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DOCKET NO. 43082

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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 (37951-C)

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PUBLIC UTILITY COMMISSION OF TEXAS FILING CLERK

NOTICE OF APPROVAL

This Notice addresses the application of the City of Royse City (Royse City) to amend Certificate of Convenience and Necessity (CCN) No. 20813 in Collin, Hunt and Rockwall Counties. Public Utility Commission of Texas (Commission) Staff recommended approval of the application, as amended. The application, as amended, is approved.

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

I. Findings of Fact

Procedural History

- 1. On June 18, 2014, Royse City filed an application with the Texas Commission on Environmental Quality (TCEQ). Royse City requested an amendment to sewer CCN No. 20813 for service area located in Collin, Hunt, and Rockwall Counties.
2. On July 18, 2014, the TCEQ sent Royse City a letter stating that the application was accepted for filing. The letter also stated that Royse City was required to send notice of the application to parties entitled to receive notice and that Royse City publish notice of the 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 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, requested to opt out from Royse City's service area;
 - b. Gerald Gray, owner of one tract of land in Hunt County, requested to opt out from Royse City's service area;
 - c. Michael Gray and Theresa Gray requested a public hearing; and
 - d. Melvin Joslin stated that he was not in favor of Royse City's application.
5. On November 13, 2014, the Administrative Law Judge (ALJ) 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.
 7. On December 29, 2014, Royse City filed certain revisions to the application such that the real properties owned by Steve Woody, Gerald Gray, Michael Gray and Theresa Gray, and Melvin Joslin were now excluded from the proposed service area. Royse City submitted additional mapping data as part of the revisions to the application.
 8. On December 30, 2014, Staff filed a status update recommending that the protesting landowners be given an opportunity to determine whether Royse City's revisions to the application addressed their concerns. Additionally, Staff requested a procedural schedule for the processing of Royse City's application.
 9. On January 7, 2015, the ALJ entered Order No. 3, which gave the protesting landowners an opportunity to determine whether Royse City's revisions to the application addressed their concerns. Additionally, Order No. 3 required Staff to file a recommendation or request a hearing by March 13, 2015.
 10. Steve Woody, Gerald Gray, Michael Gray and Theresa Gray, and Melvin Joslin 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 submit a final 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 certificate provided by Staff. The certificate and map are provided with this Notice as Attachments 1 and 2.
14. On March 27, 2015, Staff filed a Recommendation on Final Disposition. Staff recommended that the Commission approve Royse City's application and approve the requested amendment to sewer CCN No. 20813.
15. On April 3, 2015, Staff and Royse City filed a Joint Motion to Admit Evidence requesting that certain documents be admitted into the record.
16. On April 3, 2015, Order No. 5 was issued, admitting the following documents into evidence:
 - 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-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 Wylie News (filed on November 21, 2014);
 - g. Exhibit 7: City of Royse City Revisions to Application and accompanying Attachments 1- 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: City of 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); and

- n. Exhibit 14: Royse City's information page from the TCEQ's Central Registry website. This document is attached.

Description of the Application

17. Most of the areas requested are within Royse City's water CCN No. 12827 and within Royse City's extraterritorial jurisdiction (ETJ).
18. The economic recovery in Royse City and surrounding areas has resulted in an increasing need for wastewater collection and treatment services to serve urban and suburban developments.
19. As the Royse City area develops, the density of new development cannot be accommodated by on-site wastewater treatment.
20. Royse City provides water utility service to most of the areas requested in the application and is able to provide sewer utility services to address growth in those areas.

Notice

21. More than 15 days have passed since completion of the notice provided in this docket.
22. Royse City and Commission Staff are the only parties to this proceeding.
23. The protests and requests for hearing filed in this docket have been resolved, therefore no hearing is necessary.

II. Conclusions of Law

1. The Commission has jurisdiction over these matters pursuant to TEX. WATER CODE §§ 13.041, 13.241, 13.244 and 13.246.
2. Royse City is a retail public utility as defined in TEX. WATER CODE § 13.002 (19).
3. Royse City provided notice in compliance with TEX. WATER CODE § 13.246 and P.U.C. SUBST. R. 24.106.
4. The application was processed in accordance with the requirements of TEX. WATER CODE § 13.244, P.U.C. SUBST. R. 24.102 and 24.105.
5. After considering the factors in TEX. WATER CODE § 13.246(c), Royse City has demonstrated adequate financial, managerial and technical capability for providing

- continuous and adequate service to the requested area and its current service area as required by TEX. WATER CODE § 13.241.
6. The application, as amended, meets the requirements set forth in TEX. WATER CODE §§ 13.241, 13.244 and 13.246, and P.U.C. SUBST. R. 24.101-24.102 and 24.104-24.106.
 7. Approval of the certificate amendment in the application is necessary for the service, accommodation, convenience, and safety of the public as required by TEX. WATER CODE § 13.246(b) and P.U.C. SUBST. R. 24.102(c).
 8. The requirements for informal disposition pursuant to P.U.C. PROC. R. 22.35 have been met in this proceeding.


