



## **Filing Receipt**

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# **OPEN MEETING COVER SHEET COMMISSIONER MEMORANDUM**

**MEETING DATE:** June 5, 2025

**DATE DELIVERED:** June 4, 2025

**AGENDA ITEM NO.:** 13


**CAPTION:** Docket No. 56688 – Petition of Solana Development, LP to Amend Jarrell-Schwertner Water Supply Corporation's Certificate of Convenience and Necessity in Bell and Williamson Counties

**DESCRIPTION:** Chairman Thomas Gleeson Memorandum

# *Public Utility Commission of Texas*

## **Commissioner Memorandum**

**TO:** Commissioner Kathleen Jackson  
Commissioner Courtney K. Hjaltman

**FROM:** Chairman Thomas J. Gleeson 

**DATE:** June 4, 2025

**RE:** June 5, 2025 Open Meeting – Item No. 13  
Docket No. 56688 – *Petition of Solana Development, LP to Amend Jarrell-Schwertner Water Supply Corporation's Certificate of Convenience and Necessity in Bell and Williamson Counties.*

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Before the Commission is a proposed order that would approve Solana Development, LP's petition to decertify a portion of the certificated service area of Jarrell-Schwertner Water Supply Corporation (WSC). I would approve the proposed order with the following modifications.

There are inherent inconsistencies in findings of fact 17 and 18 and conclusions of law 9 and 10 regarding whether Jarrell-Schwertner WSC is entitled to compensation. This may be because our rules do not directly address when a landowner petitions for decertification of a retail public utility's service area and the retail public utility consents to the decertification. While some prior dockets are on point, it does not appear the Commission discussed this issue in those dockets.

The statutory language is broad: "A retail public utility may not in any way render retail water or sewer service directly or indirectly to the public in an area that has been decertified under this section unless just and adequate compensation . . . has been paid to the decertified retail public utility."<sup>1</sup> The Commission's rule 16 TAC § 24.245(d)(2)(F), though, narrowly provides that a retail public utility is not entitled to compensation when the retail public utility requests decertification or revocation by consent. In this docket, the retail public utility consented to, but did not request, the decertification. Therefore, on its face, 16 TAC § 24.245(d)(2)(F) does not apply. Accordingly, I would make the following modifications to the proposed order:

### *Findings of Fact*

17. Jarrell-Schwertner WSC did not initiate this petition or file a written request for decertification. ~~Future compensation may be needed if the decertified area becomes part of the certificated service area of another retail public utility.~~

18. ~~No compensation is due for decertification granted in the Order.~~

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<sup>1</sup> TWC § 13.254(d).

*Conclusions of Law*

9. Under TWC § 13.254(d), a retail public utility may not in any way render retail water or sewer service directly or indirectly to the public in an area that has been decertified under TWC § 13.254 unless just and adequate compensation required by TWC § 13.254(g) has been paid to the decertified retail public utility. No compensation is due, under 16 TAC § 24.245(e)(4), for the decertification granted by this Order.
- ~~10. Under 16 TAC § 24.245(d)(2)(F), JSWSC is not entitled to compensation from a prospective retail public utility.~~

*Ordering Paragraphs*

- X. This Order does not address what compensation, if any, might be due if another retail public utility seeks to render retail water service to the public in the decertified area.