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DOCKET NO. 46835

APPLICATION OF THE CITY OF	§	PUBLIC UTILITY COMMISSION
PRINCETON TO AMEND ITS WATER	§	
AND SEWER CERTIFICATES OF	§	OF TEXAS
CONVENIENCE AND NECESSITY AND	§	
TO DECERTIFY A PORTION OF	§	
ALTOGA WATER SUPPLY	§	
CORPORATION'S WATER SERVICE	§	
AREA IN COLLIN COUNTY	§	

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**COMMISSION STAFF'S RESPONSE TO ORDER NO. 17 AND
REQUEST FOR EXTENSION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Response to Order No. 17 and Request for Extension, and would show the following:

I. BACKGROUND

On February 6, 2017, the City of Princeton (Princeton or Applicant) filed an application to amend its water Certificate of Convenience and Necessity (CCN) No. 13195 and sewer CCN No. 21057 and to decertify a portion of Altoga Water Supply Corporation's (Altoga WSC's) CCN in Collin County.

Previously, on October 18, 2016, in Docket No. 46452, Altoga WSC and North Collin Special Utility District (North Collin SUD) filed an application for the sale, transfer, or merger of facilities and certificate rights in Collin County. Specifically, North Collin SUD sought approval to acquire all of the water assets of Altoga WSC held under water CCN No. 12580. On April 25, 2018, the parties submitted a Joint Motion to Admit Evidence and Joint Proposed Notice of Approval. Thereafter, on August 13, 2018, the Commission administrative law judge (ALJ) issued Order No. 7, admitting evidence in the matter. There has been no further activity in Docket No. 46452 since Order No. 7 was issued, and, therefore, the application remains pending.

On September 21, 2018, in the present docket, No. 48034, Applicant and Staff filed a Joint Motion to Admit Evidence and Proposed Notice of Approval. Thereafter, on December 6, 2018, the ALJ issued Order No. 16, admitting evidence in this docket.

On December 11, 2018, the Commission ALJ issued Order No. 17 in the present docket, establishing a deadline for Staff to provide a clarification statement related to two questions

posed by the ALJ. Specifically, the ALJ seeks clarification regarding (1) how many current customers exist in the requested service area, and (2) which entity is currently serving the requested area. Staff is required to respond by December 17, 2018. Therefore, this pleading is timely filed.

II. RESPONSE TO ORDER NO. 17

A. Customers in the Requested Service Area

According to the Applicant's initial application, there are 2813 water connections in the requested service area, consisting of 2,692 5/8-inch or 3/4-inch meter connections, 113 1-inch meter or larger connections, and 7 "other" water connections.¹ Similarly, based on the original application, there are 2813 sewer connections in the requested service area, consisting of 2,693 residential connections, 113 commercial connections, and 7 "other" sewer connections.

On May 23, 2018, Altoga WSC and North Collin SUD filed a Request for Contested Case Hearing and Motion to Intervene. The filing was premised on both Applicant's alleged inadequate notice and service area boundary disputes between Applicant, Altoga WSC, and North Collin SUD.

On July 2, 2018, Applicant, Altoga WSC, and North Collin SUD filed a Joint Motion to Amend Application, Withdraw Protest, and Acknowledge Receipt of Notice. As a result of the filing, the three parties stated that they had resolved their differences in the present docket and in Docket No. 46452. Applicant agreed to amend the water portion of its application in the present filing as part of the agreement between the three parties. The amendment reflects changes from the water service area boundaries depicted in the initial application. The sewer portion of Applicant's application remains unchanged.

Based on the agreement identified in the July 2, 2018 filing between Applicant, Altoga WSC, and North Collin SUD, and the subsequent amendment to the current application, Staff communicated with Applicant to request additional information regarding the number of water customers in the amended service area. As of this filing, Staff had not received any further information from the Applicant. Therefore, Staff is currently unable to definitively identify the difference between the current number of water customers in the requested service area and the

¹ See Application at 7-8 (Feb. 6, 2017). Staff notes there is a discrepancy in the original application between the sum of the individual categories of water connections ($2,692 + 113 + 7 = 2,812$) and the listed total water connections (2,813).

total included in the initial application. Pending confirmation from the Applicant, the number of sewer customers should remain unchanged from the total included in the initial application.

