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DOCKET NO. 43452

**APPLICATION OF THE TOWN OF §
LITTLE 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 COMMISSION

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UTILITY COMMISSION
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COMMISSION STAFF'S PROPOSED NOTICE OF APPROVAL

Commission Staff of the Public Utility Commission of Texas files its Proposed Notice of Approval.

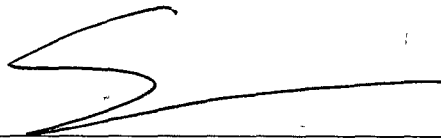
Date: January 20, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division



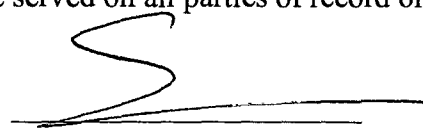
Sam Chang
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Public Utility Commission of Texas
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(512) 936-7268 (facsimile)

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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 January 20, 2017, in accordance with 16 TAC § 22.74.



Sam Chang

DOCKET NO. 43452

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

COMMISSION STAFF'S PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application filed by the Town of Little Elm. The Town of Little Elm requests an amendment to its water and sewer certificates of convenience and necessity (CCN Nos. 11202 and 20931, respectively) in order to add additional service areas. Additionally, the Town of Little Elm requests that the Commission decertify portions of certificated service areas currently served by Mustang Special Utility District (Mustang SUD), Valencia on the Lake Water Control Improvement District (Valencia on the Lake WCID), the City of Hackberry, and the City of Oak Point. The Town of Little Elm's service area is in Denton County, Texas.

On January 13, 2017, Staff filed its Final Recommendation. Staff recommended that the Commission approve the Town of Little Elm's application, request to amend its water CCN No. 12202 and sewer CCN No. 20931, and request to decertify portions of Mustang SUD's, Valencia on the Lake WCID's, the City of Hackberry's, and the City of Oak Point's respective certificated service areas are approved. The Town of Little Elm's application and requests are approve.

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

I. Findings of Fact

1. On October 3, 2014, the Town of Little Elm filed its application with the Commission. The Town of Little Elm requests an amendment to its water CCN No. 11202 and sewer CCN No. 20931 in order to add additional service areas and to decertify portions of certificated service areas currently served by Mustang SUD, Valencia on the Lake WCID), the City of Hackberry, and the City of Oak Point. The Town of Little Elm's service area is in Denton County, Texas.

2. On July 20, 2016, the Administrative Law Judge entered Order No. 21, which deemed the Town of Little Elm's application administratively complete. Order No. 21 also required the Town of Little Elm to provide and publish notice of its application.
3. On August 18, 2016, the Town of Little Elm filed affidavits regarding the provision and publication of notice of its application. The Town of Little Elm provided notice of its application to affected parties on July 25, 2016. The Town of Little Elm published notice of its application in the *Denton Record Chronicle*, a newspaper of general circulation in Denton County, Texas, on July 28 and August 4, 2016.
4. On September 16, 2016, the Administrative Law Judge entered Order No. 23, which established a procedural schedule. Order No. 23 established deadlines for Staff to provide final maps and certificates to the Town of Little Elm, for the Town of Little Elm to file consent forms with the Commission, and for Staff to file its recommendation.
5. On December 28, 2016, the Town of Little Elm filed the Consent Forms of Valencia on the Lake WCID, the Town of Little Elm, Mustang SUD, and the City of Oak Point with the Commission.
6. On January 6, 2017, the City of Hackberry filed its Consent Form with the Commission.
7. On January 13, 2017, Staff filed its Final Recommendation. Staff recommended that the Commission approve the Town of Little Elm's application, request to amend its water CCN No. 12202 and sewer CCN No. 20931, request to decertify portions of certificated service areas currently served by Mustang SUD, Valencia on the Lake WCID), the City of Hackberry, and the City of Oak Point. Additionally, Staff recommended that the Commission find that the Town of Little Elm has the capability to provide continuous and adequate service to the service areas that it seeks to add. As part of its recommendation, Staff proposed a service area map for the Town of Little Elm, amendments to the Town of Little Elm's water CCN No. 11202 and sewer CCN No. 20931, amendments to Mustang SUD's water CCN No. 11856 and sewer CCN 20930, the proposed amendments to Valencia on the Lake WCID's water CCN No. 13138 and sewer CCN 21015, an amendment to the City of Hackberry's water CCN No. 12015, and an amendment to the City of Oak Point's sewer CCN No. 20908.
8. On December 28, 2016 and January 6, 2017, the Town of Little Elm filed its consent form and consent forms from Mustang SUD, Valencia on the Lake WCID, the City of

Hackberry, and the City of Oak Point.

