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DOCKET NO. 48569

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10:29

APPLICATION OF DENTON COUNTY §
FRESH WATER SUPPLY DISTRICT §
NUMBER 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
FILING CLERK
OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of the Denton County Fresh Water Supply District Number 10 (the District) to amend certificates of convenience and necessity (CCN) numbers 13021 and 20923 in Denton County. The Commission amends the District’s water and sewer CCNs to remove the area requested and approves the agreement between the District and Mustang Special Utility District allocating service areas and customers.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. The District provides utility service under water CCN number 13021 and sewer CCN number 20923.
2. Mustang provides utility service under water CCN number 11856 and sewer CCN number 20930.
3. The District and Mustang currently are dually certificated to provide retail water and sewer utility service to a portion of both the District’s and Mustang’s service areas (affected area).

Application

4. On August 3, 2018, the District filed a petition to amend its water and sewer CCNs and for approval of an agreement to transfer customers between the District and Mustang under Texas Water Code § 13.248. The District has provided its written consent to amend its water and sewer CCNs to remove the areas dually certificated with Mustang.

5. In Order No. 2 issued on September 10, 2018, the administrative law judge (ALJ) found the application administratively complete and directed the District to provide notice.
6. On December 10, 2018, the District filed a consent form concurring with the CCN service area maps and CCN certificates as prepared by Commission Staff.
7. On December 11, 2018, Mustang filed a consent form concurring with the CCN service area maps and CCN certificates as prepared by Commission Staff.

Current Service

8. The District provides retail water and sewer utility service to its customers in the affected area through a wholesale services and billing agreement with Mustang. The petition and the underlying contract between the District and Mustang propose changing this arrangement so that Mustang will provide retail water and sewer utility service directly through their water and sewer CCNs to customers in the area to be removed from the District's water and sewer CCNs.
9. The affected area covers approximately 849 acres with 2,452 customers being served by the District within the affected area.
10. The affected area is located approximately six miles west of downtown Prosper, Texas, and is generally bounded on the north by Bryan Road; on the east by FM 1385; on the south by U.S. Hwy 380; and on the west by Trenton Drive.

Need for Additional Service

11. The District and Mustang have entered into a contract designating areas and customers to be served by each retail public utility respectively.

Effect of Granting the Application on Retail Public Utilities and Landowners

12. Mustang currently provides water and sewer service to the customers in the area on a wholesale basis. The transfer of customers proposed by the contract will change the nature of Mustang's service from wholesale to retail. The services provided to the customers will be the same, and the rates charged to customers by the transfer will not change.
13. In accordance with the contract, when the customers are transferred from the District to Mustang, the District will transfer all customers' deposits associated with customers in the

affected area to Mustang, and the rates charged customers that are transferred from the District to Mustang will not be changed.

Financial Ability to Pay for, Operate, and Manage Facilities

14. Mustang is currently certificated to serve the affected area and has adequate financial, managerial, and technical capability to provide continuous and adequate retail water and sewer service to the affected area.

Notice

15. Notice of the application appeared in the August 24, 2018 issue of the *Texas Register*.
16. An amended notice of the application appeared in the August 31, 2018 issue of the *Texas Register*.
17. The contract between the District and Mustang was discussed at the District's Board of Directors meeting on September 21, 2017.
18. On October 3, 2018, the District filed the affidavit of Christian Boyd, General Manager of Mustang, attesting that notice was provided to the District's customers within the affected area on October 2, 2018.
19. In Order No. 5 issued on October 17, 2018, the ALJ found the notice sufficient.

Evidentiary Record

20. On January 10, 2019, the District, Mustang, and Commission Staff filed a joint motion to admit evidence.
21. In Order No. 6 issued on January 31, 2019, the ALJ admitted the following evidence into the record of this proceeding: (a) the District's application filed on August 3, 2018; (b) the District's response to Order No. 1 filed on August 16, 2018; (c) amended notice of application filed on August 17, 2018; (d) additional information requested from the District filed on September 4, 2018; (e) Commission Staff's recommendation on administrative completeness filed on September 4, 2018; (f) the District's proof of notice filed on October 3, 2018; (g) Commission Staff's recommendation on sufficiency of notice filed on October 15, 2018; (h) the District's response to the request for information from Commission Staff filed on November 28, 2018; (i) the District's executed consent form filed on December 10, 2018; (j) Mustang's executed consent form filed on

December 11, 2018; and (k) Commission Staff's final recommendation and supporting documentation filed on December 17, 2018.

