



Control Number: 45848



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# OPEN MEETING COVER SHEET

2017 JUN 29 11:22  
PUBLIC UTILITY COMMISSION  
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**MEETING DATE:** June 29, 2017

**DATE DELIVERED:** June 28, 2017

**AGENDA ITEM NO.:** 1

**CAPTION:** Docket No. 45848- City of Celina's  
Notice of Intent to Provide Water and  
Sewer Service to Area Decertified  
from Aqua Texas, Inc. in Denton  
County

**ACTION REQUESTED:** Memo from Commissioner Anderson

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# Public Utility Commission of Texas

## Memorandum

**TO:** Commissioner Brandy Marty Marquez

**FROM:** Commissioner Kenneth W. Anderson, Jr. 

**DATE:** June 28, 2017

**RE:** **Open Meeting of June 29, 2017 – Agenda Item No. 1; Docket No. 45848 –**  
*City of Celina's Notice of Intent to Provide Water and Sewer Service to Area Decertified from Aqua Texas, Inc. in Denton County*

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I believe the Commission's decision and reasoning in its final order is correct. However, I recommend that the Commission grant Aqua Texas, Inc.'s motion for rehearing to clarify language in the order.

- (1) I recommend the Commission **modify the final sentence on page one** so the language in the order tracks the statutory language:

Because Aqua has no property facilities that ~~was~~were rendered useless ~~and~~ valueless as a result of the decertification, Aqua is not entitled to any compensation and the City of Celina may provide retail water and sewer service to the 128-acre tract.

- (2) I recommend the Commission **add the following paragraph to the end of page 7** to clarify the Commission's decision:

The Commission notes that just because a utility spends money does not mean that the expenditures are necessarily for property. Expenditures can instead be made for services. Therefore, it is not enough for a utility simply to show that an expenditure was made; rather, the utility must show that money was expended to obtain property rather than services.

- (3) I recommend the Commission **add a statement to the end of the first full paragraph on page 8** to clarify the Commission's decision:

While these costs are too recent to have been addressed by the Commission in a rate proceeding, the manner in which the costs were recorded in the utility's books, and the assets the costs were associated with, might have been informative in this case. However, compensation under TWC § 13.254 is not based on net book value, and information regarding how costs are recorded and which assets are associated with those costs is not required in a compensation proceeding.

(4) I recommend the Commission correct two typographical errors. First, **on page five change** Texas Water Code (TWC) § 13.354(a-5) and (a-6) to TWC § 13.254(a-5) and (a-6). Second, **on page six change** TWC § 13.543(d) to TWC § 13.254(d).

I look forward to discussing this matter with you at the open meeting.