



Control Number: 44523



Item Number: 37

Addendum StartPage: 0

APPLICATION OF CITY OF DRIPPING §
SPRINGS TO AMEND ITS §
CERTIFICATE OF CONVENIENCE AND §
NECESSITY IN HAYS COUNTY §

PUBLIC UTILITY COMMISSION
2016 SEP 14 AM 11:10
OF TEXAS
PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S FINAL RECOMMENDATION

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files Final Recommendation and Response to Order No. 11. In support thereof, Staff shows the following:

I. BACKGROUND

On March 11, 2015, City of Dripping Springs (City) filed with the Commission an application to amend water Certificate of Convenience and Necessity (CCN) 13030 in Hays County, Texas.

In Order No. 11, issued June 1, 2016, the Commission administrative law judge set September 14, 2016 as the deadline for Staff to file a final recommendation. This pleading is therefore timely filed.

II. FINAL RECOMMENDATION

Staff has reviewed the application and recommends that this application for a CCN amendment be approved. As supported by Attachment A to this pleading, the memorandum of Jolie Mathis and Leila Guerrero of the Water Utilities Division, Staff recommends that the application be found to comply with the criteria outlined for CCN amendments in the Tex. Water Code §§ 13.241-250 (TWC) and 16 Tex. Admin Code §§ 24.101-107. The final water map and CCN certificate were consented on March 9, 2016 and filed with the Commission on March 10, 2016. The final map is attached as Attachment B and the updated water CCN #13030 is attached as Attachment C. Staff further recommends that the Applicant file certified copies of the CCN maps along with a written description of the CCN service area in the county clerk's office of Hays County, pursuant to TWC §§ 13.257 (r)-(s).

Staff recommends that the parties be given a deadline of September 20, 2016 to file the joint proposed notice of approval, as required in Order No. 11.

III. CONCLUSION

Staff respectfully requests that the ALJ issue an order consistent with this recommendation.

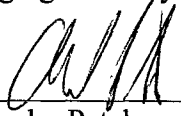
Dated: September 14, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney




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DOCKET NO. 44523

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on September 14, 2016 in accordance with 16 TAC § 22.74.



Alexander Petak

ATTACHMENT A

PUC Interoffice Memorandum

To: Alexander Petak, Attorney
Legal Division

Through: Tammy Benter, Director
Water Utilities Division

From: Jolie Mathis, Engineering Specialist
Leila Guerrero, Regulatory Accountant, Auditor
Water Utilities Division

SUBJECT: Docket No. 44523, Application of City of Dripping Springs to amend a Certificate of Convenience and Necessity (CCN) in Hays County

DATE: September 7, 2016

On March 11, 2015, City of Dripping Springs (Dripping Springs) filed with the Public Utility Commission of Texas (Commission) an Application to amend its water Certificate of Convenience and Necessity (CCN) No. 13030 in Hays County. Dripping Springs seeks to amend its CCN in order to extend existing service to the planned Blue Blazes Ranch mixed use development.

Proper notice was published on November 5 and November 12, 2015 in The Wimberley View & The Dripping Springs Century News, a newspaper of general circulation in Hays County. Proper notice was provided to current customers, neighboring systems, cities, other affected parties and landowners in Hays County on November 4, 2015. Affidavits of notice were filed by the City on November 4, 2015. The notice comment period ended on December 14, 2015, and the Commission did not receive any protests.

Based on a review of the application and information provided by the Applicant, the City has demonstrated adequate financial, managerial and technical capabilities to provide service to the proposed areas. TWC § 13.246(c) and 16 TAC § 24.102(d) require the Commission to consider nine criteria when granting or amending a CCN. Therefore, the following criteria were considered:

TWC §13.246(c)(1) requires the Commission to consider the adequacy of service currently provided to the requested area. No facilities have been constructed by the City of Dripping Springs at this time.

TWC §13.246(c)(2) requires the Commission to consider the need for service in the requested area, including whether any landowners, prospective landowners, tenants, or residents have requested service. Water service will be needed for a proposed development. The development agreement is between the City of Dripping Springs,

Texas, and James A. Smith, owner of approximately 35 acres of land located within the ETJ of the City and in Hays County, Texas. The owner intends to develop the Property as a master-planned, mixed-use development that will include commercial and residential uses, a public park and open space areas to benefit the residents and the property owners of the community.

TWC §13.246(c)(3) requires the Commission to consider the effect of granting an amendment on the recipient and on any other retail water and sewer utility servicing the proximate area. The CCN Amendment allows the proposed development to obtain water service from the City of Dripping Springs. No other retail providers will be affected.

TWC §13.246(c)(4) requires the Commission to consider the ability of the City to provide adequate service. The Applicant is not currently providing water service to the area. The water distribution system will be designed in accordance with 30 TAC, Chapter 290 Rules and Regulation. The facilities will be operated by a TCEQ licensed operator.

TWC §13.246(c)(5) requires the Commission to consider the feasibility of obtaining service from an adjacent retail public utility. There is no adjacent retail public utility.

TWC §13.246(c)(6) requires the Commission to consider the financial ability of the City to pay for facilities necessary to provide continuous and adequate service. Although the City has a water CCN, the City has not yet provided water service and has not constructed its water system in the proposed area. A standalone water system, with a master wholesale water meter, will be constructed by the Developer of the Blue Blazes Development. To the extent that the City incurs any costs in construction, operations and maintenance, management, and operation of the water system, the City has the authority to recover such costs through its rate ordinances.

TWC §§13.246(7) and (9) requires the Commission to consider the environmental integrity and the effect on the land to be included in the CCN. The area will be served with existing infrastructure which does not require any construction; however, if construction will be required, it will not adversely affect the environment and the environmental integrity of the area will be maintained.

TWC § 13.246(8) requires the Commission to consider the probable improvement in service or lowering of cost to consumers. Future customers will be charged Commission approved rates as referenced in the Applicant's approved water tariffs.

The City meets all of the statutory requirements of TWC Chapter 13 and 16 TAC Chapter 24 rules and regulations. Approving this application to amend the City's CCN's No. 13030 in Hays County is necessary for the service, accommodation, convenience and safety of the public pursuant to 16 TAC § 24.102(c).

Staff recommends approval of the application. The City filed consent to the attached map and certificate, on March 9, 2015.

Staff further recommends that the City file certified copies of the CCN maps along with a written description of the CCN service area in the county clerk's office pursuant to TWC §§ 13.257 (r)-(s).




ATTACHMENT B

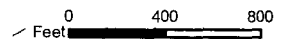
City of Dripping Springs
Water Service Area
CCN No. 13030
PUC Docket No. 44523
Amended CCN No. 13030 in Hays County



Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

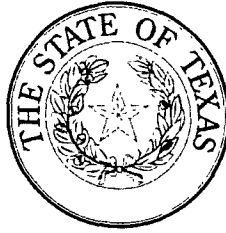
Water CCN Service Areas

-  13030 - City of Dripping Springs
-  10315 - Dripping Springs WSC
-  13207 - West Travis County Public Utility



Map by: Komal Patel
Date created: February 26, 2016
Project Path: n:\finalmapping\44523\CityofDrippingSprings.mxd

ATTACHMENT C



Public Utility Commission of Texas

By These Presents Be It Known To All That

City of Dripping Springs

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 13030

to provide continuous and adequate water utility service to that service area or those service areas in Hays County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 44523 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty City of Dripping Springs to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, the _____ day of _____ 2016.