



Control Number: 47113



Item Number: 30

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DOCKET NO. 47113

APPLICATION OF BLACKLAND §  
WATER SUPPLY CORPORATION §  
AND CITY OF ROYSE CITY FOR §  
SALE, TRANSFER, OR MERGER §  
OF FACILITIES AND CERTIFICATE §  
RIGHTS IN ROCKWALL COUNTY §

PUBLIC UTILITY COMMISSION  
OF TEXAS

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NOTICE OF APPROVAL

This Notice addresses the application of Blackland Water Supply Corporation and the City of Royse City (collectively, applicants) for sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Rockwall County. Commission Staff recommended approval of the application, as supplemented. The Commission approves the application, as supplemented.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Procedural History

1. On May 1, 2017, Blackland and Royse City filed an application for Blackland to transfer a portion of the service area under water CCN No. 11305 to Royse City, which holds CCN No. 12827 in Rockwall County.
2. On May 3, 2017, the applicants filed additional mapping information.
3. In Order No. 1 issued on May 3, 2017, the administrative law judge (ALJ) required Commission Staff to file comments and a recommendation on the application.
4. On June 1, 2017, Commission Staff recommended that the ALJ deem the application administratively incomplete and insufficient for filing.
5. In Order No. 2 issued on June 5, 2017, the ALJ found the application incomplete and deficient; and established deadlines and an opportunity to cure.
6. On July 6, 2017, July 10, 2017, and July 11, 2017, the applicants filed supplemental information to the application.

7. On August 4, 2017, Commission Staff recommended that the ALJ find the application administratively complete.
8. In Order No. 3 issued on August 8, 2017, the ALJ found the application administratively complete, required notice and established a procedural schedule.
9. On August 18, 2017, Commission Staff recommended the administrative law judge find the applicants' notice sufficient and proposed a procedural schedule.
10. In Order No. 4 issued on August 21, 2017, the ALJ found the notice sufficient and established deadlines for continued processing.
11. On October 13, 2017, Commission Staff recommended that the ALJ direct the applicants to proceed with the transaction.
12. In Order No. 5 issued on October 17, 2017, the ALJ authorized the applicants to proceed with the transaction.
13. On February 26, 2018, applicants filed closing documentation evidencing consummation of the transaction.
14. On March 5, 2018, Commission Staff recommended approval of the closing documentation and indicated that the applicants properly addressed the customer deposits.
15. In Order No. 6 issued on March 5, 2018, the ALJ found the closing documents sufficient, the customer deposits properly addressed, and established further deadlines for processing.
16. On April 12, 2018, Blackland filed a signed consent form agreeing to the map and certificates as prepared by Commission Staff.
17. On April 24, 2018, the parties filed a joint motion to admit evidence into the record.
18. In Order No. 7 issued on April 27, 2018, the ALJ admitted evidence into the record.
19. On May 3, 2018, the parties filed a joint supplemental motion to admit evidence into the record.
20. In Order No. 8 issued on May 4, 2018, the ALJ admitted the supplemental evidence into the record.

**Notice**

21. Notice of the application appeared in the May 19, 2017 issue of the *Texas Register*.
22. On August 8, 2017, the applicants mailed notice of the application to current customers, neighboring utilities, and affected parties.
23. On August 10, 2018, applicants filed affidavits of proof of notice.

**Informal Disposition**

24. More than 15 days have passed since completion of the notice provided in this docket.
25. Commission Staff, Blackland and Royse City are the only parties to this proceeding.
26. No parties filed protests, motions to intervene, or requests for a hearing; therefore, no hearing is necessary.

**The Application**

27. Blackland and Royse City are parties to an agreement known as the Parker Creek Development Agreement (PDA) wherein, among other things, Blackland and Royse City agree to the service area transfer. The PDA covers approximately 310 acres owned by Parker Creek Estates, L.P (Parker Creek). Blackland, Royse City, and Parker Creek also executed an agreement to transfer CCNs covering the 310 acres.
28. Blackland CCN No. 11305 covers approximately 90 acres within the Parker Creek property and Parker Creek CCN No. 13071 covers the remaining approximately 220 acres.
29. Blackland is not currently providing service to the requested area.
30. Royse City owns and operates a Texas Commission on Environmental Quality approved public water system and, if necessary, can expand its facilities to serve development in the transferred area.
31. Granting the sale and transfer to Royse City will not adversely affect any landowner in the requested area since the owner of the transferred area, Parker Creek, is a party to the agreements described above.
32. It is not feasible for an adjacent utility to provide service to the transferred area because there are no other water providers serving the proximate area.

