

Control Number: 46835



Item Number: 77

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DOCKET NO. 46835

**APPLICATION OF 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**

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§ PUBLIC UTILITY COMMISSION
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NOTICE OF APPROVAL

This Notice of Approval addresses the application of the City of Princeton to amend its water and sewer certificates of convenience and necessity (CCN) and to decertify a portion of Altoga Water Supply Corporation's water service area in Collin County. During the pendency of the application, Altoga Water Supply Corporation's CCN was transferred to North Collin Special Utility District. The Commission approves the amended application and amends Princeton's water CCN No. 13195 and sewer CCN No. 21057.

I. Findings of Fact

The commission makes the following findings of fact.

Applicants and Interested Parties

1. Princeton is a municipality providing water service under CCN No. 13195 and sewer service under CCN No. 21057 in Collin County.
2. Altoga Water Supply Corporation is a domestic non-profit corporation registered with the Texas secretary of state on April 2, 1965 under file number 21199101.
3. Altoga provided water service under CCN No. 12580 in Collin County.
4. North Collin SUD is a district that provides water service in Collin County under CCN number 11035.

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Application

5. On February 6, 2017, Princeton filed an application to amend water CCN No. 13195 and sewer CCN No. 21057 and to decertify a portion of Altoga WSC's water service area in Collin County.
6. Princeton seeks approval to amend its water and sewer CCNs for the water service area of approximately 2,633 total acres and for the sewer service area of approximately 1,636 acres.
7. The proposed service-area addition is located approximately between two and six miles north of downtown Princeton, and is generally bounded on the north by County Road 471, on the east by County Road 500 and County Road 494, on the south by Monte Carlo Boulevard, and on the west by County Road 406, County Road 409, and Farm-to-Market Road 1827.
8. Princeton seeks to serve proposed single-family residential subdivisions within its extraterritorial jurisdiction.
9. On July 2, 2018, Princeton amended the application to reflect an agreement with Altoga and North Collin SUD. The amendment affected the proposed addition to Princeton's water CCN boundaries and did not change the proposed addition to Princeton's sewer CCN boundaries.
10. In Order No. 11 issued on February 23, 2018, the administrative law judge (ALJ) found the application administratively complete.
11. On September 14, 2018, Commission Staff filed a recommendation for approval of the application.
12. On March 13, 2019, in Docket No. 46452¹, the Commission issued an order approving the application to transfer facilities and certificate rights formerly held by Altoga WSC, water CCN No. 12580, to North Collin SUD, water CCN No. 11035.

Notice

13. Notice of the application appeared in the *Texas Register* on February 24, 2017.

¹*Application of Altoga Water Supply Corporation and North Collin Special Utility District for Sale, Transfer, or Merger of Facilities and Certificate Rights in Collin County, Docket No. 46452.*

14. On April 18, 2018, Princeton filed the affidavit of Arturo D. Rodriguez, attorney for the applicant, attesting that notice was mailed to neighboring systems, landowners, cities, and affected parties on April 12, 2018, and a publisher's affidavit of published notice in *The Princeton Herald* on April 5, 2018 and April 12, 2018.
15. On April 23, 2018, Princeton filed the supplemental affidavit of Mr. Rodriguez attesting that notice was mailed to the City of Lowry Crossing on April 19, 2018.
16. In Order No. 13 issued on May 11, 2018, the ALJ found the notice sufficient.

Evidentiary Record

17. On September 21, 2018, Commission Staff and Princeton filed a joint motion to admit evidence.
18. In Order No. 16 issued on December 6, 2018, the ALJ admitted the following evidence into the record: (a) Princeton's application filed on February 6, 2017; (b) notice for *Texas Register* publication filed on February 10, 2017; (c) acknowledgement of receipt from the *Texas Register* filed on February 15, 2017; (d) Princeton's amended CCN application filed on October 18, 2017; (e) Princeton's amended CCN application supplement filed on October 25, 2017; (f) Princeton's response to Order No. 9 filed on January 18, 2018; (g) Princeton's proof of notice filed on April 18, 2018; (h) Princeton's amended proof of notice filed on April 23, 2018; (i) Princeton's submission of revised sewer CCN map filed on July 25, 2018; (j) the consent form to the final maps and certificates filed on September 7, 2018; and (k) Commission Staff's recommendation that the application be approved, including the attached final maps and certificates, filed on September 14, 2018.
19. On April 12, 2019, Commission Staff and Princeton filed a supplemental joint motion to admit evidence.
20. In Order No. 23 issued on May 2, 2019, the ALJ admitted the following evidence into the record: (a) Princeton's joint motion to amend application, withdraw protest, and acknowledge receipt of notice and all attachments, filed on July 2, 2018; (b) Suzy O'Kemp's request to opt out, filed on July 16, 2018; (c) Commission Staff's response to Order No. 17 and request for extension, and all attachments, filed on December 17, 2018; (d) Commission Staff's response to Order No. 17 and request for abatement, and all

