



Control Number: 47899



Item Number: 23

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DOCKET NO. 47899

RECEIVED

APPLICATION OF KNOB HILL §  
LAKE ESTATES WATER SYSTEM §  
AND KNOB HILL WATER UTILITY §  
CORP FOR SALE, TRANSFER, OR §  
MERGER OF FACILITIES AND §  
CERTIFICATE RIGHTS IN DENTON §  
COUNTY §

PUBLIC UTILITY COMMISSION  
2018 JUN 22 PM 2:41  
PUBLIC UTILITY COMMISSION  
OF TEXAS  
CLERK

**COMMISSION STAFF'S RECOMMENDATION  
ON SUFFICIENCY OF NOTICE**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this recommendation on Sufficiency of Notice. In support thereof, Staff shows the following:

**I. BACKGROUND**

On December 22, 2017, Knob Hill Lake Estates Water Utility Corp (Knob Hill Lake Estates or Buyer), and Knob Hill Water System (Knob Hill Water or Seller), (collectively, applicants) filed an application for sale, transfer, or merger of facilities and certificate rights in Denton County. Specifically, Knob Hill Water Utility seeks approval to acquire all of water system assets and transfer the water service area from Knob Hill Water System's Certificate of Convenience and Necessity (CCN) No. 11414. The applicants are seeking a straight transfer of the requested area (no change in boundaries), which includes 78 total acres and 76 customers.

On April 4, 2018, the Administrative Law Judge (ALJ) issued Order No. 4, requiring applicants to file with the commission signed affidavits that the notice was given along with a copy of the notice sent to the affected parties by May 17, 2018. The Order further required Staff to file a recommendation on the sufficiency of notice and a proposed additional procedural schedule by May 27, 2018. Applicants provided signed affidavits that the notice was given along with a copy of the notice on June 14, 2018.

**II. SUFFICIENCY OF NOTICE**

Staff has reviewed the proof of notice provided by applicants. On April 2, 2018, Staff provided documents for applicant to use when providing notice. The notice documents used by the applicant

were not the same documents that were provided by Staff. Therefore, Staff recommends that the provision of notice be deemed insufficient.

Staff further recommends the Applicant be ordered to do the following:

- 1) Provide notice of the application to the following:
  - a) cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area;
  - b) the county judge of each county that is wholly or partially included in the requested area;
  - c) each groundwater conservation district that is wholly or partially included in the requested area; and
  - d) affected customers
  
- 2) Provide notice to the following:
  - Aqua Texas Inc. (CCN No. 13201)
  - Denton County FWSD 8A (CCN No. 13018)
  - Denton County FWSD 11 (CCN No. 13022)
  - Knob Hill Water System (CCN No. 11414)
  - Mustang SUD (CCN No. 11856)
  - Terra Southwest Inc (CCN No. 11608)
  - Town of Hackberry (CCN No. 12015)
  - Town of Little Elm (CCN No. 11202)
  - Town of Oak Point
  - Denton County FWSD 11-A
  - Denton County FWSD 11-B
  - Denton County MUD 4
  - Denton County MUD 5
  - Denton County MUD 8
  - North Texas Groundwater Conservation District
  - Oak Point WCID 1
  - Oak Point WCID 2
  - Oak Point WCID 3
  - Oak Point WCID 4
  - Upper Trinity Regional Water District
  - Valencia on the Lake WCID
  - Denton County Judge
  
- 3) File in the docket an affidavit specifying every person and entity to whom notice was provided and the date that the notice was provided within 30 days of the date of the notice. It is recommended that the Applicant use the attached notice and affidavit to meet these

requirements.

