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SOAH DOCKET NO. 473-16-5739.WS  
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APPLICATION OF THE CITY OF §  
SCHERTZ TO AMEND A SEWER §  
CERTIFICATE OF CONVENIENCE AND §  
NECESSITY UNDER WATER CODE §  
SECTION 13.255 AND TO DECERTIFY A §  
PORTION OF GREEN VALLEY §  
SPECIAL UTILITY DISTRICT'S §  
CERTIFICATE RIGHTS IN BEXAR §  
COUNTY §  
BEFORE THE STATE OFFICE OF §  
PUBLIC UTILITY §  
OF §  
ADMINISTRATIVE HEARINGS

SOAH ORDER NO. 7  
SETTING PREHEARING CONFERENCE

On May 9, 2017, the Administrative Law Judge (ALJ) issued a Proposal for Decision of Phase 1 (Phase 1 PFD) of this case. On July 28, 2017, the Public Utility Commission of Texas (Commission) issued an interim order (Interim Order) adopting the Phase 1 PFD except for one finding of fact and one conclusion of law and adopting other findings and conclusions. The interim order resolves Issues 8, 9, and 10, as numbered in the Commission's preliminary order (Preliminary Order) of September 12, 2016.

In the Interim Order, the Commission also remanded the case to the State Office of Administrative Hearings (SOAH) to address the remaining Phase 2 issues and prepare a PFD on those issues, if necessary. The following are the remaining Phase 2 issues:

1. Is the area for which the city of Schertz seeks single certification currently within the certificated service area of a retail public utility?
2. If so, did Schertz provide written notice to the retail public utility of its intent to provide service to the area for which Schertz seeks certification? TWC § 13.255(b) and 16 TAC § 24.120(b)?
3. If so, did Schertz wait more than 180 days after providing the written notice before it filed its application with the Commission? TWC 13.255(c) and 16 TAC § 24.120(c).

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4. Is Schertz's application administratively complete pursuant to 16 TAC § 24.8? In making this determination, the following questions should be addressed:

a. Has Schertz demonstrated that no retail public utility facilities will be rendered useless or valueless to the retail public utility? TWC § 13.255(c) and 16 TAC § 24.120(c). If not, has Schertz included in its application all appraisals required under TWC § 13.255(1) and 16 TAC § 24.120(m)?

b. Is Schertz requesting the transfer of specified property of a retail public utility? TWC § 13.255(c) and 16 TAC § 24.120(c). If so, has Schertz included in its application all appraisals required under TWC § 13.255(1) and 16 TAC § 24.120(m)?

5. Has Schertz demonstrated that its public-drinking-water systems comply with TCEQ's minimum requirements for public-drinking-water systems? TWC § 13.255(m) and 16 TAC § 24.120(n).

6. Has the retail public utility submitted to the Commission a written list with the names and addresses of any lienholders and the amount of the retail public utility's debt, if any? 16 TAC § 24.120(b)(1).

7. If any lienholders exist, has the retail public utility notified the lienholders of this decertification process consistent with 16 TAC § 24.120(b)(2)?

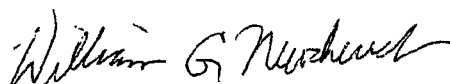
11. What is the adequate and just compensation to be paid to the retail public utility for any of its facilities that will be useless and valueless to it or that Schertz requests to be transferred? TWC §§ 13.255(c), (g), (g-1) and (1) and 16 TAC § 24.120(c), (g), (h), and (m)?

The Interim Order and the evidence presented in Phase 1 appear to resolve some of the remaining issues and others may be undisputed. The parties are asked to attempt to agree to stipulations that would resolve or narrow some or all of the remaining issues.

**The ALJ will convene a prehearing conference at 9:00 a.m., August 10, 2017, at the State Office of Administrative Hearings, William P. Clements State Office Building, Fourth Floor, 300 West 15th Street, Austin, Texas. At the conference, the ALJ will**

establish a Phase 2 schedule. The parties shall confer prior to the conference and attempt to agree on a schedule for the submission of stipulations and evidence, and a hearing on the merits.

SIGNED August 1, 2017.

A handwritten signature in black ink, reading "William G. Newchurch". The signature is written in a cursive style with a horizontal line underneath the name.

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**WILLIAM G. NEWCHURCH**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS**