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DOCKET NO. 45489

RECEIVED

APPLICATION OF CITY OF
GREGORY TO OBTAIN
CERTIFICATES OF CONVENIENCE
AND NECESSITY IN SAN PATRICIO
COUNTY

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PUBLIC UTILITY COMMISSION

2017 SEP 6 AM 9:48
PUBLIC UTILITY COMMISSION
OF TEXAS FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION ON MAPS AND WITHDRAWAL OF
MOTION TO DISMISS**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation on Maps and Withdrawal of Motion to Dismiss in response to Order No. 13 and would show the following:

I. BACKGROUND

On December 31, 2015, the City of Gregory (Gregory) filed an application with the Public Utility Commission of Texas (Commission) to obtain new water and sewer certificates of convenience and necessity (CCN) in San Patricio County, Texas. Gregory seeks to acquire CCNs for the area within its extraterritorial jurisdiction (ETJ). On November 10, 2016, Gregory filed proof of notice. On January 25, 2017, Gregory filed a supplement to its proof of notice. On April 13, 2017, Staff filed a motion to dismiss the application for failure to prosecute due to Gregory's failure to address landowner opt-out requests under Texas Water Code (TWC) § 13.246(h). On August 1, 2017, Gregory filed additional mapping information.

On July 14, 2017, Order No. 13 was issued requiring Gregory to file revised maps and establishing a deadline of September 6, 2017 for Staff to file a recommendation on Gregory's filing. This pleading is therefore timely filed.

II. RECOMMENDATION

As detailed in the attached memorandum from Sean Scaff and Gary Horton in the Commission's Water Utility Regulation Division, the maps contained in Gregory's August 1 filing adequately address the opt-out requests. Staff therefore withdraws its April 13, 2017 motion to dismiss Gregory's application.

III. REMAINING DEFICIENCIES

Order No. 13 directs Staff to list any remaining deficiencies in Gregory's application. The attached memorandum contains a list of the information needed for Staff to prepare a final recommendation on Gregory's application now that opt-out requests have been properly addressed. In the interests of completeness, this list includes the information requested in Staff's August 18 request for information to Gregory. Staff requests that Gregory be directed to provide the information listed in the attached memorandum.

IV. PROCEDURAL SCHEDULE

Staff withdraws its motion to dismiss. Staff requests that a deadline of October 6, 2017 be established for Gregory to provide the requested information and that a deadline of November 6, 2017 be established for Staff to review the information provided and file a recommendation in response to the information.

V. CONCLUSION

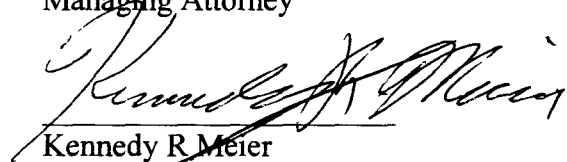
For the reasons detailed above, Staff withdraws its motion to dismiss Gregory's application, requests that Gregory be directed to provide the information listed in the attached memorandum, and recommends that the procedural schedule proposed above be adopted for further processing of this application.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

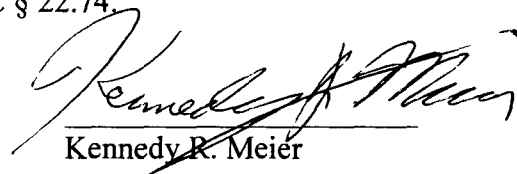


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 6th of September, 2017 in accordance with 16 TAC § 22.74.



Kennedy R. Meier

Public Utility Commission of Texas

Memorandum

TO: Kennedy Meier, Attorney
Legal Division

FROM: Sean Scaff, Engineering Specialist
Gary Horton, GIS Specialist
Water Utilities Division

THRU: Tammy Benter, Director
Water Utilities Division

DATE: September 6, 2017

RE: **Docket No. 45489;** *Application of City of Gregory to obtain Certificates of Convenience and Necessity in San Patricio County*

On December 31, 2015, the City of Gregory (City or Applicant) filed an application with the Public Utility Commission of Texas (Commission) to obtain water and sewer Certificates of Convenience and Necessity (CCN) in San Patricio County, Texas. This application is being reviewed pursuant to Texas Water Code (TWC) §§ 13.241-250 and 16 Tex. Admin. Code (TAC) §§ 24.101-24.107.

On August 1, 2017, the City filed updated mapping information. The new mapping addressed the remaining opt-out requests. Mapping is therefore considered sufficient.

The Applicant still needs to address the following issues in order for Commission Staff to complete its review of the application and make a recommendation regarding disposition of the application:

- Provide information demonstrating the need for service in the area outside of the City limits.
 - Has the City received requests for service outside of the City limits in its extraterritorial jurisdiction (ETJ) area?
 - Is there new development in the ETJ that has requested service from the City?
 - Does the City expect to see large growth out into the ETJ area?
 - If so, please provide any requests for service received by the Applicant for areas not currently being served.
 - If no requests for service have been received by the City, please provide other information demonstrating the need for service in the ETJ area.
- Does the City have the capability to serve customers in the ETJ area outside of the City limits?
- If the City has received requests for service in its ETJ and does not currently have infrastructure in those areas, has the City submitted plans and specifications to the TCEQ for the additional facilities necessary to serve the requested area?
- Please provide the most current audited financial statements complete with the auditor's report/opinion letter.
- The City's water operator's license is due to expire on 9/17/2017. What steps has it taken to update its operator's license status?
- If no steps have been taken, does the City plan to hire another operator?