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**DOCKET NO. 46835**

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

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

**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 Abatement, 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. 46835, 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, requiring Staff to provide a clarification statement related to two questions posed by the ALJ.

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Specifically, the ALJ sought clarification regarding (1) how many current customers exist in the requested service area, and (2) which entity is currently serving the requested area. On December 17, 2018, Staff filed a response, addressing the ALJ's questions. Staff also requested an extension in order to obtain further information from the Applicant regarding the ALJ's questions and to allow for the potential approval of the application in Docket No. 46452.

On January 2, 2019, the Commission ALJ issued Order No. 18, granting Staff's request for an extension. Order No. 18 also required Staff to file a further clarification statement by January 31, 2019. 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.<sup>1</sup> 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

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<sup>1</sup> 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).

communicated with Applicant to request additional information regarding the number of water customers in the amended service area. On January 22, 2019, Applicant communicated with Staff that it did not anticipate a change from the initial application insofar as the number of water customers being served. In the same communication, Applicant stated that it anticipated one less residential sewer customer than the number identified in the initial application due to an “opt out.”

***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 that Applicant was 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. On January 22, 2019, Applicant communicated its agreement with Staff’s assessment regarding the entities currently servicing the requested area. In addition, Applicant stated that the aforementioned agreement identified in the July 2, 2018 filing between Applicant, Altoga WSC, and North Collin SUD, will allow the Applicant an opportunity to provide water service to tracts in dually certificated areas in the future.

**III. REQUEST FOR ABATEMENT**

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.

Therefore, Staff requests an abatement of the present matter until March 4, 2019, to allow for the potential approval of the application for sale, transfer, or merger of facilities and certificate rights in Docket No. 46452.

Dated: January 29, 2019

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 January 29, 2019, in accordance with 16 TAC § 22.74.



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Richard Nemer