

Control Number: 42946



Item Number: 23

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House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

42946

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution
August 24, 2011

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PUBLIC UTILITY COMMISSION
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CERTIFIED MAIL

Mr. John Rapier, General Counsel
Rapier, Wilson & Wendland, PC
1333 W. McDermott, Ste. 100
Allen, Texas 75013

Re: Application from Mustang Special Utility District (SUD), Certificate of Convenience and Necessity (CCN) No. 11856, to Transfer Facilities and to Transfer and Cancel CCN No. 13020 from Denton County Fresh Water Supply District (FWSD) 9; in Denton County; Application No. 36966-S

Application from Mustang SUD, CCN No. 20930, to Transfer Facilities and to Transfer and Cancel CCN No. 20922 from Denton County FWSD 9, in Denton County; Application No. 36967-S

CN: 601363534; RN: 101222669 (water) 102946019 (sewer) (Mustang SUD)
CN: 600739387; RN: 101410140 (water & sewer) (Denton FWSD 9)

Dear Mr. Rapier:

We have reviewed the criteria in Texas Water Code (TWC), Section 13.301(e) and determined that a public hearing will not be requested. You may complete your proposed transaction as scheduled, or any time after you receive this notification. Please note that the transaction must comply with the requirements of TWC Section 13.301(d) and therefore cannot be completed prior to the issuance of this letter.

The second part of the applications, which is transferring the CCNs, will occur following receipt of the following documents:

- a copy of the signed contract or bill of sale, and
- documents supporting the disposition of customer deposits.

The applications cannot be approved nor the CCNs transferred and issued until we receive evidence that the transaction was completed. These items must be received by the Utilities & Districts Section, Water Supply Division, within 30 days after the effective date of the transaction.

After the proper documentation is received, staff will prepare proposed maps, certificates, and recommendation for both applicants to review before submitting them to the Executive Director for approval and the issuance of the CCNs. A copy of this information will be sent to both the buyer and seller.

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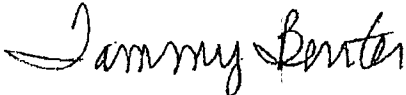
If you concur with the recommendation, the consent forms must be signed and returned by both applicants before the recommendation to transfer the CCNs can be approved by the Executive Director. If both consents are not received, the CCNs will remain in the name of the seller and the seller remains responsible for the systems for purposes of TWC Section 13 regulations. (See TWC, Section 5.122 and 30 Texas Administrative Code Section 50.33).

As an alternative to the seller's continued involvement in the process, the closing document(s) and any accompanying correspondence may include a statement that the seller consents with the transfer of the CCNs to the buyer with specific references to the statute and rule noted above. The statement will serve to authorize the Executive Director to take action upon receipt of the buyer's signed consent form. In this situation, however, the seller is relying on the buyer to provide the final consent on the CCN transfers.

Finally, please note that from the time the applications are filed until the CCNs are issued, it is the applicants' (buyer and seller) responsibility to notify and update the Utilities & Districts Section, Water Supply Division, of changes in the financial, managerial, or technical information provided in the applications.

If you have any questions, please contact Mr. Brian Dickey by phone at 512/239-0963, by fax at 512/239-6972, by email at brian.dickey@tceq.texas.gov, or if by correspondence, include MC 1539 in the letterhead address below.

Sincerely,



Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/BDD/

cc: mailing list

MAILING LIST FOR APPLICATION NOs. 36966-S and 36967-S

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