attachments, filed on January 29, 2019; (e) North Collin Special Utility District's consent form to the final water certificate of convenience and necessity map and certificate, filed on April 3, 2019; and (f) maps and certificates attached to the supplemental joint motion to admit evidence, filed on April 12, 2019.

Adequacy of Existing Service–TWC § 13.246(c)(1), 16 TAC § 24.227(d)(1)

21. North Collin SUD is currently providing water service to customers in the proposed service area addition.
22. Princeton is currently providing sewer service to customers in the proposed service area addition.

Need for Additional Service–TWC § 13.246(c)(2), 16 TAC § 24.227(d)(2)

23. The proposed service area addition is within Princeton's primary growth corridor, which will require water and sewer services.

Effect of Granting the Amendment–TWC § 13.246(c)(3), 16 TAC § 24.227(d)(3)

24. Due to an agreement between North Collin Special Utility District and Princeton included in Docket No. 46452,² there will likely be no effect on any other retail public utility servicing the area.
25. Landowners in the proposed service area addition will be able to connect to a water and sewer service provider.

Ability to Serve: Managerial and Technical–TWC §§ 13.246(c)(4), 13.241(a), 16 TAC §§ 24.227(a), 24.227(d)(4)

26. Princeton has a TCEQ-approved public water system that will provide retail water service to the proposed service area addition.
27. Princeton has a TCEQ-approved wastewater collection system that will provide retail sewer service to the proposed service area addition.
28. Princeton is supplied with treated surface water, as well as sewer treatment services by North Texas Municipal Water District (NTMWD). NTMWD is a regional provider of both services to several other cities in the region. Given the capacity of both the water supply

² Application of Altoga Water Supply Corporation and North Collin Special Utility District for Sale, Transfer, or Merger of Facilities and Certificate Rights in Collin County, Docket No. 46452.

and sewer treatment facilities of NTMWD, Princeton has adequate capacity to serve the proposed service area addition.

Ability to Serve: Financial Ability and Stability–TWC §§ 13.246(c)(6), 13.241(a), 16 TAC §§ 24.227(a), 24.227(d)(6), 24.11(e)

29. Princeton has the financial ability and financial stability necessary to provide continuous and adequate service to the proposed service area addition.
30. Princeton has a debt-service-coverage ratio greater than 1.25.
31. Princeton has demonstrated sufficient cash is available to cover any projected operations in the first five years of operations and reports that there are no shortages to cover.

Service from Other Utilities–TWC § 13.246(c)(5), 16 TAC § 24.227(d)(5)

32. The agreement with North Collin SUD allows for both North Collin SUD and Princeton to economically and efficiently allocate water and sewer services to the proposed service area addition.

Environmental Integrity–TWC § 13.246(c)(7), 16 TAC § 24.227(d)(7)

33. The effect on the land and its environmental integrity will be minimal. There will be temporary disturbances to the land when the new service is installed.

Improvement in Service or Lowering of Cost–TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)

34. Princeton is expected to provide comparable services to the proposed service area addition as provided to the existing customers.

Tariff, Map, and Certificate

35. On August 31, 2018, Commission Staff emailed its proposed maps and certificates to Princeton.
36. On September 7, 2018, Princeton filed its consent to the proposed maps and certificates.
37. On April 3, 2019, Commission Staff emailed its proposed maps and certificates to North Collin SUD.
38. On April 3, 2019, North Collin SUD filed its consent to the proposed maps and certificates.

39. On April 12, 2019, Commission Staff filed the proposed maps and certificates as an attachment to its supplemental joint motion to admit evidence and proposed notice of approval.

