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PETITION OF PARKER AREA  
INVESTMENTS, LLC TO AMEND  
CITY OF ALEDO'S CERTIFICATES  
OF CONVENIENCE AND  
NECESSITY IN PARKER COUNTY  
BY EXPEDITED RELEASE

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BEFORE THE PUBLIC UTILITY  
COMMISSION OF TEXAS

JUN 22 AM 9:29  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**CITY OF ALEDO'S MOTION TO INTERVENE, RESPONSE TO PETITION, AND  
REQUEST FOR DETERMINATION OF USELESS OR VALUELESS PROPERTY**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

The City of Aledo, Texas (Aledo) files this Motion to Intervene, Response to Petition, and Request for Determination of Useless or Valueless Property regarding Parker Area Investments, LLC's (PAI) Petition for Expedited Release from Aledo's Water CCN No. 10246 and Sewer CCN No. 20102 (Petition) for 28.389 contiguous acres of land in Parker County, Texas (Property), the subject of this docket, and respectfully states as follows:

**I. Motion to Intervene**

Aledo opposes the Petition and will suffer economic loss if it is granted. Aledo moves to intervene in this docket and for party status as an Intervenor.<sup>1</sup> Aledo should be granted Intervenor status for this proceeding because Aledo is an "affected person" with respect to this docket in that it is a "retail public utility affected by [the requested] action of the regulatory authority."<sup>2</sup> The Petition seeks Commission action to decertify a portion of Aledo's water CCN No. 10246 and Sewer CCN No. 20102 in Parker County. Without this action, Aledo has the exclusive right to provide retail water utility service to this area. Given that Commission rules

<sup>1</sup> 16 TAC §22.102(a)(3); 16 TAC §22.104(b).

<sup>2</sup> TEX. WATER CODE § 13.002(1); 16 TAC §24.3(5)

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permit a response by the CCN holder to the type of expedited release petition filed in this docket and encompass Aledo within the applicable "affected person" definition, Aledo should also be considered to have "standing to intervene" as one who: (1) has a right to participate which is expressly conferred by statute, commission rule or order or other law; or (2) has a justiciable interest which may be adversely affected by the outcome of the proceeding.<sup>3</sup> Therefore, Aledo seeks and should be granted Intervenor party status.

## **II. Response to Petition**

Aledo opposes this Petition on several grounds. First, the developer, Britt Phillips, chairman of PAI, has an approved plat from the Aledo City Council for 11 acres of the Property. Aledo is fully capable of providing water and sewer services to the Property, but at the developer's request, the council approved onsite septic and wells for the 11 acre development. It is Aledo's adopted policy that a developer brings the water and sewer lines to the property as part of the platting of the property. Aledo has the capacity to provide water and sewer once the line is connected to the Property. Along with the approved plat, the council has also approved a development agreement that allows well water and septic for eleven lots that are part of the Property. Aledo has already invested resources into eventually servicing this area with both water and sewer. Aledo has planned for future water and sewer customers to be located on the Property in Aledo's issuance of debt to construct the City's water and sewer facilities. Because Aledo has already invested in ultimately bringing water and sewer services to the Property, this petition should be denied.

Second, it is believed that PAI will seek to have the Property serviced for water and sewer from the City of Willow Park, Texas (Willow Park) despite the fact Aledo believes

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<sup>3</sup> 16 TAC §22.103(b)(1)-(2)

Willow Park will be unable to service the Property. Willow Park's water system is known to be barely sufficient to supply its current customers. While Aledo has a new wastewater treatment plant that services its customers, Willow Park's wastewater treatment plant is antiquated. Willow Park would also have to install sewer lines at a distance similar to what Aledo would have to provide in order to service the Property. Willow Park and PAI do not have a current agreement in place for Willow Park to provide water and sewer services to the Property. In the event the Property is not serviced by Willow Park, water and sewer services will likely be provided by Aledo even if this Petition is granted. Therefore, the Petition should be denied.

### **III. Request for Determination of Useless or Valueless Property**

A current CCN holder has a right to intervene in a proceeding and a right to a determination of useless or valueless property.<sup>4</sup> Aledo currently has personal property that will be rendered useless or valueless should the Petition be granted. Aledo believes that should this Petition be granted, Aledo would be due monetary compensation for such a loss. Aledo requests that the Commission examine the value of the amount of Aledo's debt allocable to service to the removed area; the amount of any expenditures for planning, design, or construction of the service facilities of Aledo's that are allocable to service to the removed area; the amount of Aledo's contractual obligations allocable to the removed area; necessary and reasonable legal expenses and professional fees; and any other relevant factors as determined by the Commission.<sup>5</sup> Aledo has invested time and energy planning for the servicing of this Property. This planning included both professional and legal fees. Aledo had planned for future water and sewer customers to be located on the Property and those future customers were calculated as part of Aledo issuing debt. Aledo should be compensated for its expenditures that are now useless and valueless. As an

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<sup>4</sup> 16 TAC §24.113(n)(2)

<sup>5</sup> 16 TAC §24.113(o)(10)(A),(C),(D),(G),(H)


alternative to denying this Petition, Aledo requests there be a determination that personal property of Aledo's has been rendered useless or valueless and Aledo is due compensation under such a determination.

#### **IV. Conclusion and Prayer**

Aledo respectfully requests the Honorable Administrative Law Judge issue an order that:

~~(1) grants Aledo's Motion to Intervene; (2) denies PIA's Petition; and (3) an alternative to denying this Petition, that there be a determination that personal property of Aledo's has been rendered useless or valueless and Aledo is due compensation under such a determination.~~

Respectfully submitted,



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**ATTORNEYS THE CITY OF ALEDO, TEXAS**

**CERTIFICATE OF SERVICE**

A true and correct copy of the above and foregoing instrument has been served on the Contestant and other parties show below via certified mail, return receipt requested to the address shown below on the 21<sup>st</sup> day of June, 2017 in accordance with 16 TAC §22.74(b).

Leonard Dougal  
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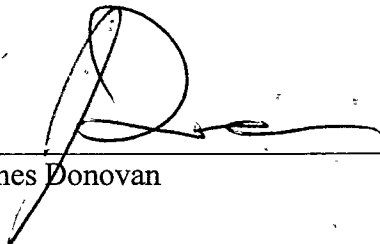
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