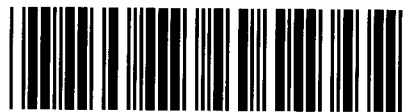


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RECEIVED

APPLICATION OF THE TOWN OF §
 LITTLE ELM TO AMEND ITS §
 CERTIFICATE OF CONVENIENCE §
 AND NECESSITY AND TO §
 DECERTIFY PORTIONS OF §
 CERTIFICATES HELD BY MUSTANG §
 SPECIAL UTILITY DISTRICT AND §
 TERRA SOUTHWEST INC. IN §
 DENTON COUNTY (37896-C, 37897-C) §

PUBLIC UTILITY
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 COMMISSION OF TEXAS
 PUBLIC UTILITY COMMISSION
 FILING CLERK

COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files its Supplemental Recommendation. In support of its Supplemental Recommendation, Staff states the following:

I. Background

On April 24, 2014, the Town of Little Elm filed an application with the Texas Commission of Environmental Quality. Among the requests in the Town of Little Elm's application is an amendment to its sewer certificate of convenience and necessity (sewer CCN No. 20931). The Town of Little Elm sought to add additional service area in Denton County, Texas. In Docket No. 43145, the Town of Lakewood Village is also seeking to add the same service area in Denton County, Texas.¹ Since the filing of their respective applications, the Town of Little Elm and the Town of Lakewood Village have reached an agreement regarding certain city boundaries.

On January 7, 2016, consistent with the terms of this agreement, the Town of Little Elm filed additional mapping information.

II. Staff's Supplemental Recommendation

Staff has reviewed the additional mapping data submitted by the Town of Little Elm, and Staff has identified the following deficiencies:

1. A new large scale "agreement map" that clearly and accurately delineates the outer

¹ See *Application of Town of Lakewood Village to Amend its Sewer Certificate of Convenience and Necessity and to Decertify a Portion of the Town of Little Elm's Certificate in Denton County*, Docket No. 43145 (pending).

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boundary of each designated area (green, red and yellow) as described and agreed upon between the Applicant and Lakewood Village. This map must be labeled as “Exhibit A”, as referenced in the agreement. Both dockets 43145 and 43452 must provide the exact same agreement map.

2. Digital data for each polygon (green, red and yellow) in a shapefile format as shown on the new agreement map, which includes the projection (PRJ) file used to create each shapefile (SHP). The digital data must correspond to the same proposed sewer service areas as referenced on a new agreement map. Both dockets 43145 and 43452 must provide the exact same digital data for each agreement area in a polygon format.
3. Revised large scale (detailed) maps (one for water and a separate one for sewer) clearly delineating the amended water and sewer service areas with enough detail to accurately locate the areas in reference to surrounding roads, streets and highways.
 - a. The maps should only delineate the proposed water or sewer service areas.
 - b. The maps should clearly label each proposed service area and surrounding roads, streets and highways, so the digital data can be accurately positioned.
 - c. The labeling on the maps submitted for the Applicant’s proposed service areas must be revised to clearly reflect the intent of the application.
 - i. The Applicant should use the term “add,” to describe CCN service areas being *added* to the existing CCN; and use the term, “decertify” to describe CCN service areas to be *removed* from the existing CCN.
 - ii. The legend on the map should be amended on both the proposed water and sewer maps to clearly reflect the intent of the application (see ci). Please list each utility name, CCN number and tract number (as reflected in legend on maps).
4. Revised digital data for the amended water and sewer service areas in a polygon and SHP format with the PRJ file used to create the file.
 - a. The revised digital data must correspond to the same proposed water and sewer service areas shown on the revised large scale maps.

- b. Each polygon provided for the proposed water and sewer service area should be clearly labeled with the same information provided in the legend on the map (see 3(c)(i) and (ii) above).
- c. Staff suggests the Applicant use the Commission's official CCN data to better align the amended digital data with nearby CCNs. The amended digital data still shows gaps between the proposed service areas and the Applicant's existing CCNs.

Given these deficiencies, Staff recommends that the Town of Little Elm's application be deemed not administratively complete.² Additionally, Staff recommends that the Town of Little Elm be given thirty (30) days to cure the deficiencies identified by Staff, with the deadline being March 21, 2016. Staff will then review this amended application for administrative completeness. In the event that Staff determines that the Town of Little Elm's amended application is administratively complete, Staff will propose a procedural schedule by April 18, 2016.