III. Ordering Paragraphs

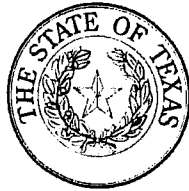
In accordance with these findings of fact and conclusions of law, the Commission issues the following Order:

1. Royse City's application, as amended, is approved.
2. Royse City shall provide retail sewer services to the approved service area shown in the service area map for CCN 20813 attached to this Notice and such service shall be continuous and adequate.
3. The real property owned by Steve Woody, Gerald Gray, Michael and Theresa Gray, and Melvin Joslin is excluded from Royse City's amended sewer CCN No. 20813.
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 herein, are hereby denied.

SIGNED AT AUSTIN, TEXAS the 14th day of April 2015.

PUBLIC UTILITY COMMISSION OF TEXAS


IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT



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

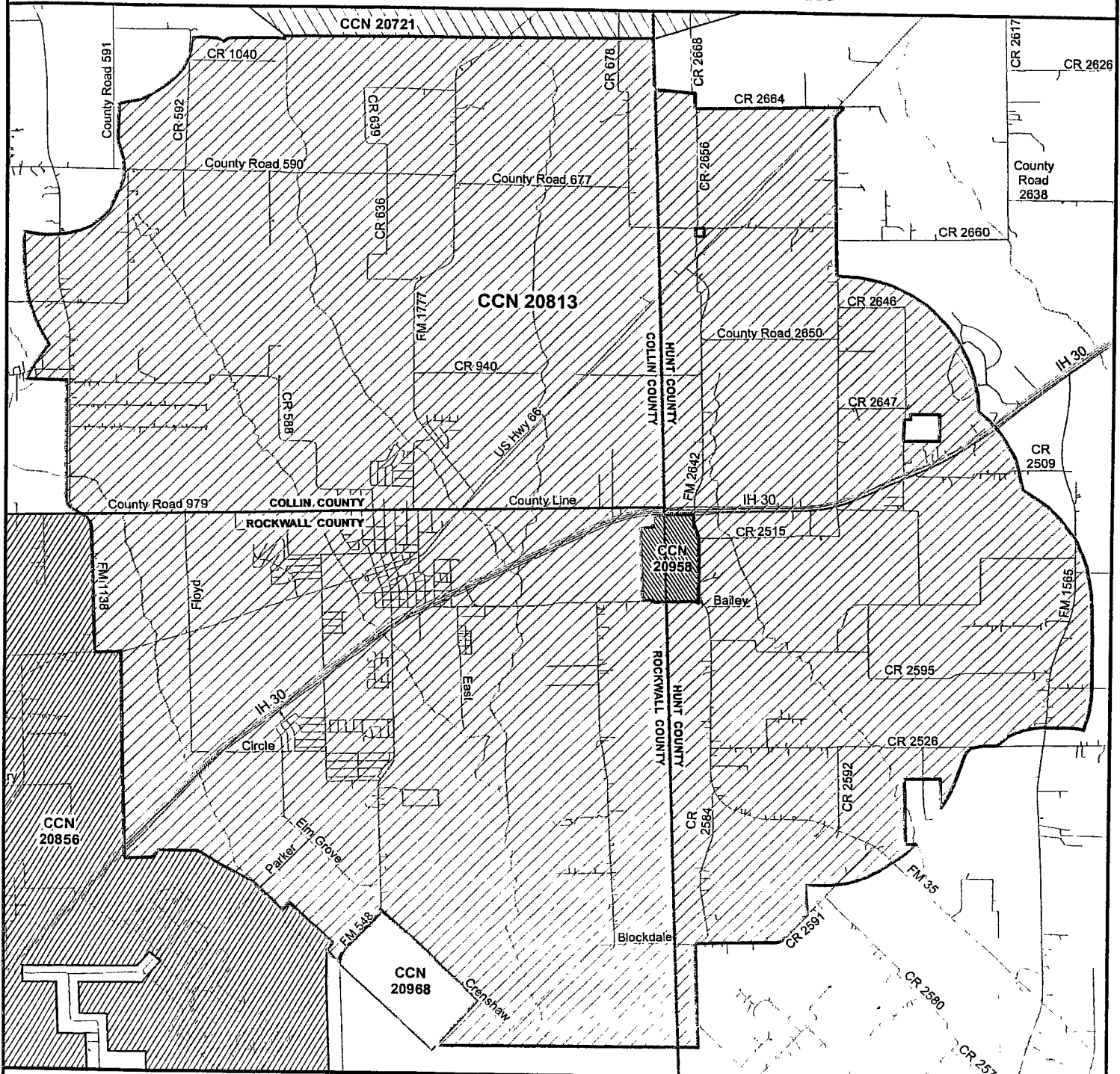
Certificate of Convenience and Necessity No. 20813

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 14th day of April 2015

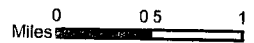
Attachment 2

City of Royse 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 Royse 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