



Control Number: 48569



Item Number: 10

Addendum StartPage: 0

DOCKET NO. 48569

RECEIVED

APPLICATION OF DENTON §  
COUNTY FRESH WATER SUPPLY §  
DISTRICT NO. 10 FOR PARTIAL §  
DECERTIFICATION OF ITS CCN §  
SERVICE AREA AND APPROVAL §  
OF A SERVICE AREA CONTRACT §  
WITH MUSTANG SPECIAL §  
UTILITY DISTRICT UNDER TEXAS §  
WATER CODE § 13.248 IN DENTON §  
COUNTY §

PUBLIC UTILITY COMMISSION

2018 SEP 10 AM 1:54  
PUBLIC UTILITY COMMISSION  
OF TEXAS FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE  
COMPLETENESS**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation on Administrative Completeness in response to Order No. 1 and would show the following:

**I. BACKGROUND**

On August 3, 2018, Denton County Fresh Water Supply District No. 10 (the District) filed a petition for approval of an agreement with Mustang Special Utility District (Mustang SUD) under Texas Water Code (TWC) § 13.248 and 16 Texas Administrative Code (TAC) § 24.117. As part of that agreement, a portion of certificated service area that is currently dually certificated to the District and Mustang SUD would be decertified from the District's water and sewer certificates of convenience and necessity (CCN) Nos. 13021 and 20923. On September 4, 2018, the District filed supplemental information.

On August 13, 2018, Order No. 1 was issued, establishing a deadline of September 4, 2018, for Staff to file a recommendation on the administrative completeness of the petition and proposed notice and propose a procedural schedule. This pleading is therefore timely filed.

**II. ADMINISTRATIVE COMPLETENESS**

As detailed in the attached memorandum from Fred Bednarski in the Commission's Water Utility Regulation Division, Staff has reviewed the petition and recommends that it be found administratively complete. Specifically, the Petition as supplemented on September 4 includes the information required by 16 TAC § 24.117(b), including complete maps and mapping data, a copy

10

of the executed agreement, the number of customers to be transferred, and the information necessary to evaluate the District's proposed notice under 16 TAC § 24.117(c).

### III. NOTICE

Notice requirements for TWC § 13.248 applications are defined in 16 TAC § 24.117(c), which provides that the notice requirements of 16 TAC § 24.106 do not apply to TWC § 13.248 applications. Affected customers will be transferred as part of the agreement between the District and Mustang SUD. Therefore, consistent with 16 TAC § 24.117(c)(1) and as further detailed in the attached memorandum, Staff recommends that individual notice be provided to the affected customers using the attached notice. Consistent with 16 TAC § 24.117(c)(3), Staff further recommends that proof of notice be filed using the attached affidavit along with a representative copy of the notice provided.

### IV. PROCEDURAL SCHEDULE

Staff recommends that the petition be found administratively complete. Staff therefore proposes the following procedural schedule:

Event	Date
Deadline for Applicant to file proof of notice with the Commission	October 4, 2018
Deadline for Staff to file a recommendation on sufficiency of notice	Within 10 days of Applicant filing proof of completed notice with the Commission
Deadline to intervene	30 days after notice is issued

### V. CONCLUSION

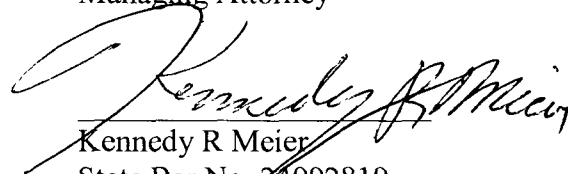
For the reasons discussed above, Staff recommends that the petition be deemed administratively complete, that notice be provided as detailed above, and that the proposed procedural schedule be adopted for further processing of this docket.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney

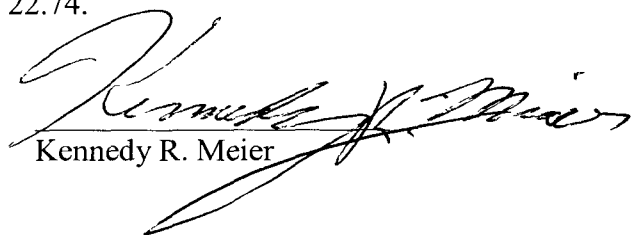


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**DOCKET NO. 48569**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on this the 4<sup>th</sup> of September, 2018 in accordance with 16 TAC § 22.74.



Kennedy R. Meier

## PUC Interoffice Memorandum

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**To:** Kennedy Meier, Attorney  
Legal Division

**Through:** Lisa Fuentes, Manager  
Water Utilities Division

**From:** Fred Bednarski, Financial Analyst  
Water Utilities Division

**Date:** September 04, 2018

**Subject:** **Docket No. 48569** *Application of Denton County Fresh Water Supply District No. 10 for partial Decertification of its CCN Service Area and Approval of a Service Area Contract with Mustang Special Utility District under Texas Water Code § 13.248 in Denton County*

On August 3, 2018, Denton County Fresh Water Supply District No. 10 (Denton County FWSD 10) filed a petition with the Public Utility Commission of Texas to decertify a portion of its water Certificate of Convenience and Necessity (CCN) No. 13021 and its sewer CCN No. 20923 in Denton County pursuant to Texas Water Code § 13.248. The area to be decertified is currently dually certificated, for water and sewer, with Mustang Special Utility District's (Mustang SUD) water CCN No. 11856 and sewer CCN No. 20930. If approved, Mustang SUD will be singly certificated in the requested area and will serve the existing customers. The total area includes approximately .849 acres and 2,452 current customers.