Intervenors

40. On May 23, 2018, North Collin SUD and Altoga WSC filed a request for hearing and motion to intervene.
41. On July 2, 2018, the parties filed a joint motion stating that Princeton, North Collin SUD and Altoga WSC resolved all issues in this docket and Docket No. 46452. North Collin SUD and Altoga WSC withdrew the motions to intervene before a ruling on the motions.

Opt-out Request

42. On May 2, 2018, and July 17, 2018, Suzy O. Kemp opted out of the sewer CCN.
43. On July 25, 2018, Princeton amended its application to accommodate Ms. Kemp's opt-out request.

Informal Disposition

44. More than 15 days have passed since completion of notice provided in this docket.
45. Although a motion to intervene was filed by North Collin SUD and Altoga WSC, it was withdrawn. No other persons filed a protest or motion to intervene.
46. Princeton and Commission Staff are the only parties to this proceeding.
47. No party requested a hearing and no hearing is needed.
48. Commission Staff recommended approval of the application.
49. This decision is not adverse to any party.

II. Conclusions of Law

The commission makes the following conclusions of law.

1. The Commission has jurisdiction over this application under Texas Water Code § 13.241.
2. Princeton is a retail public utility as defined in TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(59).

3. Notice of the application was provided in compliance with TWC § 13.246 and 16 TAC § 24.235.
4. The application meets the requirements set forth in TWC §§ 13.241, 13.244, and 13.246 and 16 TAC § 24.227.
5. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,³ TWC, and Commission rules.
6. Princeton possesses the financial, managerial, and technical capability to provide continuous and adequate service to the proposed service area addition as required by TWC § 13.241 and 16 TAC § 24.227.
7. The amendment to water CCN numbers 13195, 11035, and sewer CCN number 21057 is required for the public convenience and necessity and is necessary for the service, accommodation, convenience, or safety of the public under TWC §§ 13.242 and 13.246.
8. Princeton must serve every consumer within its amended CCN's and the service must be continuous and adequate under TWC § 13.250.
9. Princeton must record a certified copy of the approved map for the certificate amendment, along with a boundary description of the service area, in the real property records of Collin County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording in accordance with TWC § 13.257(r) and (s).
10. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

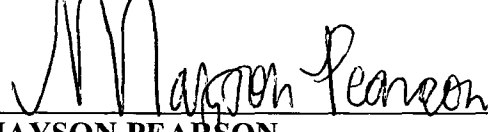
1. The Commission approves the application and amends Princeton's water CCN No. 13195 and sewer CCN No. 21057 and North Collin SUD's water CCN No. 11035, consistent with this Notice of Approval.

³ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001–.902.

2. The Commission approves the certificates and maps attached to this Notice of Approval.
3. Princeton must serve every customer and applicant for service within the areas certified under its CCNs, and such service must be continuous and adequate.
4. Princeton must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Collin County affected by the application and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice of Approval.
5. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

