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DOCKET NO. 54947

APPLICATION OF EMERALD HILLS	§	PUBLIC UTILITY COMMISSION
WATER FOR A CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY IN	§	OF TEXAS
SAN PATRICIO COUNTY	§	

COMMISSION STAFF'S RESPONSE TO ORDER NO. 10

On May 1, 2023, Emerald Hills Water (Emerald Hills) filed an application to obtain a water certificate of convenience and necessity (CCN) in San Patricio County, Texas under Texas Water Code (TWC) §§ 13.242 through 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 through 24.237.

On March 4, 2024, the administrative law judge (ALJ) filed Order No. 10, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation by April 1, 2024. Therefore, this pleading is timely filed.

I. RECOMMENDATION

The administrative law judge requires clarification from Commission Staff regarding the following issues:

- 1) Whether Emerald Hills meets the requirements of 16 TAC § 24.11(e)(5)(B) requiring loan approval documents or firm capital commitments for an applicant proposing service to a new CCN area and possibly projecting additional customer connections within the first two years of operations; and
- 2) Whether Emerald Hills meets the requirements of TWC § 13.244(d)(3) to provide a capital improvement plan.

Staff has reviewed Emerald Hills's March 6, 2024, filing and, as detailed in the attached memoranda from Jolie Mathis, Infrastructure Division, recommends that Emerald Hills meets the requirements specified in 16 TAC § 24.11(e)(5)(B) and TWC § 13.244(d)(3).

II. CONCLUSION

Staff respectfully requests the issuance of an order consistent with the foregoing.

Dated: April 1, 2024

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ David Berlin
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CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on April 1, 2024 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ David Berlin
David Berlin

Public Utility Commission of Texas

Memorandum

TO: David Berlin, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: April 1, 2024

RE: Docket No. 54947 – *Application of Emerald Hills Water for a Certificate of Convenience and Necessity in San Patricio County*

On May 1, 2023, Emerald Hills Water (Emerald Hills) filed with the Public Utility Commission of Texas (Commission) an application to obtain a water certificate of convenience and necessity (CCN) in San Patricio County, Texas under Texas Water Code (TWC) §§ 13.242 through 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 through 24.237.

Under 16 Texas Administrative Code (TAC) § 24.11(e)(5)(B)(i), an applicant proposing to serve a new CCN area must provide loan approval documents or firm capital commitments affirming funds are available to install the plant and equipment necessary to serve projected customers in the first two years of projections.

According to Item No. 38, Emerald Hills Water confirmed that they do not intend to add additional connections with the first two year of approval of the CCN. Because no capital improvements are required to provide continuous and adequate water service to the requested area. Emerald Hills meets the requirements specified in 16 TAC § 24.11(e)(5)(B).

Under TWC § 13.244(d)(3), an application for a certificate of public convenience and necessity or for an amendment to a certificate must contain: a capital improvements plan, including a budget and estimated timeline for construction of all facilities necessary to provide full service to the entire proposed service area.

There are no improvements necessary to provide continuous and adequate service to the requested area therefore a capital improvements plan is not necessary.