Staff has reviewed the application and mapping documentation filed on August 03, 2018, and supplemented on September 4, 2018, and recommends the application be deemed administratively complete and sufficient for filing. Staff further recommends the Applicant be ordered to do the following:

- 1) Provide correct notice of the application, with current rates, and the effective dates those rates were instituted, to all affected customers under 16 Texas Administrative Code § 24.117(c).
- 2) Include a copy of an accurate map delineating the requested area with each individual notice.
- 3) Within 30 days of the date of the notice, file in the docket a map and copy of notice along with an affidavit specifying every person and entity to whom notice was provided and the date that the notice was provided. It is recommended that the Applicants use the attached notice and affidavit to meet these requirements.

**Notice to Current Customers**  
 NOTICE OF APPLICATION TO AMEND WATER AND SEWER CERTIFICATES OF  
 CONVENIENCE AND NECESSITY IN DENTON COUNTY, TEXAS

To: \_\_\_\_\_  
 (Customers)  
 \_\_\_\_\_  
 (Address)  
 \_\_\_\_\_  
 (City State Zip)

Date Notice Mailed: \_\_\_\_\_, 2018

Denton County Fresh Water Supply District No. 10 (Denton County FWSD), water Certificate of Convenience and Necessity (CCN) No. 13021 and sewer CCN No. 20923. has submitted an application with the Public Utility Commission of Texas pursuant to Tex. Water Code § 13.248, for approval of a contract service agreement to decertify area dually certificated with Mustang Special Utility District's (Mustang SUD) water CCN No. 11856 and sewer CCN No. 20930. If approved, Mustang SUD will be singly certificated for service in the area and will serve the existing customers.

The requested area is located approximately 6 miles west of downtown Prosper, TX, and is generally bounded on the north by Bryan Road; on the east by FM 1385; on the south by US Hwy 380 (E. University Drive); and on the west by Trenton Drive. The requested area includes approximately 849 total acres and 2,452 customers in Arrowbrooke and Savannah subdivisions.

This contract service agreement will have the following effect on the customers' rates and services: Customers will be charged the following rates. The Effective Date of these rates is January 19, 2017.

Monthly Rates for Residential Water Service – Monthly base rate \$24.50 plus for each 1,000 gallons of water actually used up to 5,000 gallons \$3.00 per 1,000 gallons; 5,001-10,000 gallons \$4.00 per 1,000 gallons; and over 10,000 gallons \$5.00 per 1,000 gallons.

Monthly Rates for Residential Sanitary Sewer Service – Monthly base rate \$43.50 for up to 5,000 gallons of water used; \$45.50 for water usage of 5,001-10,000 gallons of water used; and \$48.50 for water usage over 10,000 gallons of water used.

Monthly Rates for Commercial Water Service

<u>Meter Size</u>	<u>Monthly Minimum Facility Charge</u>	<u>Gallonage Charge</u>
3/4"	<u>\$17.00</u>	<u>\$4.00 per 1000 gallons</u>
1"	<u>\$25.00</u>	
1½"	<u>\$45.00</u>	
2"	<u>\$75.00</u>	
4"	<u>\$640.00</u>	
6"	<u>\$1425.00</u>	
8"	<u>\$1675.00</u>	

Monthly Rates for Commercial Sanitary Sewer Service - \$30.00 and \$2.50 for each 1,000 gallons of water metered

Monthly Rates for Water Service to Churches and Schools

<u>Meter Size</u>	<u>Monthly Facility Charge</u>	<u>Gallonage Charge</u>
3/4"	<u>\$17.00</u>	<u>\$2.80</u> per 1000 gallons
1"	<u>\$25.00</u>	
1½"	<u>\$45.00</u>	
2"	<u>\$75.00</u>	
4"	<u>\$500.00</u>	
6"	<u>\$1000.00</u>	

Monthly Rates for Sanitary Sewer Service to Churches and Schools

Monthly Facility Charge - \$30.00 and \$1.50 for each 1,000 gallons of water metered

Monthly Rates for Water Service to Apartments - \$24.50 plus 0-5,000 gallons \$3.00 per 1,000 gallons, 5,001-10,000 gallons \$4.00 per 1,000 gallons and over 10,000 gallons \$5.00 per 1,000 gallons.

Monthly Rates for Sanitary Sewer to Apartments - \$31.50 for up to 5,000 gallons of water used, \$33.50 for water usage of 5,001-10,000 gallons of water used and \$35.50 for water usage over 10,000 gallons of water used.

Apartment units served by a master meter Water Rates

<u>Meter Size</u>	<u>Monthly Facility Charge</u>	<u>Gallonage Charge</u>
3/4"	<u>\$17.00</u>	<u>\$4.00</u> per 1000 gallons
1"	<u>\$25.00</u>	
1½"	<u>\$45.00</u>	
2"	<u>\$75.00</u>	
4"	<u>\$640.00</u>	
6"	<u>\$1425.00</u>	
8"	<u>\$1675.00</u>	

**See enclosed map of the requested area.**

*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 valid public hearing is requested, the Commission 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 a final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CUSTOMERS  
DOCKET NO. 48569

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

Before me, the undersigned authority, on this day personally appeared

\_\_\_\_\_ ,

who being by me duly sworn, deposes and that (s)he is the

\_\_\_\_\_ of the \_\_\_\_\_  
(TITLE) (NAME OF UTILITY)

that the attached notice was provided to customers by

\_\_\_\_\_  
(METHOD USED TO PROVIDE NOTICE)

on or about the following date, to wit \_\_\_\_\_,  
(DATE)

\_\_\_\_\_  
(SIGNATURE OF UTILITY OFFICIAL)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_  
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 \_\_\_\_\_