



Control Number: 48506



Item Number: 23

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DOCKET NO. 48506

RECEIVED

APPLICATION OF THE CITY OF
CELINA TO AMEND A SEWER
CERTIFICATE OF CONVENIENCE
AND NECESSITY IN COLLIN
COUNTY

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PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

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COMMISSION STAFF'S FINAL RECOMMENDATION

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Final Recommendation. In support thereof, Staff shows the following:

I. BACKGROUND

On July 3, 2018, the City of Celina filed an application to amend its sewer Certificate of Convenience and Necessity No. 20764 in Collin County. On October 11, 2018, Order No. 3 was issued, establishing a deadline of January 4, 2019 for Staff to file a final recommendation on the application. On January 4, 2019, this deadline was extended to January 18, 2019.

II. RECOMMENDATION

Staff has reviewed the application and recommends that this application for a CCN amendment be approved. As supported by Attachment A to this pleading, the memorandum of Leila Guerrero of the Water Utility Regulation Division, Staff recommends that the application be found to comply with the criteria outlined for CCN amendments in the Texas Water Code (TWC) §§ 13.241-250 and 16 Texas Administrative Code §§ 24.225-237. The map and certificate (Attachment B) were consented by the Applicant, and the consent forms were filed with the Commission on December 17, 2018. Staff further recommends that, following issuance of a Notice of Approval, the Applicant file certified copies of the CCN map along with a written description of the CCN service area in the county clerk's office of Collin County, pursuant to TWC §§ 13.257 (r)-(s).

III. CONCLUSION

Staff respectfully requests the entry of an order consistent with the above request.

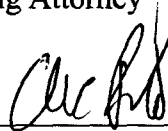
Dated: January 18, 2019

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. 48506

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on January 18, 2019, in accordance with 16 TAC § 22.74.



Alexander Petak

ATTACHMENT A

PUC Interoffice Memorandum

To: Alexander Petak, Attorney
Legal Division

Thru: Heidi Graham, Manager
Water Utility Regulation Division

From: Leila Guerrero, Regulatory Accountant/Auditor
Water Utility Regulation Division

Date: January 4, 2019

Subject: **Docket No. 48506**, *Application of the City of Celina to Amend its Sewer Certificate of Convenience and Necessity (CCN) in Collin County*

Background

On July 3, 2018, the City of Celina (Applicant) filed with the Public Utility Commission of Texas (Commission) an application to amend its sewer Certificate of Convenience and Necessity (CCN) No. 20764 in Collin County, Texas pursuant to Texas Water Code Ann. (TWC), §§ 13.242 to 13.250 and the 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237, formerly 16 TAC §§ 24.101 to 24.107. The requested area included approximately 28,806 acres of uncertificated area.

Notice

The comment period ended October 15, 2018. No requests for hearing were received by the Commission during the comment period. The Commission received five opt-out requests from landowners within the requested area. The proposed map was revised by the Applicant to remove the opted-out areas. The total requested area with the opted-out areas removed is approximately 28,382 acres which includes approximately 5,640 acres within the Applicant's corporate limits, approximately 17,732 acres within the Applicant's extraterritorial jurisdiction (ETJ) and approximately 5,010 acres outside of the Applicant's ETJ.

Criteria Considered

TWC § 13.246(c) requires the Commission to consider nine criteria when granting or amending a CCN. Therefore, the following criteria were considered:

TWC § 13.246(c)(1) requires the commission to consider the adequacy of service currently provided to the requested area.

There are no existing sewer customers in the requested area.

TWC § 13.246(c)(2) requires the commission to consider the need for service in the requested area. The Applicant is proposing an additional 2,000 connections in the requested area.

TWC § 13.246(c)(3) requires the commission to consider the effect of granting an amendment on the recipient and on any other retail public utility servicing the proximate area. There will be no effect on any other retail public utility servicing the proximate area.

because most of the requested area is within the City's ETJ.

TWC § 13.246(c)(4) requires the commission to consider the ability of the Applicant to provide adequate service. The Applicant has an existing wastewater treatment plant registered with the Texas Commission on Environmental Quality under Water Quality Permit No. WQ0014246001. The plant and permit have excess capacity to provide sewer service for the proposed connections in the requested area. The Applicant also has the ability to expand their plant and amend their permit to add additional capacity.

TWC § 13.246(c)(5) requires the commission to consider the feasibility of obtaining service from an adjacent retail public utility. Notice was provided to the retail public utilities adjacent to the requested area and no requests to intervene were received by the Commission.

TWC § 13.246(c)(6) requires the commission to consider the financial ability of the Applicant to pay for facilities necessary to provide continuous and adequate service. 16 TAC § 24.11(e) lists the financial tests.

Leverage Test

Based on the comprehensive annual report (CAFR) for 2016 and 2017, filed with the application, the Applicant meets two out of the five leverage tests. The Applicant meets the debt service coverage ratio with a ratio of 1.48, which is more than 1.25, and has sufficient unrestricted cash available as a cushion to pay debt service as they become due. The Applicant is only required to meet one of the leverage tests.

Operations Test

The Applicant meets the operations test. The owner or operator must demonstrate sufficient cash is available to cover any projected operations and maintenance shortages in the first five years of operations. The Applicant's financial projections for five years was not available at the time of Staff's review, however, the Applicant's CAFR for Fiscal Year ended September 30, 2017, also includes financial data for FY 2008 – 2016. The operations and maintenance costs are projected based on the Applicant's past financial experience and meet 16 TAC § 24.11(e)(3). Thus, there are no shortages to cover.