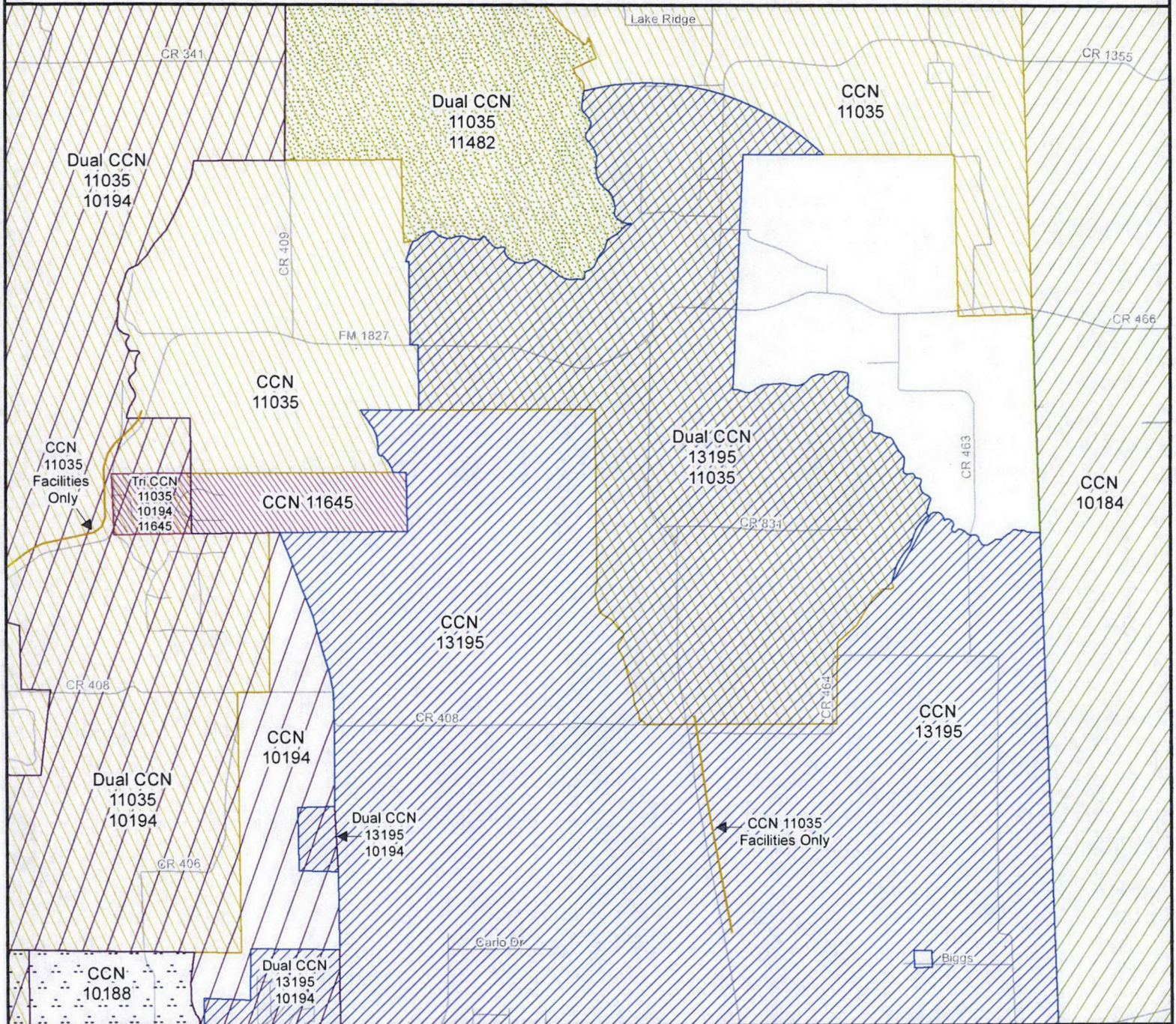
Signed at Austin, Texas the 15th day of May 2019.

PUBLIC UTILITY COMMISSION OF TEXAS



MAYSON PEARSON
ADMINISTRATIVE LAW JUDGE

City of Princeton
Portion of Water CCN No. 13195
PUC Docket No. 46835
Amended CCN No. 13195 and
Obtained Dual Certification with North Collin SUD, CCN No. 11035 in Collin County




Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Map by: Komal Patel
Date created: August 3, 2018
Project Path: n:\finalmapping\
46835CityofPrinceton.mxd

Water CCN

-  13195 - City of Princeton
-  11035 - North Collin SUD
-  11482 - City of Melissa
-  11645 - Windmill Estates Water
-  10194 - City of McKinney
-  10184 - Verona WSC
-  10188 - Milligan WSC