### III. PROCEDURAL SCHEDULE

Staff therefore proposes the following amended procedural schedule:

Event	Date
Deadline for Applicants to file with the Commission signed affidavits that the notice was given along with a copy of the notice sent to the affected parties and published in a newspaper of general circulation	July 22, 2018
Deadline for Staff to file a recommendation on sufficiency of notice	Within 10 days of applicants filing proof of completed notice with the Commission
Deadline to intervene	30 days after notice is issued

### IV. CONCLUSION

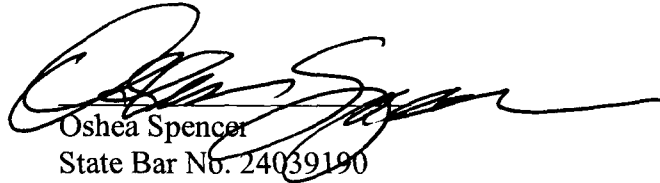
For the reasons detailed above, Staff recommends that the notice be found insufficient, that applicants be directed to provide notice as required by the attached notice documents, and the amended procedural schedule above be adopted.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney

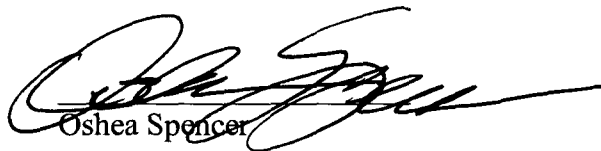


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**DOCKET NO. 47899**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on the June 22, 2018, in accordance with 16 TAC § 22.74.



Oshea Spencer

**Notice to Current Customers, Neighboring Systems, and Cities**

NOB HILL WATER UTILITY CORP.'S NOTICE OF INTENT TO OBTAIN A CERTIFICATE OF CONVENIENCE AND NECESSITY AND TO PURCHASE FACILITIES AND TRANSFER WATER SERVICE AREA UNDER CCN NO. 11414 FROM NOB HILL WATER SYSTEM IN DENTON COUNTY, TEXAS

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 2018  
(Name of Customer, Neighboring System, or City)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City State Zip)

Knob Hill Water Utility Corp.                      1555 Abbotts Lane                      Argyle, TX                      76226  
(Purchaser's or Transferee's Name)                      (Address)                      (City) (State)                      (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase water and facilities and to transfer water service area under CCN No. 11414 in Denton County, TX from:

Knob Hill Water System                      2861 High Meadow Drive                      Little Elm, TX                      75066  
(Seller's or Transferor's Name)                      (Address)                      (City) (State)                      (Zip Code)

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code § 13.301). The transaction and the transfer of the CCN includes the following subdivision: Knob Hill Lake Estates

The requested area is located approximately 1.3 miles northwest of downtown Town of Little Elm, TX, and is generally bounded on the north approximately 150 feet north by Knob Hill Drive; on the east by Lake Lewisville; on the south approximately 150 feet south by Quail Run Drive; and on the west by Wild Valley.

The requested area includes approximately 78 total acres and 76 current customers.

*Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date.*

If a public hearing is requested, the Commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

Si desea información en español, puede llamar al 1-512-936-7469

Karen Long Desmit: 214-536-7942  
Utility Representative

Knob Hill Water Utility Corp.  
Utility Name

PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES AND  
AFFECTED PARTIES  
DOCKET NO. 47899

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

has provided individual notice to the following:

	DATE
_____	_____
_____	_____
_____	_____
_____	_____

OATH

I, \_\_\_\_\_, being duly sworn, file this form as  
\_\_\_\_\_ (indicate relationship to applicant, that is owner,  
member or partnership, title of officer of corporation, or other authorized representative of applicant);  
that in such capacity, I am qualified and authorized to file and verify such form, am personally familiar  
with the notices given with this application, and have complied with all notice requirements in the  
application and application acceptance letter; and that all such statements made and matters set forth  
therein are true and correct.

\_\_\_\_\_  
Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant, or  
its' attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018 to certify which  
witness my hand and seal of office.

\_\_\_\_\_  
Notary Public in and for the State of Texas

\_\_\_\_\_  
Print or Type Name of Notary Public

Commission Expires \_\_\_\_\_