TWC §§ 13.246(7) and (9) require the commission to consider the environmental integrity and the effect on the land to be included in the certificate. The environmental integrity of the land will be minimally affected by future construction.

TWC § 13.246(8) requires the commission to consider the probable improvement in service or lowering of cost to consumers. Sewer service will be available to future customers in the requested area.

The Applicant consented to the attached map and certificate on December 17, 2018.

Staff recommends that the Applicant meets all of the statutory requirements of TWC Chapter 13 and the Commission's Chapter 24 rules and regulations, is capable of providing continuous and adequate service and approval of this application to amend sewer CCN No. 20764 is necessary for the service, accommodation, convenience, and safety of the public.

ATTACHMENT B



Public Utility Commission of Texas

**By These Presents Be It Known To All That
City of Celina**

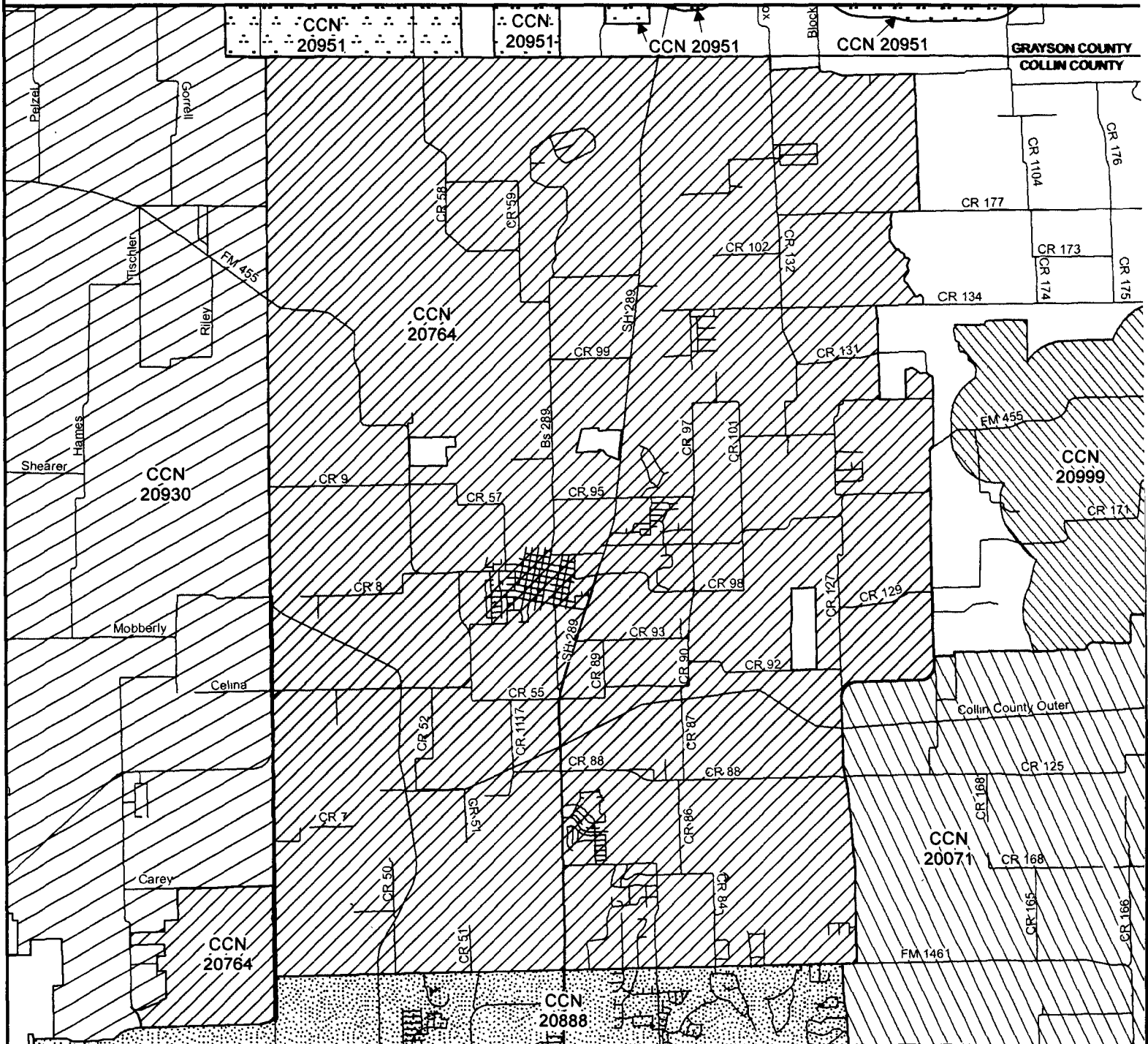
having obtained certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, City of Celina is entitled to this

Certificate of Convenience and Necessity No. 20764







to provide continuous and adequate sewer utility service to that service area or those service areas in Collin County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48506 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 City of Celina, 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 _____ day of _____ 2018.

City of Celina
Sewer CCN No. 20764
PUC Docket No. 48506
Amended CCN No. 20764 in Collin County



Sewer CCN

-  20764 - City of Celina
-  20951 - City of Gunter
-  20999 - City of Weston
-  20071 - City of McKinney
-  20888 - City of Prosper
-  20930 - Mustang SUD

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Feet



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

Map by: Komal Patel
Date created: December 7, 2018
Project Path: n:\finalmapping\
48506CityofCelina.mxd