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Item Number: 20

Addendum StartPage: 0

DOCKET NO. 47190

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PUBLIC UTILITY COMMISSION
OF TEXAS

APPLICATION OF FROGNOT §
WATER SUPPLY CORPORATION §
AND NORTH FARMERSVILLE §
WATER SUPPLY CORPORATION §
FOR SALE, TRANSFER, OR MERGER §
OF FACILITIES AND CERTIFICATE §
RIGHTS AND FOR DUAL §
CERTIFICATION OF CERTAIN §
AREAS IN COLLIN, HUNT AND §
FANNIN COUNTIES §

COMMISSION STAFF'S COMMENTS ON REQUESTS FOR HEARING

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files these Comments on Requests for Hearing.

I. BACKGROUND

On May 18, 2017, Frognot Water Supply Corporation (Frognot) applied to amend its water certificate of convenience and necessity (CCN) No. 10164 in Collin, Hunt and Fannin Counties by transferring existing customers and facilities from the North Farmersville Water Supply Corporation to Frognot, and for dual certification in certain areas with North Farmersville WSC, Caddo Basin SUD, and, West Leonard WSC. Order No. 2 restyled this matter as a Sale, Transfer, or Merger Application (Application) and included North Farmersville WSC (Farmersville) as a co-applicant. On November 17, 2017, Staff recommended that the Applicants be allowed to proceed with the sale and that no hearing was necessary. On December 1, 2017, Order No. 6 was issued, which instructed Staff to file comments regarding two hearing requests that were filed on October 17, 2017.

II. COMMENTS AND RECOMMENDATION

Of the two hearing requests that were filed on October 17, 2017, one was filed by JMR Farms, LTD, and the other was filed by John Richard Smith. Both requests were penned and signed by John Richard Smith. The letters were titled as hearing requests, but the content is much more akin to a request for service, stating a desire that the property in question be served by Frognot. Staff is unaware of any provision of the Water Code that authorizes landowners to

20

request the expansion of a CCN if the utility is unwilling to do so. However, it appears that if the Application is ultimately granted, Frognot will be eligible to serve Mr. Smith. Neither letter alleged an explanation as to why the proposed transaction should not be approved in accordance with rule or statute, and neither letter stated a claim for which relief could be granted in this proceeding.

Furthermore, Order No. 5 stated that the deadline for interventions was October 13, 2017. This deadline complied with the 30-day minimum notice requirement of 16 Tex. Admin. Code § 24.109(b) (TAC). Although both hearing requests were dated October 12, 2017, both letters were not filed with the Commission until October 17, 2017. Staff determined that the letters were untimely interventions, and Staff could find no good cause in the body of the letters as to why they were untimely and should be deemed permissible. Further, Staff has found no reason in its review of the Application that Staff believes warrants the Application being referred for a hearing according to the reasons stated in 16 TAC § 24.109. Therefore, Staff still recommends that no hearing is necessary.

However, pursuant to the 16 TAC § 24.109(j), the Commission has the discretion to refer this matter to hearing by January 11, 2108. Staff is available for further clarification.

III. CONCLUSION

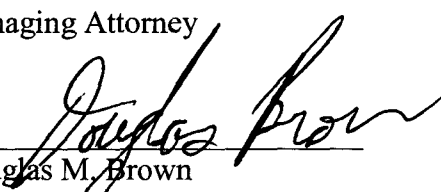
Staff respectfully requests the issuance of an order consistent with the above comments and recommendations.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

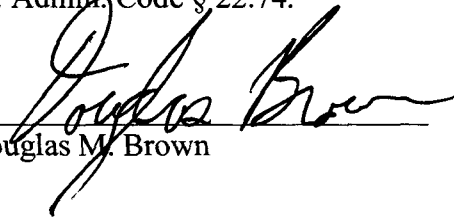
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on or before December 13, 2017, in accordance with 16 Tex. Admin. Code § 22.74.



Douglas M. Brown