

Control Number: 43082



Item Number: 25

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APPLICATION OF THE CITY OF §  
ROYSE CITY TO AMEND A §  
CERTIFICATE OF CONVENIENCE §  
AND NECESSITY IN COLLIN, HUNT, §  
AND ROCKWALL COUNTIES §

2015 MAR 27 PM 2:26  
PUBLIC UTILITY COMMISSION  
FILING OFFICE  
OF TEXAS

**COMMISSION STAFF’S RECOMMENDATION ON FINAL DISPOSITION**

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files its Recommendation on Final Disposition. Staff recommends that the Commission approve the application. In support of its Recommendation, Staff states the following:

**I. Background**

On June 18, 2014, the City of Royse City (Royse City) filed an application with the Texas Commission of Environmental Quality (TCEQ). In its application, Royse City requested an amendment to its sewer certificate of convenience and necessity (CCN No. 20813). Royse City’s service area is located in Collin, Hunt, and Rockwall Counties.

On July 18, 2014, the TCEQ sent Royse City a letter stating that its application had been accepted for filing. The letter also stated that Royse City was required to send notice of its application to parties entitled to receive notice. Additionally, the letter stated that Royse City was required to publish notice of its application in newspapers having general circulation in Collin, Hunt, and Rockwall Counties.

Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities. Royse City’s application, which was being processed at the TCEQ, was transferred to the Commission for processing.

From October 9, 2014 through November 3, 2014, the following landowners filed either a request to opt out or a protest letter:

- a. Steve Woody, owner of two tracts of land in Hunt County, Texas, requested to opt out from Royse City’s service area.
- b. Gerald Gray, owner of one tract of land property in Hunt County, Texas, requested to opt out from Royse City’s service area.
- c. Michael Gray and Theresa Gray requested a public hearing.

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d. Melvin Joslin stated that he was not in favor of Royse City's application.

On November 13, 2014, the Administrative Law Judge entered Order No. 2, which required Staff to file a status update by December 30, 2014.

On December 2, 2014, Royse City filed affidavits regarding the provision and publication of notice of its application.

On December 29, 2014, Royse City filed certain revisions to its application. Royse City revised its application such that the real properties owned by Steve Woody, Gerald Gray, Michael Gray and Theresa Gray, and Melvin Johnson are now excluded from its service area. In making these revisions to its application, Royse City stated that although only Steve Woody qualified to opt out of Royse City's service area under the Texas Water Code and the Commission's substantive rules, it was voluntarily permitting Gerald Gray, Michael Gray and Theresa Gray, and Melvin Johnson to opt out of its service area as well. Royse City submitted additional mapping data as part of the revisions to its application.

On December 30, 2014, Staff filed its Status Update. In its Status Update, Staff recommended that the protesting landowners be given an opportunity to determine whether Royse City's revisions to its application addressed their concerns. Additionally, Staff requested a procedural schedule for the processing of Royse City's application.

On January 7, 2015, the Administrative Law Judge entered Order No. 3, which gave the protesting landowners an opportunity to determine whether Royse City's revisions to its application addressed their concerns. Additionally, Order No. 3 required Staff to file its recommendation or request a hearing by March 13, 2015.

Steve Woody, Gerald Gray, Michael Gray and Theresa Gray, and Melvin Johnson subsequently filed pleadings that stated their concerns with Royse City's application had been addressed as a result of Royse City's revision to its application. Additionally, Michael Gray and Theresa Gray specifically withdrew their request for a public hearing.

On March 16, 2015, the Administrative Law Judge entered Order No. 4, which extended the deadline for Staff to file its recommendation or request a hearing from March 13, 2015 to March 27, 2015. Staff's Recommendation on Final Disposition is timely filed.

