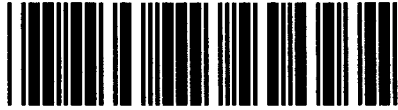




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Public Utility Commission of Texas

**TO: New Braunfels Utilities
Pedernales Electric Cooperative, Inc.**

**Commission - Legal Division
Commission - Infrastructure Reliability Division**

**FROM: Irene Montelongo
Director, Docket Management**

**RE: Docket No. 38500 – *Joint Application of New Braunfels Utilities and
Pedernales Electric Cooperative to Amend a Certificate of Convenience and
Necessity (CCN) for Service Area Boundaries within Comal County***

NOTICE OF APPROVAL

This Notice approves the application of New Braunfels Utilities (NBU) and Pedernales Electric Cooperative (PEC) (jointly Applicants) to amend certificated service area boundaries within Comal County, Texas. The application was filed pursuant to PURA §§ 14.001, 37.051, 37.053, 37.054, 37.056 and 37.057¹ and P.U.C. SUBST. R. 25.101(b)(1)(B). This docket was processed in accordance with applicable statutes and Public Utility Commission of Texas (Commission) rules.

On August 27, 2010, Commission Staff recommended approval of NBU and PEC's joint application to amend certificated service area boundaries to provide service to a specific customer. The proposed service area boundary change will affect only the existing certificated boundaries. No party intervened in this proceeding. Based on satisfaction of these requirements, the following fact statements and legal conclusions are administratively approved.

¹ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2009) (PURA).

Procedural History

1. On July 28, 2010, NBU and PEC filed a joint application to amend their respective Certificate of Convenience and Necessity (CCN) boundaries located in an unincorporated area of Comal County.
2. On July 30, 2010, Order No. 1 was filed, requiring Commission Staff to comment on the sufficiency of the application and notice, and establishing a procedural schedule.
3. On August 12, 2010, Commission Staff filed its response to Order No. 1 finding that the application was sufficient and that no additional notice was required. Staff also recommended that the application be deemed a minor boundary change.
4. On August 13, 2010, Order No. 2 was filed acknowledging that Applicants' application is for a minor service area boundary change, and that the application and *Texas Register* notice were sufficient.
5. On August 27, 2010, Commission Staff recommended final approval of PEC and NBU's application based on Applicants' satisfaction of the provisions of PURA §37.056.

Notice

6. Notice of the application was published in the *Texas Register* on August 13, 2010.

Project Description

7. NBU is a municipally-owned utility providing service under CCN No. 30123.
8. PEC is an electric cooperative providing service under CCN No. 30128.
9. An existing residential community named Vintage Oaks at the Vineyard is expanding off SH46, 2 miles east of Cranes Mill Road and 2 miles west of FM2722 in an unincorporated area of Comal County. The existing service area boundary restricts access to portions of individual lots and creates access problems for front lot utility right-of-way.
10. The proposed amendment will allow both utilities to construct their facilities without encroaching into each others' certified boundary areas. It is in the best interest of the

two companies and the affected customer to amend the service area boundaries of NBU and PEC as requested.

11. No current customer will be required to switch electric service providers.
12. There is currently no service to the undeveloped parcel, but both NBU and PEC have facilities in the area. Both utilities will be installing underground facilities to serve customers in the new residential subdivisions.
13. NBU and PEC are the only utilities that are affected by the proposed boundary change. Both utilities have agreed upon the requested boundary amendment, and all of the requested area is within Comal County.
14. The proposed boundary change is in the public interest, and will have no negative effect on the community values, recreational and park areas, historical and aesthetic values, and environmental integrity

Need for Proposed Minor Boundary Change

15. Mr. Jon Van De Voorde, an authorized representative of the landowner/developer, for the property has provided a statement of consent to the proposed boundary change.
16. The estimated cost of the construction of the proposed amendment is \$1,220,000.00.
17. The amended boundary will provide the most reliable electric service delivery at the lowest cost to customers that purchase subdivision lots in the affected areas.

Statutory Findings

1. NBU is an electric utility as defined in PURA § 37.001(3). PEC is an electric utility as defined in PURA § 37.001(2).
2. The Commission has jurisdiction over these matters pursuant to PURA §§ 14.001, 37.051, 37.053, 37.054, 37.056, and 37.057.
3. Notice of the application was provided in compliance with PURA § 37.054 and P.U.C. PROC. R. 22.54. Published notice is not required under P.U.C. PROC. R. 22.52(a), because this application constitutes a minor boundary change.

4. NBU and PEC are entitled to approval of the application described above, having demonstrated that the proposed service area boundary changes are necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056(a), taking into consideration the factors set forth in PURA §§ 37.053(b) and 37.056(c).
5. The application may be approved without a hearing pursuant to the Administrative Procedure Act, TEX. GOV'T CODE ANN. 2001.001-.902 (Vernon 2008 & Supp. 2009).
6. This application does not constitute a major rate proceeding as defined by P.U.C. PROC. R. 22.2.
7. The requirements for administrative approval pursuant to P.U.C. SUBST. R. 25.101(b)(1)(B) have been met in this proceeding.
8. The requirements for informal disposition pursuant to P.U.C. PROC. R. 22.35 have been met in this proceeding.

Ordering Paragraphs

1. NBU and PEC's respective CCNs are each amended for the certificated service area boundaries within Comal County in accordance with the boundary map filed with the application. This application is considered a "minor boundary change" because it affects a limited area; therefore, the notice requirements of P.U.C. PROC. R. 22.52 do not apply in this application.
2. The Commission's official service area boundary maps for NBU and PEC shall be revised in Central Records in order to reflect this change.
3. All other motions, requests for entry of specific fact statements and legal conclusions, and any other requests for general or specific relief, if not expressly granted herein, are denied.

SIGNED AT AUSTIN, TEXAS on the 8th day of September 2010.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read "Irene Montelongo", is written over a horizontal line.

**IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT**

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