33. Granting the sale and transfer to Royse City will minimally adversely impact the environmental integrity of the requested area when Royse City constructs distribution lines to serve future customers.
34. Royse City will serve the future customers in the transferred area using its existing facilities; and distribution lines that will be installed as service is needed.
35. Royse City meets the leverage test and the operations test in Commission rules.
36. Royse City has demonstrated that it has the financial, managerial, and technical capabilities to operate and manage the utility and the ability to provide continuous and adequate service to the transferred area.

## **II. Conclusions of Law**

1. Blackland and Royse City are retail public utilities as defined in § 13.002(19) of the Texas Water Code, Tex. Water Code Ann. (West 2008 and Supp. 2017) (TWC).
2. The Commission has jurisdiction over the application under TWC §§ 13.041, 13.241, 13.246, 13.251, and 13.301.
3. Blackland and Royse City provided notice of the application as required by TWC § 13.301(a)(2).
4. The Commission processed the application as required by the TWC, the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-902 (West 2016 & Supp. 2017) and Commission rules.
5. Blackland and Royse City completed the sale within 180 days from the date of the Commission's approval to proceed with the sale as required by 16 TAC § 24.109(o).
6. After consideration of the factors in TWC § 13.246(c), Royse City is entitled to approval of the application, having demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to every customer in the service area as required by TWC §§ 13.301(b) and 13.241.
7. Applicants have demonstrated that the sale of facilities and the granting and transfer of certificate rights requested in this application are in the public interest, as required by 16 TAC § 13.301(d).

8. Blackland and Royse City have demonstrated that the sale of facilities and the granting and transfer of certificate rights requested in this application are necessary for the service, accommodation, convenience and safety of the public as required by 16 TAC § 13.246(b).
9. Under TWC § 13.257(r) and (s), Blackland and Royse City are required to record a certified copy of the approved CCN and map, along with a boundary description of the service area, in the real property records of each county in which the service area or a portion of the service area is located, and submit to the Commission evidence of the recording.
10. The application meets the requirements for informal disposition in 16 TAC § 22.35.

### **III. Ordering Paragraphs**

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

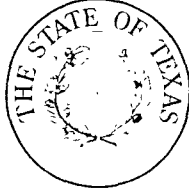
1. The Commission approves the application, as supplemented.
2. The Commission approves the certificates and map attached to this Notice.
3. The Commission transfers the requested area in Rockwall County associated with CCN No. 11305 from Blackland to Royse City.
4. The Commission amends Royse City's CCN No. 12827 to include the area transferred from Blackland.
5. The Commission's official service area boundary maps for Royse City and Blackland shall reflect this change as provided in the attached map.
6. Royse City shall serve every customer and applicant for service within the areas previously served by Blackland under CCN No. 11305, and such service shall be continuous and adequate.
7. Blackland and Royse City shall comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Rockwall County affected by the application and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice.
8. All other motions and any other requests for general or specific relief, if not expressly granted, are denied.

Signed at Austin, Texas the 16th day of June 2018.

**PUBLIC UTILITY COMMISSION OF TEXAS**

A handwritten signature in cursive script, reading "Irene Montelongo", is written over a horizontal line.

**IRENE MONTELONGO  
DIRECTOR, DOCKET MANAGEMENT**



# Public Utility Commission of Texas

**By These Presents Be It Known To All That**

## **Blackland Water Supply Corporation**

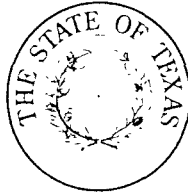
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Blackland Water Supply Corporation is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

### **Certificate of Convenience and Necessity No. 11305**

to provide continuous and adequate water utility service to that service area or those service areas in Hunt and Rockwall Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 47113 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 Blackland Water Supply Corporation, 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 6th day of June 2018.





# Public Utility Commission of Texas

**By These Presents Be It Known To All That**

**City of Royse City**

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, City of Royse City is entitled to this

## **Certificate of Convenience and Necessity No. 12827**






to provide continuous and adequate water utility service to that service area or those service areas in Collin, Hunt and Rockwall Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 47113 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 Royse City, 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 6th day of June 2018.

City of Royse City  
 Portion of Water CCN No. 12827  
 PUC Docket No. 47113  
 Transferred a Portion of Blackland Water Supply Corporation, CCN No. 11305 in Rockwall County



**Water CCN**

-  12827 - City of Royse City
-  11305 - Blackland WSC
-  13071 - Parker Creek Estates LP
-  10824 - Cash SUD
-  12889 - City of Fate



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

Map by: Komal Patel  
 Date created: March 23, 2018  
 Project Path: n:\finalmapping\47113CityofRoyse.mxd