## **II. Statutory and Substantive Rule Requirements**

The Texas Water Code details the requirements for approving the amendment of a certificate of convenience and necessity. In determining whether to amend a certificate of convenience and necessity, the Commission “shall ensure that the applicant possesses the financial, managerial, and technical capability to provide continuous and adequate service.”<sup>1</sup> Additionally, a certificate of convenience and necessity may be amended only if the Commission finds that the “amendment is necessary for the service, accommodation, convenience, or safety of the public.”<sup>2</sup> With respect to sewer utility service, the Commission must ensure that an applicant “is capable of meeting the commission’s design criteria for sewer treatment plants and the requirements of this code [the Texas Water Code].”<sup>3</sup> The Commission’s substantive rules have similar requirements.<sup>4</sup>

## **III. Staff’s Recommendation**

Staff has reviewed Royse City’s application and accompanying documents. Based on Staff’s review of the foregoing, Staff recommends that the Commission approve Royse City’s application and the amendment of Royse City’s sewer CCN No. 20813. Additionally, Staff recommends that the Commission find that: (1) Royse City has the financial, managerial, and technical capability to provide continuous and adequate service to its service area located in Collin, Hunt, and Rockwall Counties and (2) amending Royse City’s sewer CCN No. 20813 is necessary for the service, accommodation, convenience, or safety of the public. Staff’s recommendation is based on the attached memoranda of Debbie Reyes Tamayo, Program Specialist in the Water Utility Division.

Attached to Staff’s Recommendation on Final Disposition are: (1) Staff’s proposed revised sewer CCN No. 20813; (2) Staff’s proposed map regarding Royse City’s amended service area; and (3) Royse City’s consent to Staff’s proposed revised sewer CCN No. 20813 and Staff’s proposed map.

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<sup>1</sup> TEX. WATER CODE § 13.241(a).

<sup>2</sup> TEX. WATER CODE § 13.246(b).

<sup>3</sup> TEX. WATER CODE § 13.241(c).

<sup>4</sup> *See generally* 16 Tex. Admin. Code § 24.102(a)(2), (c), (d).

Staff will file a proposed notice of approval by April 17, 2015 the deadline established in Order No. 5.

**IV. Conclusion**

Staff recommends that the Commission approve Royse City's application and the amendment of Royse City's sewer CCN No. 20813.

Date: March 27, 2015

Margaret Uhlig Pemberton  
Division Director  
Legal Division

Shelah J. Cisneros  
Managing Attorney  
Legal Division



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Sam Chang  
State Bar No. 24078333  
Attorney, Legal Division

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P.O. Box 13326  
Austin, Texas 78711-3326  
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sam.chang@puc.texas.gov

**DOCKET NO. 43082**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document was served his document was served on all parties of record on March 27, 2015 in accordance with P.U.C. Procedural Rule 22.74.



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Sam Chang

**Public Utility Commission of Texas**

**Memorandum**

**TO:** Sam Chang  
Legal Division

**THRU:** Tammy Benter, Director  
Water Utility Division

**FROM:** Debbie Reyes Tamayo, Program Specialist  
Water Utility Division

**SUBJECT:** Docket No. 43082, Application of City of Royse City to amend sewer Certificate of Convenience and Necessity No. 20813 in Collin, Hunt, and Rockwall Counties (37951-C)

**DATE:** March 19, 2015

On June 18, 2014, the City of Royse City filed an application with the Texas Commission on Environmental Quality (TCEQ) to amend Certificate of Convenience and Necessity (CCN) No. 20813 in Collin, Hunt, and Rockwall Counties, Texas. This application was accepted for filing on July 18, 2014, pursuant to the criteria in the Texas Water Code, Chapter 13, and the TCEQ's rules outlined in Title 30, Texas Administrative Code (TAC), Sections 291.102 and 291.107. On September 1, 2014, the rates and CCN programs were transferred from the TCEQ to the Public Utility Commission (PUC). This application was part of the transfer and is now under the PUC's purview. The application is now being reviewed under the PUC's Substantive Rules in Chapter 24, §§24.102 and 24.107.

Proper public notice was provided on October 1, 2014, and October 8, 2014, in the Wylie News. On October 13, 2014, and September 25, 2014, notice was provided to current customers, neighboring systems and cities in Collin, Hunt, and Rockwall Counties, Texas. The PUC received an affidavit dated December 2, 2014. The comment period ended November 13, 2014.

The PUC received opt-out requests from Mr. Gerald G. Gray and Mr. Steve Woody to be removed from the proposed area. The PUC also received valid requests for a public hearing from Mr. Melvin J. Joslin, Mr. Michael G. Gray and Ms. Theresa G. Gray.

