



Control Number: 47653



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DOCKET NO. 47653

RECEIVED

**MUSTANG SPECIAL UTILITY  
DISTRICT'S NOTICE OF INTENT TO  
PROVIDE RETAIL WATER SERVICE  
TO AREA DECERTIFIED FROM  
TERRA SOUTHWEST INC. IN DENTON  
COUNTY**

2017 NOV -3 AM 10:05  
PUBLIC UTILITY COMMISSION  
PUBLIC UTILITY COMMISSION  
OF TEXAS  
CLERK

### **JOINT PROPOSED ORDER**

This Order addresses Mustang Special Utility District's (Mustang SUD) notice of intent to provide water service to an area decertified from Terra Southwest Inc.'s (Terra Southwest) water certificate of convenience and necessity (CCN) No. 11608. Mustang SUD and Terra Southwest reached an agreement regarding compensation for any property rendered useless or valueless as a result of the decertification, resolving all issues among the parties in this proceeding. Consistent with that agreement, Terra Southwest will be compensated for any property rendered useless and valueless as a result of the decertification. The agreement is approved.

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

#### **I. Findings of Fact**

##### **Procedural History**

1. On September 28, 2017, Mustang SUD filed a notice of intent to provide retail water service to an approximately 102-acre area decertified from Terra Southwest's CCN No. 11608 in Denton County in TCEQ Application No. 37386-C. That notice of intent indicated that there was an agreement (Settlement Agreement) between Mustang SUD and Terra Southwest regarding compensation to be paid to Terra Southwest.
1. On October 2, 2017, the Commission issued Order No. 1, which requested the parties propose a procedural schedule to allow for the Settlement Agreement to be presented to the Commission at an open meeting.
2. On October 6, 2017, Mustang SUD filed a proposed procedural schedule.
3. On October 9, 2017, the Commission issued Order No. 2, which adopted the proposed procedural schedule.

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4. On October 19, 2017, the Commission's Staff filed its recommendation on final disposition, in which the Staff recommended that the Settlement Agreement be presented to the Commission at an open meeting for consideration and action.
5. Mustang SUD did not in any way render retail water service directly or indirectly to the public in the decertified area prior to providing compensation.
6. The agreement between Mustang SUD and Terra Southwest regarding compensation for property rendered useless or valueless as a result of the decertification is reasonable.

## **II. Conclusions of Law**

1. Terra Southwest and Mustang SUD are retail public utilities as defined in Tex. Water Code § 13.002(19) (TWC) and 16 Tex. Admin. Code § 24.3(59) (TAC).
2. The Commission has jurisdiction and authority over this docket under TWC §§ 13.041 and 13.254(d)—(e) and 16 TAC § 24.113.
3. This docket was processed in accordance with the requirements of TWC § 13.254 and 16 TAC § 24.113.
4. Terra Southwest's full endorsement of the agreement between itself and Mustang SUD satisfies the requirements of 16 TAC §§ 24.113(o)(2)(C)(ii) and (o)(6).
5. In accordance with TWC § 13.254(d), Mustang SUD has not and will not in any way render retail water service directly or indirectly to the public in the decertified area prior to providing compensation to Terra Southwest.
6. In accordance with TWC § 13.254(e), the amount of compensation was determined at the time Mustang SUD sought to provide service to the decertified area and before service is to be provided.
7. The requirements for informal disposition under 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 agreement between Mustang SUD and Terra Southwest regarding compensation for the property rendered useless or valueless as a result of the decertification pursuant to TCEQ Application No. 37356-C is approved.

2. Mustang SUD may provide retail water service to the approximately 102 acres decertified from water CCN No. 11608.
3. Entry of this Order does not indicate the Commissioner's endorsement or approval of any principle or methodology that may underlie the Settlement Agreement. Entry of this Order should not be regarded as precedent as to the appropriateness of any principle or methodology underlying the Settlement Agreement.
4. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted, are denied.

Signed at Austin, Texas the \_\_\_\_\_ day of December 2017.

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**DEANN T. WALKER, CHAIRMAN**

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**KENNETH W. ANDERSON, JR., COMMISSIONER**

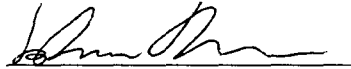
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**BRANDY MARTY MARQUEZ, COMMISSIONER**

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

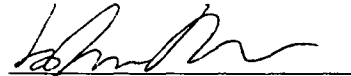
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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on November 3, 2017  
in accordance with 16 TAC § 22.74.



Joshua Adam Barron