III. Conclusion

The Town of Little Elm's application is not administratively complete because of certain deficiencies identified by Staff. Staff recommends that the Town of Little Elm be given thirty (30) days to cure the deficiencies identified by Staff.

Date: February 22, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

² Staff's recommendation is based on the attached memorandum from Debbie Reyes Tamayo of the Water Utilities Division.

Stephen Mack
Managing Attorney
Legal Division



Sam Chang
State Bar No. 24078333
Attorney, Legal Division

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DOCKET NO. 43452

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 22, 2016, in accordance with 16 TAC § 22.74.



Sam Chang

PUC Interoffice Memorandum

To: Sam Chang, Attorney
Legal Division

Thru: Tammy Benter, Director
Lisa Fuentes, Manager
Water Utility Division

From: Debbie Reyes Tamayo, Program Specialist
Tracy Harbour, GIS Specialist
Water Utility Division

Date: February 19, 2016

Subject: **Docket No. 43452**, *Application of the Town of Little Elm to Amend its Certificates of Convenience and Necessity and to Decertify Portions of Certificates Held by Mustang Special Utility District and Terra Southwest, Inc. in Denton County (37896-C, 37897-C)*

On April 24, 2011, the Town of Little Elm (Applicant) filed an application with the Texas Commission on Environmental Quality (TCEQ) to amend CCN Nos. 11202 (water) and 20931 (sewer) in Denton County, pursuant to the criteria in the Texas Water Code, Chapter 13. 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 pursuant to Texas Water Code Ann. §§ 13.242-.250 (TWC) and 16 Tex. Admin Code §§ 24.101-.120 (TAC).

Based on Staff's review of the revised mapping information for an agreement with the Town of Lakewood Village (Lakewood Village), Staff recommends that the Applicant be ordered to provide amended mapping information to continue with the processing of the application.

The Applicant filed updated maps and digital data on January 7, 2016, in response to the previous Staff memo. The agreement areas provided in a digital format do not accurately reflect the proposed service areas as described in the executed agreement between the Applicant and Lakewood Village. Therefore, the amended digital data leaves unintended gaps with the Applicant's certificated service areas and results in more area than intended being shown as proposed by Lakewood Village.

Staff recommends that the Commission order the Applicant to file the following items to resolve the mapping deficiencies:

Agreement map documentation

1. A new large scale "agreement map" that clearly and accurately delineates the outer boundary of each designated area (green, red and yellow) as described and agreed upon between the Applicant and Lakewood Village. This map must be labeled as "Exhibit A",

as referenced in the agreement. Both dockets 43145 and 43452 must provide the exact same agreement map.

2. Digital data for each polygon (green, red and yellow) in a shapefile format as shown on the new agreement map, which includes the projection (PRJ) file used to create each shapefile (SHP). The digital data must correspond to the same proposed sewer service areas as referenced on a new agreement map. Both dockets 43145 and 43452 must provide the exact same digital data for each agreement area in a polygon format.

Revised Proposed Water and Sewer Service Areas:

1. Revised large scale (detailed) maps (one for water and a separate one for sewer) clearly delineating the amended water and sewer service areas with enough detail to accurately locate the areas in reference to surrounding roads, streets and highways.
 - a. The maps should only delineate the proposed water or sewer service areas.
 - b. The maps should clearly label each proposed service area and surrounding roads, streets and highways, so the digital data can be accurately positioned.
 - c. The labeling on the maps submitted for the Applicant's proposed service areas must be revised to clearly reflect the intent of the application.
 - i. The Applicant should use the term "add," to describe CCN service areas being *added* to the existing CCN; and use the term, "decertify" to describe CCN service areas to be *removed* from the existing CCN.
 - ii. The legend on the map should be amended on both the proposed water and sewer maps to clearly reflect the intent of the application (see ci). Please list each utility name, CCN number and tract number (as reflected in legend on maps).
2. Revised digital data for the amended water and sewer service areas in a polygon and SHP format with the PRJ file used to create the file.
 - a. The revised digital data must correspond to the same proposed water and sewer service areas shown on the revised large scale maps.
 - b. Each polygon provided for the proposed water and sewer service area should be clearly labeled with the same information provided in the legend on the map (see #1 ci and cii above).
 - c. Staff suggests the Applicant use the Commission's official CCN data to better align the amended digital data with nearby CCNs. The amended digital data still shows gaps between the proposed service areas and the Applicant's existing CCNs.