Facilities Only Water CCN

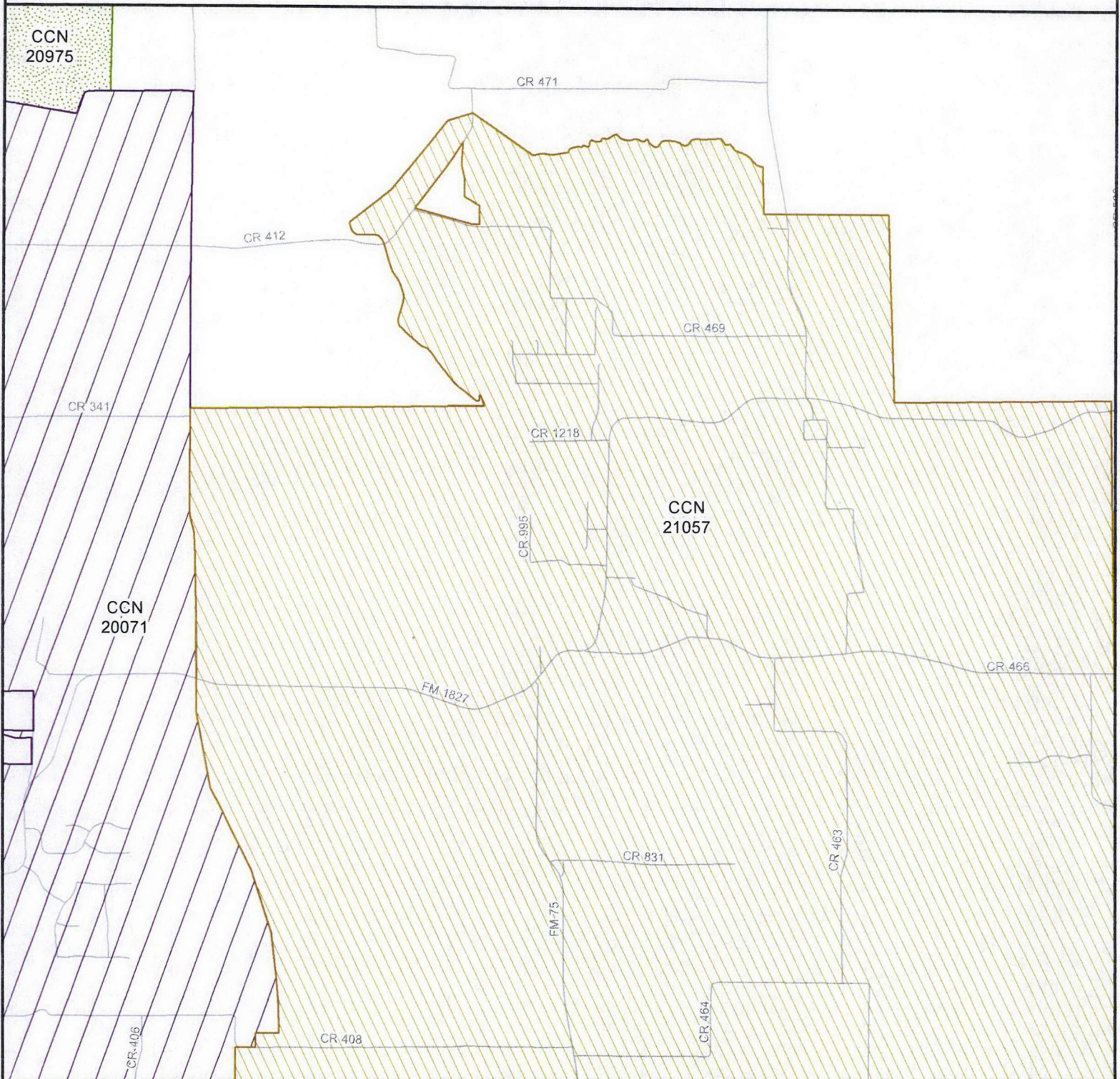
-  11035 - North Collin SUD

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City of Princeton
Portion of Sewer CCN No. 21057
PUC Docket No. 46835
Amended CCN 21057 in Collin County



Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Sewer CCN

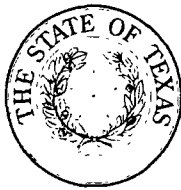
-  21057 - City of Princeton
-  20071 - City of McKinney
-  20975 - City of Melissa

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Feet



Map by: Komal Patel
Date created: August 9, 2018
Project Path: n:\finalmapping\
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Public Utility Commission of Texas

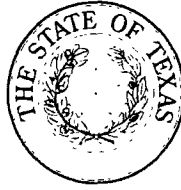
By These Presents Be It Known To All That City of Princeton

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, the City of Princeton is entitled to this

Certificate of Convenience and Necessity No. 13195

to provide continuous and adequate water utility service to that service area or those service areas in Collin County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 46835 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the City of Princeton, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 15th day of May 2019.



Public Utility Commission of Texas

By These Presents Be It Known To All That North Collin Special Utility District

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, North Collin Special Utility District is entitled to this

Certificate of Convenience and Necessity No. 11035

to provide continuous and adequate water utility service to that service area or those service areas in Collin County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 46835 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of North Collin Special Utility District, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 15th day of May 2019.