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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)

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PUBLIC UTILITY COMMISSION

PUBLIC UTILITY COMMISSION
FILING CLERK

OF TEXAS

COMMISSION STAFF'S AMENDED PROPOSED NOTICE OF APPROVAL

In accordance with Commission Staff's Amended Final Recommendation filed on March 28, 2017, Commission Staff of the Public Utility Commission of Texas files its Amended Proposed Notice of Approval.

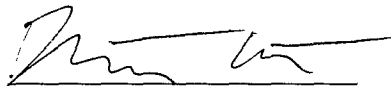
Dated: March 29, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney



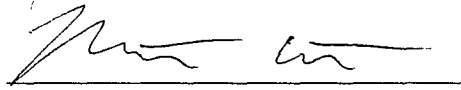
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PUC DOCKET NO. 43452

CERTIFICATE OF SERVICE

I, Matthew Arth, staff attorney for the Public Utility Commission of Texas, certify that a copy of this document was served on all parties of record in this proceeding on March 29, 2017 in accordance with the requirements of 16 Tex. Admin. Code § 22.74.

A handwritten signature in black ink, appearing to read 'Matthew A. Arth', is written over a horizontal line.

Matthew A. Arth

PUC DOCKET NO. 43452

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

AMENDED PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application filed by the Town of Little Elm (Little Elm). 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, Little Elm requests that the Commission decertify portions of certificated service areas currently served by Mustang Special Utility District (Mustang SUD), the City of Hackberry (Hackberry), and the City of Oak Point (Oak Point), as well as wholly decertify and cancel the water and sewer CCNs of Valencia on the Lake Water Control Improvement District (Valencia), CCN Nos. 13138 and 21015. Little Elm's service area is in Denton County, Texas.

On January 13, 2017, Staff filed its Final Recommendation and on March 28, 2017, Staff filed its Amended Final Recommendation. Staff recommended that the Commission approve the Little Elm's application, which would amend its water CCN No. 12202 and sewer CCN No. 20931, decertify portions of the certificated service areas of Mustang SUD's water CCN No. 11856 and sewer CCN No. 20930, Hackberry's water CCN No. 12015, and Oak Point's sewer CCN No. 20908, as well as revoke Valencia's water CCN No. 13138 and sewer CCN No. 21015. Little Elm's application is approved.

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. 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, the City of Hackberry, and the City of Oak Point, as well as cancel the water and sewer CCNs of Valencia on the Lake WCID. Little Elm's

service area is in Denton County, Texas.

2. Also on October 3, 2014, Little Elm filed a Letter to TCEQ in Regards to Notice of Deficiency, which included agreements between itself and Hackberry, Valencia, and Oak Point.
3. On March 12, 2015, Little Elm filed Completed Responses to Commission Staff Status Update, which included Little Elm's agreement with Mustang SUD.
4. On July 20, 2016, the administrative law judge (ALJ) entered Order No. 21, which deemed Little Elm's application administratively complete. Order No. 21 also required Little Elm to provide and publish notice of its application.
5. On August 18, 2016, Little Elm filed affidavits regarding the provision and publication of notice of its application. Little Elm provided notice of its application to affected parties on July 25, 2016. 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.
6. On September 16, 2016, the ALJ entered Order No. 23, which established a procedural schedule. Order No. 23 established deadlines for Staff to provide final maps and certificates to Little Elm, for Little Elm to file consent forms with the Commission, and for Staff to file its recommendation.
7. On December 28, 2016, Little Elm filed the Consent Forms of Valencia, Little Elm, Mustang SUD, and Oak Point with the Commission.
8. On January 6, 2017, Hackberry filed its Consent Form with the Commission.
9. On January 13, 2017, Staff filed its Final Recommendation. Staff recommended that the Commission approve 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, Hackberry, and Oak Point. Additionally, Staff recommended that the Commission find that 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 Little Elm, amendments to 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, amendments to Valencia water CCN No. 13138 and sewer CCN 21015, amendments to Hackberry's water CCN No. 12015, and

amendments to Oak Point's sewer CCN No. 20908.

10. On January 20, 2017, Staff filed its Proposed Notice of Approval.
11. 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.
12. On March 2, 2017, the ALJ issued Order No. 24, requiring clarification from Staff as to the need for further consent from Valencia and Oak Point.
13. On March 10, 2017, Staff filed its Clarification Recommendation, recommending that Valencia sign and file revised consent specifically agreeing to the cancellation of its water and sewer CCNs.
14. On March 13, 2017, revised consent forms signed by Valencia were filed.
15. On March 14, 2017, the ALJ Issued Order No. 25 Establishing Commission Staff Deadlines.
16. On March 28, 2017, Staff filed its Amended Final Recommendation, reaffirming its recommendation that Little Elm's application be approved and clarifying that Valencia has consented to cancellation of its water CCN No. 13138 and sewer CCN No. 21015.
17. On March 29, 2017, Staff filed a Supplemental Motion to Admit Evidence and an Amended Proposed Notice of Approval.
18. On _____, 2017, the Commission granted Staff's Motion to Admit Evidence and Supplemental 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 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: Consent Forms (filed December 28, 2016 and January 6, 2017);
 - d. Exhibit 4: Staff's Final Recommendation and accompanying attachments (filed January 13, 2017);
 - e. Exhibit 5: Letter to TCEQ in Regards to Notice of Deficiency (filed October 3, 2014);

- f. Exhibit 6: Completed Responses to Commission Staff Status Update (filed March 12, 2015);
- g. Exhibit 7: Staff's Clarification Recommendation (filed March 10, 2017);
- h. Exhibit 8: Valencia's Revised Consent Form (filed March 13, 2017); and
- i. Exhibit 9: Staff's Amended Final Recommendation and accompanying attachments (filed March 28, 2017).

II. Conclusions of Law

1. The Commission has jurisdiction over the Town of Little Elm's application pursuant to Tex. Water Code §§ 13.241 and 13.246.
2. 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 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. Little Elm's application was processed in accordance with the requirements of the Administrative Procedures Act, Tex. Gov't Code §§ 2001.001-.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 Little Elm's application.
6. Based on the evidence admitted into the record, 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, 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 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. Based on the revised consent form signed by Valencia and filed on March 13, 2017,

Valencia has adequately consented to the revocation of its water CCN No. 13138 and sewer CCN No. 21015 pursuant to the requirements of Tex. Water Code § 13.254(a) and 16 Tex. Admin. Code § 24.113(a).

9. Little Elm is required by Tex. Water Code §§ 13.257(r) & (s) and 16 Tex. Admin. Code § 24.106(e) to record a certified copy of its Commission-approved water CCN No. 11202 and sewer CCN No. 20931, corresponding service area maps, and boundary descriptions of the service areas in the real property records of each county in which the service area is located. 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. 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, the City of Hackberry's, and the City of Oak Point's respective certificated service areas, as well as wholly decertify and cancel Valencia on the Lake WCID's certificated service areas, are approved. Little Elm's service area maps for water CCN No. 11202 and sewer CCN No. 20931 are amended to reflect the Commission's approval of Little Elm's application. Additionally, Mustang SUD's water CCN No. 11856 and sewer CCN 20930, City of Hackberry's water CCN No. 12015, and to the City of Oak Point's sewer CCN No. 20908 are amended to reflect partial decertification and Valencia's water CCN No. 13138 and sewer CCN 21015 are wholly decertified and revoked.
3. Little Elm shall comply with the recording requirements in Tex. Water Code §§ 13.257(r) & (s) for the area in Denton County, Texas affected by the Commission's approval of its application. 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