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House Bill (HB) 1600 and Senate Bill (SB) 567 83rd Legislature, Regular Session, transferred the functions relating to the economic regulation of water and sewer utilities from the TCEQ to the PUC effective September 1, 2014



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October 13, 2009

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Texas Commission on Environmental Quality

Water Supply Division

Utilities and Districts Section, MC-153

P.O. Box 13087

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To Whom It May Concern:

We are writing on behalf of our client, Lake Livingston Water Supply and Sewer Service Corporation ("Lake Livingston"). On or about October 5, 2009, Lake Livingston received notice that Eagle Falls Water Supply, LLC has applied for a CCN which is to include dual certification to certain areas currently certificated exclusively to Lake Livingston.

Lake Livingston asserts that granting of the dual certification would be in violation of clearly established federal law. Specifically, in 2003 Lake Livingston obtained funding for various upgrades and additions to its infrastructure. That funding was provided by the United States Department of Agriculture Office of Rural Development. Lake Livingston currently still owes over \$1,700,000 on that loan, with a payoff date 2043. Therefore, Lake Livingston's CCN may not be curtailed or limited during the term of that loan. 7 USC § 1926(b). Clearly the granting of dual certification constitutes a curtailment or limitation of Lake Livingston's service area and is prohibited.

For the reasons stated herein, Lake Livingston requests that a hearing be convened and that Lake Livingston Water Supply and Sewer Service Corporation be named as a party in that hearing.

Should you have any questions regarding this request, please feel free to contact us.

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