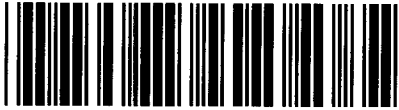


Control Number: 42946



Item Number: 33

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
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.

4294103D

**FREEMAN & CORBETT**

PHONE (512) 451-6689

8500 Bluffstone Cove, Suite B-104  
Austin, Texas 78759

FAX (512) 453-0865

2012 JUL 9 09:11:23

July 6, 2012

***Via Regular Mail***

Ms. Tammy Benter, Manager  
Utilities & Districts Section  
Water Supply Division  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

RECEIVED  
2014 OCT 16 PM 2:25  
PUBLIC UTILITY COMMISSION  
FILING CLERK

Re: Application from Mustang Special Utility District, CCN No. 11856, to Transfer Facilities and to Transfer and Cancel CCN No. 13020 from Denton County Fresh Water Supply District No. 9, in Denton County; Application No. 36966-S

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

CN: 601363534; RN: 10122269 (water) 102946019 (sewer) (Mustang SUD)  
CN: 600739387; RN: 101410140 (water & sewer) (Denton FWSD No. 9)

Dear Ms. Benter:

On behalf of Mustang Special Utility District (the "District"), I am writing in regard to the prior approval issued by the Texas Commission on Environmental Quality ("TCEQ") with respect to the above-referenced applications (the "Applications"). By correspondence dated August 24, 2011, TCEQ authorized Mustang SUD and Denton County FWSD No. 9 to proceed with the proposed transfer of facilities in accordance with the Applications.

As you may know, the Town of Providence Village subsequently appealed TCEQ's decision approving the Applications, and has otherwise filed litigation relating to the proposed transfer of assets and the validity of the underlying agreement between Mustang SUD and Denton County FWSD No. 9. As a result of this litigation, the parties have not completed the transfer of assets in accordance with TCEQ's prior approval of the Applications.

Your August 24, 2012 correspondence did not include a date for expiration of TCEQ's approval of the Applications, or otherwise specify a date by which the transfer of assets must be completed. The parties intend to complete the transfer of assets upon resolution of the pending litigation.

Ronald J. Freeman  
rffreeman@freemanandcorbett.com

Anthony S. Corbett  
tcorbett@freemanandcorbett.com

33


July 6, 2012

Page 2

We respectfully request the following: (i) that you notify Mustang SUD of any such date on which TCEQ's prior approval of the Applications expires; and (ii) in the event of any such expiration date, that TCEQ renew such approval as necessary so that it continues in effect during the pendency of the litigation proceedings.

We appreciate your attention to this matter and look forward to your reply. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Anthony S. Corbett". The signature is written in a cursive style with a large, stylized "A" and "C".

Anthony S. Corbett

cc: John Rapier  
Brian Dickey