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APPLICATION OF CITY OF §
MERCEDDES TO AMEND A §
CERTIFICATE OF CONVENIENCE §
AND NECESSITY UNDER WATER §
CODE §13.255 AND DECERTIFY A §
PORTION OF NORTH ALAMO §
WATER SUPPLY CORPORATION'S §
SERVICE AREA IN HIDALGO §
COUNTY. §

OF TEXAS

COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON SUFFICIENCY OF APPLICATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Supplemental Recommendation on Sufficiency of Application, and would show the following:

I. BACKGROUND

On November 29, 2016, the City of Mercedes (City) filed an application filed to amend its water certificate of convenience and necessity (CCN) number 12811 and to decertify a portion of North Alamo Water Supply Corporation's CCN No. 10553 in Hidalgo County. Order No. 2, filed on December 28, 2016, found the application administratively incomplete and set February 3, 2017 as the deadline for the City to amend the application to cure the deficiencies noted by Commission Staff, and set March 3, 2017 as the deadline for Staff to file a supplemental recommendation on the administrative completeness of the application and propose a procedural schedule. Therefore, this recommendation is timely filed.

II. STAFF RECOMMENDATION AND PROPOSED PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively complete, based on the attached memorandum from Ricky Herrera, Staff Engineer, and Gary Horton, Jr., GIS Specialist of the Water Utilities Division. Accordingly, Staff proposes the following procedural schedule:

Event	Date
Deadline for parties to file proposed finding of fact and conclusions of law	April 3, 2017

Dated: March 3, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

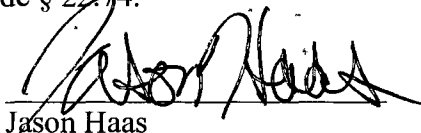
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on March 3, 2017 in accordance with 16 Tex. Admin. Code § 22.74.



Jason Haas

PUC Interoffice Memorandum

To: Jason Haas
Legal Division

Thru: Tammy Benter, Director
Lisa Fuentes, Work Lead
Water Utilities Division

From: Ricky Herrera, Staff Engineer
Gary Horton, Jr., GIS Specialist
Water Utilities Division

Date: February 17, 2017

Subject: *Docket 46612, Application of City of Mercedes to Amend a Certificate of Convenience and Necessity under water code § 13.255 and to decertify a portion of North Alamo Water Supply Corporation's service area in Hidalgo County.*

On November 29, 2016, the City of Mercedes (Mercedes), and North Alamo Water Supply Corporation (North Alamo WSC) (collectively, Applicants) filed a joint application to amend Mercedes's water CCN No. 12811 and to decertify a portion of North Alamo WSC's water CCN No. 10553 in Hidalgo County. The application is being reviewed pursuant to Texas Water Code §13.255 (TWC) and 16 Tex. Admin. Code (TAC) § 24.120.

A Staff review of the supplemental information filed by the Applicants on February 9, 2017, found that it is sufficient in the required mapping information. Therefore, Staff recommends that the application be deemed sufficient for filing and found administratively complete.

In order to assist in the formal review of the application, Staff also recommends the Applicants provide the following information:

- Documentation from the U.S.D.A – Rural Development, Texas Water Development Board, and CoBank, ACD agreeing to release the property being sold from the security interest held by the Lender mentioned in Page 2, Paragraph 1 of the “Agreement for Buyout of Service Area.”