B. Entity Serving the Requested Service Area

In Order No. 17, the ALJ noted that Altoga WSC and North Collin SUD represented, in their May 23, 2018 filing, that Altoga was currently serving the requested area. The ALJ also recognized that Staff's Final Recommendation, filed on September 14, 2018, identified Applicant as servicing the requested area.

As clarification, both entities are currently providing service to the requested service area in some capacity. Specifically, Applicant currently provides sewer service to a portion of the requested area, while Altoga WSC provides water service to a portion of the requested area. Additionally, should the Commission approve the application filed in Docket No. 46452, North Collin SUD will be providing water service to the portion presently served by Altoga WSC.

III. REQUEST FOR EXTENSION

If the Commission approves the application for the sale, transfer, or merger of facilities and certificate rights in Docket No. 46452, Altoga WSC will no longer be certificated to the water service area at issue in this matter. Consequently, the final map in this matter is reliant on Commission action in Docket No. 46452, which currently remains pending.

Additionally, Staff requires further information from Applicant in order to fully address the ALJ's clarifying questions.

Therefore, Staff requests an extension of time until January 31, 2019, to respond to Order No. 17, and to allow for the potential approval of the application for sale, transfer, or merger of facilities and certificate rights in Docket No. 46452.

Dated: December 17, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 17, 2018, in accordance with 16 TAC § 22.74.



Richard Nemer

PUC Interoffice Memorandum

To: Rick Nemer
Legal Division

Thru: Heidi Graham, Manager
Water Utilities Regulation Division

From: Greg Charles, P.E.
Water Utilities Regulation Division

Date: December 17, 2018

Subject: **Docket No. 46835**, *Application of the City of Princeton to Amend its Water and Sewer Certificates of Convenience and Necessity and to Decertify a Portion of Altoga Water Supply Corporation's Water Service Area in Collin County*

On February 6, 2017, the City of Princeton (Applicant or City) filed an application to amend its water Certificate of Convenience and Necessity (CCN) No. 13195 and sewer CCN No. 21057 in Collin County, Texas, pursuant to Texas Water Code (TWC) §§ 13.242-.250 and 16 Tex. Admin. Code (TAC) §§ 24.101-.107.

Previously, in Docket No. 46452, Altoga Water Supply Corporation (Altoga WSC) and North Collin Special Utility District (North Collin SUD) submitted an application requesting to transfer all of Altoga WSC's CCN service area under CCN No. 12580 to North Collin SUD (CCN No. 11035). A final order has not yet been issued in Docket No. 46452. If the Commission approves the application in Docket No. 46452, Altoga WSC will no longer be certificated to the water service area at issue in this matter. The final map in this matter is reliant on the outcome in Docket No. 46452.

On December 11, 2018, the Administrative Law Judge (ALJ) filed Order No. 17 in this docket, No. 46835, requesting clarification from Staff regarding the following:

1. How many customers are currently in the requested area?

Based on the original application, there are 2813 water connections in the requested service area, consisting of 2,692 5/8-inch or 3/4-inch meter connections, 113 1-inch meter or larger connections, and 7 "other" water connections.¹ Similarly, based on the original application, there are 2813 sewer connections in the requested service area, consisting of 2,693 residential connections, 113 commercial connections, and 7 "other" sewer connections.

During the pendency of this matter, Applicant, Altoga WSC, and North Collin SUD, reached an agreement to resolve service area boundary related issues. As a result of the agreement, Applicant amended its current application to reflect changes to the water

¹ Staff notes there is a discrepancy in the original application between the sum of the individual categories of water connections (2,692 + 113 + 7 = 2,812) and the listed total water connections (2,813).

service area boundaries identified in the original application. The sewer boundaries identified in the original application remain unchanged following the agreement.

Based on the agreement between Applicant, Altoga WSC, and North Collin SUD, and the subsequent amendment to the current application, Staff communicated with Applicant to request additional information for an accurate number of water customers in the requested area. Staff has not yet received any additional information from Applicant. Pending confirmation from Applicant, the sewer customers should remain unchanged from the number identified in the original application.

2. Which entity is currently serving the requested area?

Both entities are currently providing service to the requested service area. Specifically, Applicant currently provides sewer service to a portion of the requested area, while Altoga WSC provides water service to a portion of the requested area. Should the Commission approve the application in Docket No. 46452, North Collin SUD will be providing water service to the portion presently served by Altoga WSC.