The City of Royse City submitted revised maps and digital data removing Mr. Gerald G. Gray, Mr. Steve Woody, Mr. Melvin J. Joslin, Mr. Michael G. Gray and Ms. Theresa G. Gray's properties from the proposed area.

Mr. Gerald G. Gray, Mr. Steve Woody, Mr. Melvin J. Joslin, Mr. Michael G. Gray and Ms. Theresa G. Gray's each responded and filed a letter stating their concerns with the application were addressed.

Based on review of the application and information provided by the applicant, the City of Royse City has demonstrated adequate financial and managerial capabilities to provide service to the area being requested. The City of Royse City appears to be in good financial standing which with the addition of this area and services will allow for both growth and development.

The applicant meets all of the statutory requirements of Texas Water Code Chapter 13 and the Commission's Chapter 24 rules and regulations. Approving this application to amend CCN No. 20813 is necessary for the service, accommodation, convenience or safety of the public.

The applicant is capable of providing continuous and adequate service. Staff recommends approval of the order. The Applicant has consented to the attached map and certificate.

The applicant should be instructed to file a certified copy of the CCN map along with a written description of the CCN service area in the county clerk's office pursuant to Texas Water Code Section 13.257 (r) and (s).

TB/DRT



MAILING LIST FOR  
(APPLICATION NO. 37951-C)  
Docket No. 43082

Ms. Georgia N. Crump, Attorney  
Lloyd Gosselink  
816 Congress Avenue, Suite 1900  
Austin, TX 78701

Mr. Melvin Joslin  
50347 CR 2656  
Royse City, TX 75189

Mr. Steve Woody  
4831 CR 2526  
Royse City, TX 75189

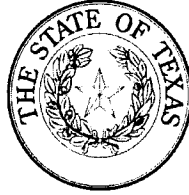
Mr. Gerald Gray  
5889 CR 2646  
Royse City, TX 75189

Mr. Michael and Ms. Theresa Gray  
5887 CR 2646  
Royse City, TX 75189

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<b>AND ROCKWALL COUNTIES</b>	<b>§</b>	

**COMMISSION STAFF'S PROPOSED AMENDED SEWER CCN NO. 20813**



# **Public Utility Commission Of Texas**

**By These Presents Be It Known To All That  
City of Royse City**

having duly applied for certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

## **Certificate of Convenience and Necessity No. 20813**

to provide continuous and adequate sewer utility service to that service area or those service areas in Collin, Hunt, and Rockwall Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 43082 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the City of Royse City, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

