



Control Number: 43360



Item Number: 42

Addendum StartPage: 0

PUC DOCKET NO. 43360  
SOAH DOCKET NO. 473-16-0101.WS

APPLICATION OF THE CITY OF §  
PLEASANTON FOR CERTIFICATES §  
OF CONVENIENCE AND NECESSITY §  
IN ATASCOSA COUNTY (37978-C & §  
37991-C) §

2015 SEP 23 PM 1:01  
PUBLIC UTILITY COMMISSION  
PUBLIC UTILITY COMMISSION  
FILING CLERK  
OF TEXAS

**COMMISSION STAFF'S LIST OF ISSUES**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Response to Order No. 8, and would show the following:

**I. BACKGROUND**

On July 9, 2014, the City of Pleasanton (City) filed with the Texas Commission on Environmental Quality (TCEQ) an application for water and sewer Certificates of Convenience and Necessity (CCN) in Atascosa County. On September 9, 2015, an Order of Referral was issued, referring this proceeding to the State Office of Administrative Hearings. The Order of Referral required that the City, shall, and the Commission Staff and any other interested party may, file with the Commission a list of issues to be addressed in the docket by September 23, 2015.

**II. LIST OF ISSUES**

Staff has identified the following issues that should be addressed in this proceeding:

1. Has the City given notice consistent with Texas Water Code Ann. (TWC) § 13.246 and 16 Tex. Admin. Code § 24.106 (TAC)?
2. What modifications, if any, must be made to the City's proposed service area to reflect land removed from the proposed service area because of a qualified landowner's election to exclude some or all of the landowner's property, pursuant to TWC § 13.246(h) and 16 TAC § 24.102(h)?
3. Does the City possess the financial, managerial, and technical capability to provide continuous and adequate service? TWC § 13.241(a) and 16 TAC § 24.102(a).
4. Does the City possess a TCEQ approved system that is capable of providing drinking water that meets the requirements of Tex. Health and Safety Code, Chapter 341 and TCEQ rules? 16 TAC § 24.102(a)(1).
5. Does the City have access to an adequate supply of water? 16 TAC § 24.102(a)(1).

42

6. Would the proposed service area require construction of a physically separate water system? If so, has the City proven that regionalization or consolidation with another retail public utility is not economically feasible? TWC § 13.241(d) and 16 TAC § 24.102(b).
7. Is the requested certificate amendment necessary for the service, accommodation, convenience, or safety of the public? TWC § 13.246(b) and 16 TAC § 24.102(c).
8. Does the balance of factors under TWC § 13.246(c) and 16 TAC § 24.102(d) weigh in favor of granting the requested certificate amendment? In answering this issue, please address the following sub-issues:
  - a. Is the proposed service area currently receiving adequate service? TWC § 13.246(c)(1) and 16 TAC § 24.102(d)(1).
  - b. Does the proposed service area need additional service? TWC § 13.246(c)(2) and 16 TAC § 24.102(d)(2).
    - i. Have any landowners, prospective landowners, tenants, or residents requested service?
    - ii. Are there economic needs for additional service?
    - iii. Are there environmental needs for additional service?
    - iv. Are there written applications or requests for service?
    - v. Are there reports or market studies demonstrating existing or anticipated growth in the area?
  - c. What is the effect, under TWC § 13.246(c)(3) 16 TAC § 24.102(d)(3) of granting the requested certificate amendment on:
    - i. the City;
    - ii. landowners in the proposed service area; and
    - iii. any retail public utility of the same kind as the City that is already serving the area proximate to the proposed service area?
  - d. Does the City have the ability to provide adequate service, including meeting the standards of the TCEQ, taking into consideration the current and projected density and land use of the proposed service area? 16 TAC § 24.102(d)(4).
  - e. What is the feasibility of obtaining service from an adjacent retail public utility? TWC § 13.246(c)(5) and 16 TAC § 24.102(d)(5).

- f. Is the City financially able to pay for the facilities necessary to provide continuous and adequate service? TWC § 13.246(c)(6) and 16 TAC § 24.102(d)(6).
  - g. Is the City financially stable including, if applicable, its debt-to-equity ratio? TWC § 13.246(c)(6) and 16 TAC § 24.102(d)(6).
  - h. How would environmental integrity be affected, if at all, by granting the requested certificate amendment? TWC § 13.246(c)(7) and 16 TAC § 24.102(d)(7).
  - i. Is it probable that service would be improved or costs to consumers in that service area would be lowered by granting the requested certificate amendment? TWC § 13.246(c)(8) and 16 TAC § 24.102(d)(8).
  - j. How would the land in the proposed service area be affected, if at all, by granting the requested certificate amendment? TWC § 13.246(c)(9) and 16 TAC § 24.102(d)(9).
9. Should the Commission require the City, pursuant to TWC § 13.246(d) and 16 TAC § 24.102(e), to provide a bond or other financial assurance to ensure that continuous and adequate utility service is provided?
10. If applicable, what were the City's efforts to:
- a. extend service to any economically distressed area, within the meaning of TWC § 15.001, located within the City's certificated service area(s); and
  - b. enforce rules adopted under TWC § 16.343, regarding minimum standards for safe and sanitary water supply? TWC § 13.246(e).

### **III. ISSUES NOT TO BE ADDRESSED**

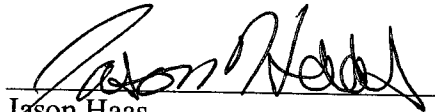
Staff has not identified any issues not to be addressed

**Dated: September 23, 2015**

Respectfully Submitted,

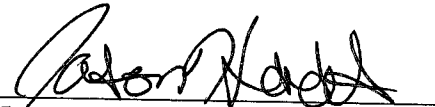
Margaret Uhlig Pemberton  
Division Director-Legal Division

Karen S. Hubbard  
Managing Attorney – Legal Division

  
\_\_\_\_\_  
Jason Haas  
Attorney-Legal Division  
State Bar No. 24032386  
(512) 936-7295 (telephone)  
(512) 936-7268 (facsimile)  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on September 23, 2015, in accordance with 16 Tex. Admin. Code § 22.74.

  
\_\_\_\_\_  
Jason Haas