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DOCKET NO. 43082

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

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PUBLIC UTILITY COMMISSION
OF TEXAS

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JOINT PROPOSED NOTICE OF APPROVAL

Commission Staff of the Public Utility Commission of Texas and the City of Roysel City
file their Proposed Notice of Approval.

Date: April 3, 2015

Respectfully Submitted,

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Division Director
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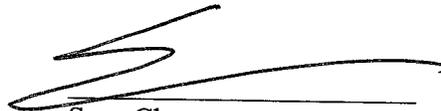
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Attorneys for the City of Royse City, Texas

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 April 3, 2015, in accordance with 16 Tex. Admin. Code § 22.74.


Sam Chang

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

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application filed by the City of Royse City (Royse City) regarding an amendment to its sewer certificate of convenience and necessity (CCN No. 20813) for a sewer system located in Collin, Hunt, and Rockwall Counties. On March 27, 2015, Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) recommended that the Commission approve Royse City's application and approve the requested amendment to sewer CCN No. 20813. Royse City's application and requested amendment to sewer CCN No. 20813 are approved.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

1. 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 CCN No. 20813. Royse City's service area is located in Collin, Hunt, and Rockwall Counties.
2. 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.
3. 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.
4. 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.
 - d. Melvin Joslin stated that he was not in favor of Royse City's application.
5. On November 13, 2014, the Administrative Law Judge entered Order No. 2, which required Staff to file a status update by December 30, 2014.
 6. On December 2, 2014, Royse City filed affidavits regarding the provision and publication of notice of its application.
 7. 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 were now excluded from the proposed service area. Royse City submitted additional mapping data as part of the revisions to its application.
 8. 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.
 9. 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.
 10. 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 withdrew their request for a public hearing.
 11. 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.
 12. On March 12, 2015, Staff provided to Royse City a proposed map and proposed amended

sewer CCN 20813.

13. On March 18, 2015, Royse City submitted to the Commission its consent to the proposed map and proposed amended sewer CCN 20813 provided by Staff.
14. On March 27, 2015, Staff filed its Recommendation on Final Disposition. Staff recommended that the Commission approve Royse City's application and approve the requested amendment to sewer CCN No. 20813. Additionally, Staff recommended that the Commission find that:
 - a. 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
 - b. An amendment to Royse City's sewer CCN No. 20813 is necessary for the service, accommodation, convenience, or safety of the public.
15. On April 3, 2015, Staff and Royse City filed their Proposed Notice of Approval.
16. On April 3, 2015, Staff and Royse City filed their Joint Motion to Admit Evidence. Staff and Royse City requested that certain evidence be admitted into the record in support of their Proposed Notice of Approval.
17. On _____, the Commission granted Staff and Royse City's Joint Motion to Admit Evidence. The following evidence was admitted into the record:
 - a. Exhibit 1: Application of the City of Royse City to Amend a Certificate of Convenience and Necessity in Collin, Hunt, and Rockwall Counties and accompanying Attachments A, B, C, D, E, F, G, H, I, J, K, L, and N (filed on June 18, 2014);
 - b. Exhibit 2: Affidavit of Notice to Landowners (filed on November 21, 2014);
 - c. Exhibit 3: Affidavit of Notice to Neighboring Utilities and Affected Parties (filed on November 21, 2014);
 - d. Exhibit 4: Publisher Affidavit from the *Herald-Banner* (filed on November 21, 2014);
 - e. Exhibit 5: Publisher Affidavit from the *Royse City Herald* (filed on November 21, 2014);
 - f. Exhibit 6: Publisher Affidavit from the *The Wylie News* (filed on November 21, 2014);

- g. Exhibit 7: City of Royse City Revisions to Application and accompanying Attachments 1, 2, 3, 4, 5, 6, and 7 (filed on December 29, 2014).
- h. Exhibit 8: Letter from Steve Woody (filed on January 28, 2015).
- i. Exhibit 9: Letter from Melvin Joslin (filed on January 29, 2015).
- j. Exhibit 10: Letter from Michael and Theresa Gray (filed on February 4, 2015).
- k. Exhibit 11: Letter from Gerald Gray (filed on February 9, 2015).
- l. Exhibit 12: Royse City's signed Consent Form (filed on March 18, 2015).
- m. Exhibit 13: Staff's Recommendation on Final Disposition (filed on March 27, 2015).
- n. Exhibit 14: Royse City's information page from the TCEQs Central Registry website.

II. Conclusions of Law

1. The Commission has jurisdiction over Royse City's application under TEX. WATER CODE §§ 13.041, 13.241, 13.246, and 13.254 and 16 Tex. Admin. Code § 24.102.
2. Royse City is a retail public utility, as defined by TEX. WATER CODE § 13.002(19) and 16 Tex. Admin. Code § 24.3(41).
3. Notice of Royse City's application was provided to affected parties, as required by TEX. WATER CODE § 13.246 and 16 Tex. Admin. Code § 24.106.
4. Royse City's application was processed in accordance with the requirements of the Administrative Procedures Act, TEX. GOV'T CODE §§ 2001.001-2001.902; TEX. WATER CODE §§ 13.241, 13.246, and 13.254; and 16 Tex. Admin. Code §§ 24.102, 24.106, and 24.107.
5. The requirements for informal disposition under 16 Tex. Admin. Code § 22.35 have been met in this proceeding. It is not necessary to hold a hearing on the merits regarding Royse City's application.
6. Based on the evidence admitted into the record, Royse City has demonstrated that it has adequate financial, managerial, and technical capability to provide continuous and adequate service to customers in the proposed service area located in Collin, Hunt, and Rockwall Counties. Additionally, Royse City has demonstrated that its application meets the requirements in TEX. WATER CODE §§ 13.241, 13.246, and 13.254 and 16 Tex.

Admin. Code §§ 24.102 and 24.106.

7. An amendment of Royse City's sewer CCN No. 20813 is necessary for the service, accommodation, convenience, or safety of the public.
8. Royse City has agreed to exclude the real property owned by Steve Woody, Gerald Gray, Michael Gray and Theresa Gray, and Melvin Joslin from its service area.

III. Ordering Paragraphs

The Commission issues the following ordering paragraphs in accordance with these findings of fact and conclusions of law:

1. Royse City's application is approved.
2. Royse City's sewer CCN 20813 is amended, as requested in its application. Royse City will provide retail sewer services to the proposed service area identified in its application. Royse City's amended sewer CCN 20813 and new service area map are attached to this Notice of Approval.
3. The real property owned by the following individuals are excluded from Royse City's amended sewer CCN No. 20813:
 - a. Steve Woody,
 - b. Gerald Gray,
 - c. Michael Gray and Theresa Gray, and
 - d. Melvin Joslin.
4. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted in this Notice of Approval, are denied.

SIGNED IN AUSTIN, TEXAS, this _____ day of _____, 2015

PUBLIC UTILITY COMMISSION OF TEXAS

DONNA L. NELSON, CHAIRMAN

KENNETH W. ANDERSON, JR., COMMISSIONER

BRANDY MARTY MARQUEZ, COMMISSIONER