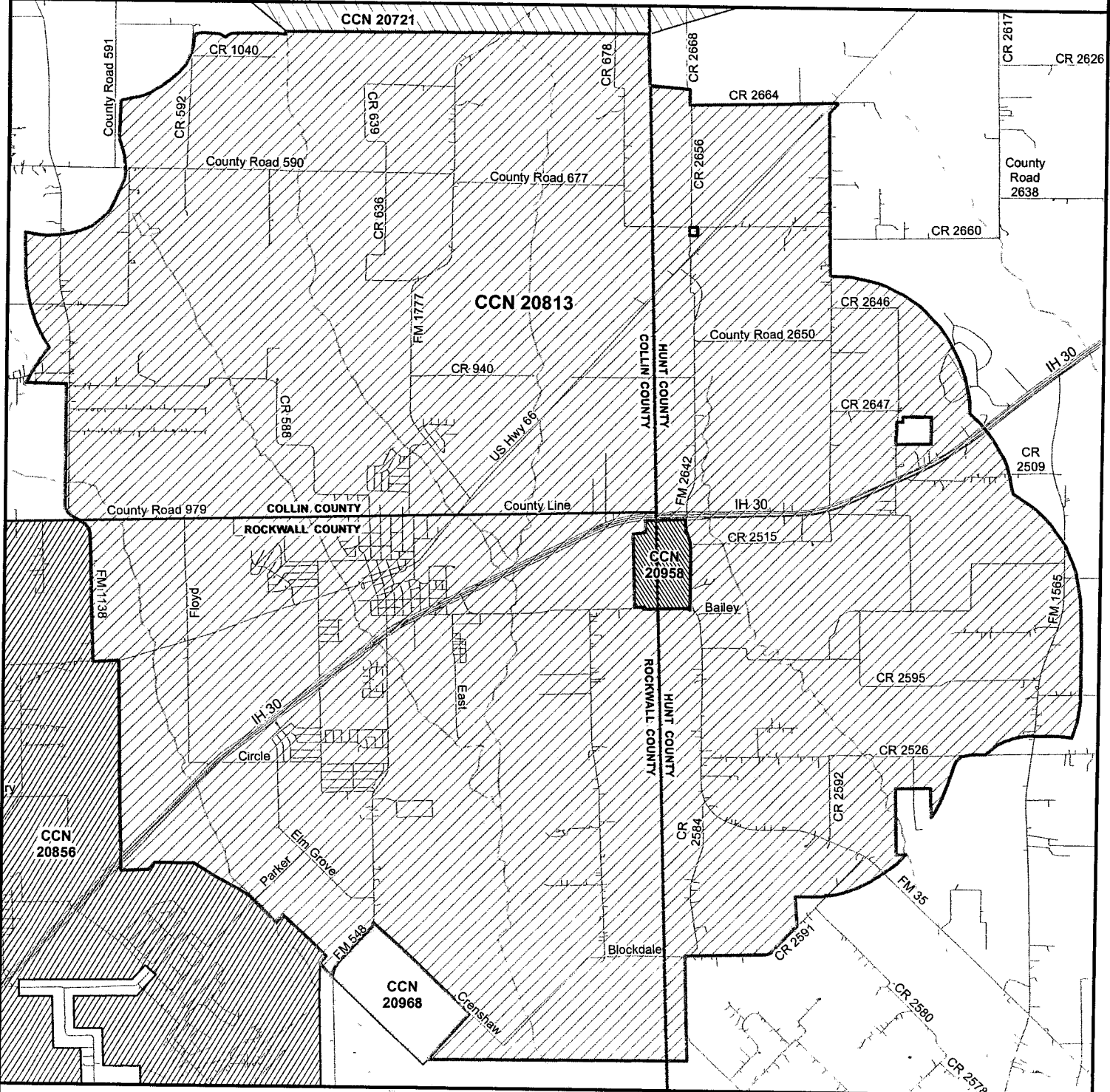
Issued at Austin, Texas, this \_\_\_\_\_ day of \_\_\_\_\_ 2015

**DOCKET NO. 43082**






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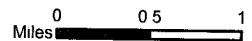
**COMMISSION STAFF'S PROPOSED MAPS**

City of Roys City  
 Sewer Service Area  
 CCN No. 20813  
 PUC Docket No. 43082  
 Amended Sewer CCN in Collin, Hunt and Rockwall Counties



**Sewer CCN Service Areas**

-  20813 - City of Roys City
-  20721 - City of Josephine
-  20856 - City of Fate
-  20958 - Verandah MUD
-  20968 - Parker Creek Estates LP



Public Utility Commission of Texas  
 1701 N. Congress Ave  
 Austin, TX 78701

Map by: Suzanne Burt  
 Date created: Feb. 26, 2015  
 Project path: n:\gis\projects\applications\43082.mxd

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<b>AND ROCKWALL COUNTIES</b>	<b>§</b>	

**THE CITY OF ROYSE CITY'S CONSENT FORM**

**CONSENT FORM**

Applicant's Name: City of Royse City  
Docket No.: 43082

- I concur with the map and certificate transmitted by e-mail on **March 12, 2015.**
- I do not concur with the map and certificate transmitted by e-mail on **March 12, 2015.** I understand that I have 14 days from the date of this email to provide my response.

I am authorized by City of Royse City, to sign this form.

Signature: Georgia N. Gump

Printed Name: Georgia N. Gump

Relationship to Applicant: Attorney

Date signed: March 13, 2015

RECEIVED  
2015 MAR 18 AM 9:17  
PUBLIC UTILITY COMMISSION  
FILING CLERK

Please mail the original and 10 copies to:

Public Utility Division of Texas  
Central Records  
1701 N. Congress P.O. Box 13326  
Austin, Texas 78711-3326

or for Shipping/Overnight Delivery:  
Public Utility Commission of Texas  
Central Records  
1701 N. Congress, Suite 8-100  
Austin, Texas 78701