acres.

The three parcels will be assessed separately in determining whether streamlined expedited release is appropriate.

The ALJ finds the application administratively complete.

II. Finding Notice Sufficient

The petition includes a signed certificate of service in which 2021 FII Walnut Springs certified that it mailed a true and correct copy of its petition to the CCN holder, Springs Hill, by certified mail on the date the petition was filed with the Commission.

The ALJ finds the notice sufficient.

III. Establishing Procedural Schedule

Under Texas Water Code (TWC) § 13.2541, the granting of streamlined expedited release initiates an appraisal process to determine the amount of monetary compensation that may be owed by the landowner to the certificate holder for the tract of land that was released. Therefore, an order granting approval for streamlined expedited release is interim in nature and, in the event the requested release is approved, the docket will continue for the purpose of determining the issue of compensation.

The following procedural schedule applies in this case:

| Event | Date |
|---|---|
| Deadline for the CCN holder to file a response, verified by a notarized affidavit, to the administratively complete petition | March 31, 2022 |
| Deadline for petitioner to file a response to CCN holder's response to the administratively complete petition | April 7, 2022 |
| Deadline for Commission Staff's recommendation on final disposition | April 21, 2022 |
| Sixty-day administrative approval of streamlined expedited release | May 10, 2022 |
| <i>In the event streamlined expedited release is granted and the petitioner and the CCN holder can select an agreed-upon appraiser</i> | |
| Deadline for the petitioner and the CCN holder to make a filing stating that they have selected an agreed upon appraiser | Within 10 days after the Commission approves streamlined expedited release |
| Deadline for appraiser's report | Within 70 days after the Commission approves streamlined expedited release |
| Deadline for Commission's final order determining the amount of monetary compensation, if any, owed by the petitioner to the CCN holder | Within 60 days after appraiser's report |
| Deadline for the petitioner to pay any compensation due to the CCN holder | Within 90 days of the Commission's final order on compensation |
| <i>In the event streamlined expedited release is granted and the petitioner and the CCN holder are unable to select an agreed-upon appraiser</i> | |
| Deadline for the petitioner and the CCN holder to make a filing stating that they have been unable to select an agreed upon appraiser | Within 10 days after the Commission approves streamlined expedited release |
| Deadline for reports from the petitioner's appraiser and the CCN holder's appraiser | Within 70 days after the Commission approves streamlined expedited release |
| Deadline for Commission Staff's appraiser's report | Within 100 days after the Commission approves streamlined expedited release |
| Deadline for Commission's final order determining the amount of monetary compensation, if any, owed by the petitioner to the CCN holder | Within 60 days after Commission receives the final appraisal |
| Deadline for the petitioner to pay any compensation due to the CCN holder | Within 90 days of Commission's final order on compensation |

Signed at Austin, Texas the 11th day of March 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in cursive script that reads "Christina Denmark". The signature is written in black ink and is positioned above a horizontal line.

**CHRISTINA DENMARK
ADMINISTRATIVE LAW JUDGE**