9. On January 20, 2017, Staff filed its Proposed Notice of Approval.
10. On January 20, 2017, Staff filed its Motion to Admit Evidence. Staff requested that certain evidence be admitted into the record in support of its Proposed Notice of Approval.
11. On _____, 2017, the Commission granted Staff's Motion to Admit Evidence. The following evidence was admitted into the record:
 - a. Exhibit 1: Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity and accompanying attachments (filed on October 3, 2016);
 - b. Exhibit 2: The Town of Little Elm's affidavits regarding the provision and publication of notice (filed September 6, 2016);
 - c. Exhibit 3: The Town of Little Elm's signed Consent Forms (filed on December 28, 2016 and January 6, 2017).
 - d. Exhibit 4: Staff's Recommendation on Final Recommendation and accompanying attachments (filed on January 13, 2017).

II. Conclusions of Law

1. The Commission has jurisdiction over the Town of Little Elm's application under Tex. Water Code §§ 13.241 and 13.246.
2. The Town of Little Elm is a retail public utility under Tex. Water Code § 13.002(19) and 16 Tex. Admin. Code § 24.3(58).
3. Notice of the Town of Little Elm's application was provided to affected parties, as required by Tex. Water Code § 13.246(a) and 16 Tex. Admin. Code § 24.106(a).
4. The Town of Little Elm'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 and 13.246; and 16 Tex. Admin. Code §§ 24.102 and 24.106.
5. The requirements for informal disposition under 16 Tex. Admin. Code § 22.35 have been met in this proceeding. At least fifteen (15) days have passed since the completion of notice requirements, and it is not necessary to hold a hearing on the merits regarding the Town of Little Elm's application.
6. Based on the evidence admitted into the record, the Town of Little Elm has demonstrated

that it has adequate financial, managerial, and technical capability to provide continuous and adequate service to customers in the service area that it seeks to add to its service area certificated under water CCN No. 11202 and sewer CCN No. 20931. Additionally, the Town of Little Elm has demonstrated that its application meets the requirements in Tex. Water Code §§ 13.241 and 13.246 and 16 Tex. Admin. Code §§ 24.102 and 24.106.

7. Amendments to the Town of Little Elm's water CCN No. 11202 and sewer CCN No. 20931 are necessary for the service, accommodation, convenience, or safety of the public, as required by Tex. Water Code § 13.246(b) and 16 Tex. Admin. Code § 24.102(c).
8. The Town of Little Elm is required under Tex. Water Code § 13.257(r) and 16 Tex. Admin. Code § 24.106(f) to record a certified copy of its Commission-approved water CCN No. 11202 and sewer CCN No. 20931, a corresponding service area map, and a boundary description of the service area in the real property records of each county in which the service area is located. The Town of Little Elm is also required to submit to the Commission evidence of such recording.

III. Ordering Paragraphs

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

1. The Town of Little Elm's application is approved.
2. The Town of Little Elm's request to amend its water CCN No. 12202 and sewer CCN No. 20931 and request to decertify portions of Mustang SUD's, Valencia on the Lake WCID's, the City of Hackberry's, and the City of Oak Point's respective certificated service areas are approved. The Town of Little Elm's service area map, water CCN No. 11202, and sewer CCN No. 20931 are amended to reflect the Commission's approval of the Town of Little Elm's application. Additionally, Mustang SUD's water CCN No. 11856 and sewer CCN 20930, Valencia on the Lake WCID's water CCN No. 13138 and sewer CCN 21015, City of Hackberry's water CCN No. 12015, and to the City of Oak Point's sewer CCN No. 20908 are amended to reflect decertification.
3. The Town of Little Elm shall comply with the recording requirements in Tex. Water Code § 13.257(r) for the area in Denton County, Texas affected by the Commission's approval of its application. The Town of Little Elm shall submit to the Commission evidence of

recording no later than thirty-one (31) days after receipt of this Notice of Approval.

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 _____, 2017

PUBLIC UTILITY COMMISSION OF TEXAS

**SUSAN E. GOODSON
ADMINISTRATIVE LAW JUDGE**