Maps and Certificates

22. On December 3, 2018, Commission Staff emailed its proposed maps and certificates to District and Mustang.
23. On December 10, 2018, District filed its consent to the proposed maps and certificate.
24. On December 11, 2018, Mustang filed its consent to the proposed maps and certificate.
25. On December 17, 2018, Commission Staff filed the proposed maps and certificates as an attachment to its recommendation.

Interventions

26. On August 8, 2018, Mustang filed a motion to intervene.
27. In Order No. 4 issued on October 17, 2018, the ALJ granted Mustang's motion to intervene.

Informal Disposition

28. More than 15 days have passed since the completion of the notice provided in this docket.
29. No person filed a protest or motion to intervene.
30. The District, Mustang, and Commission Staff are the only parties to this proceeding.
31. No hearing was requested and no hearing is necessary.
32. Commission Staff recommended approval of the application.
33. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over the application under Texas Water Code (TWC) §§ 13.041, 13.241, 13.248, and 13.254(a).
2. The District and Mustang are retail public utilities as defined in TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(59).
3. Notice of the application complies with TWC § 13.248 and 16 TAC § 24.253.

4. The Commission processed the application in accordance with the Administrative Procedure Act,¹ the TWC, and Commission rules.
5. Under TWC § 13.257(r) and (s), the District and Mustang must record a certified copy of the approved CCNs and maps, along with a boundary description of the service area, in the real property records of each county in which the service area or a portion of the service area is located and to submit to the Commission evidence of the recording.
6. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with the preceding findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the application to amend the District's CCN number 13021 and number 20923 as described in this Notice of Approval and shown on the attached map.
2. The Commission approves the application to amend Mustang's CCN number 11856 and number 20930 as described in this Notice of Approval and shown on the attached map.
3. The Commission's official service area boundary maps for the District will reflect the changes as shown on the attached maps.
4. The District must serve every customer and applicant for service within the area certified under CCN number 13021 and number 20923 and such service must be continuous and adequate.
5. Mustang must serve every customer and applicant for service within the affected area and all other area certified under CCN number 11856 and number 20930 and such service must be continuous and adequate.
6. The Commission grants the certificates attached to this Notice of Approval.
7. The District and Mustang must comply with the recording requirements of TWC §§ 13.257(r) and (s) for the area in Denton County affected by the application and must

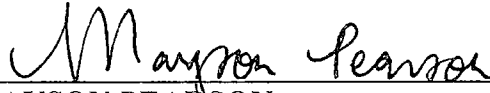
¹ Tex. Gov't Code §§ 2001.001–.902.

submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice of Approval.

8. The District and Mustang must file in this docket proof of the recording required in ordering paragraph 7 not later than 45 days after the date of this Notice of Approval.
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 25th day of April 2019.

PUBLIC UTILITY COMMISSION OF TEXAS



MAYSON PEARSON
ADMINISTRATIVE LAW JUDGE

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Public Utility Commission of Texas

By These Presents Be It Known To All That

Mustang Special Utility District

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, Mustang Special Utility District is entitled to this

Certificate of Convenience and Necessity No. 20930

to provide continuous and adequate sewer utility service to that service area or those service areas in Denton County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48569 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 Mustang Special Utility District 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 25th day of April 2019.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Mustang Special Utility District

having obtained certification to provide water 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, Mustang Special Utility District is entitled to this

Certificate of Convenience and Necessity No. 11856

to provide continuous and adequate water utility service to that service area or those service areas in Denton County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48569 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 Mustang Special Utility District 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 25th day of April 2019.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Denton County Fresh Water Supply District No. 10

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, Denton County Fresh Water Supply District No. 10 is entitled to this

Certificate of Convenience and Necessity No. 20923

to provide continuous and adequate sewer utility service to that service area or those service areas in Denton County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48569 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 the Denton County Fresh Water Supply District No. 10 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 25th day of April 2019.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Denton County Fresh Water Supply District No. 10

having obtained certification to provide water 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, Denton County Fresh Water Supply District No. 10 is entitled to this

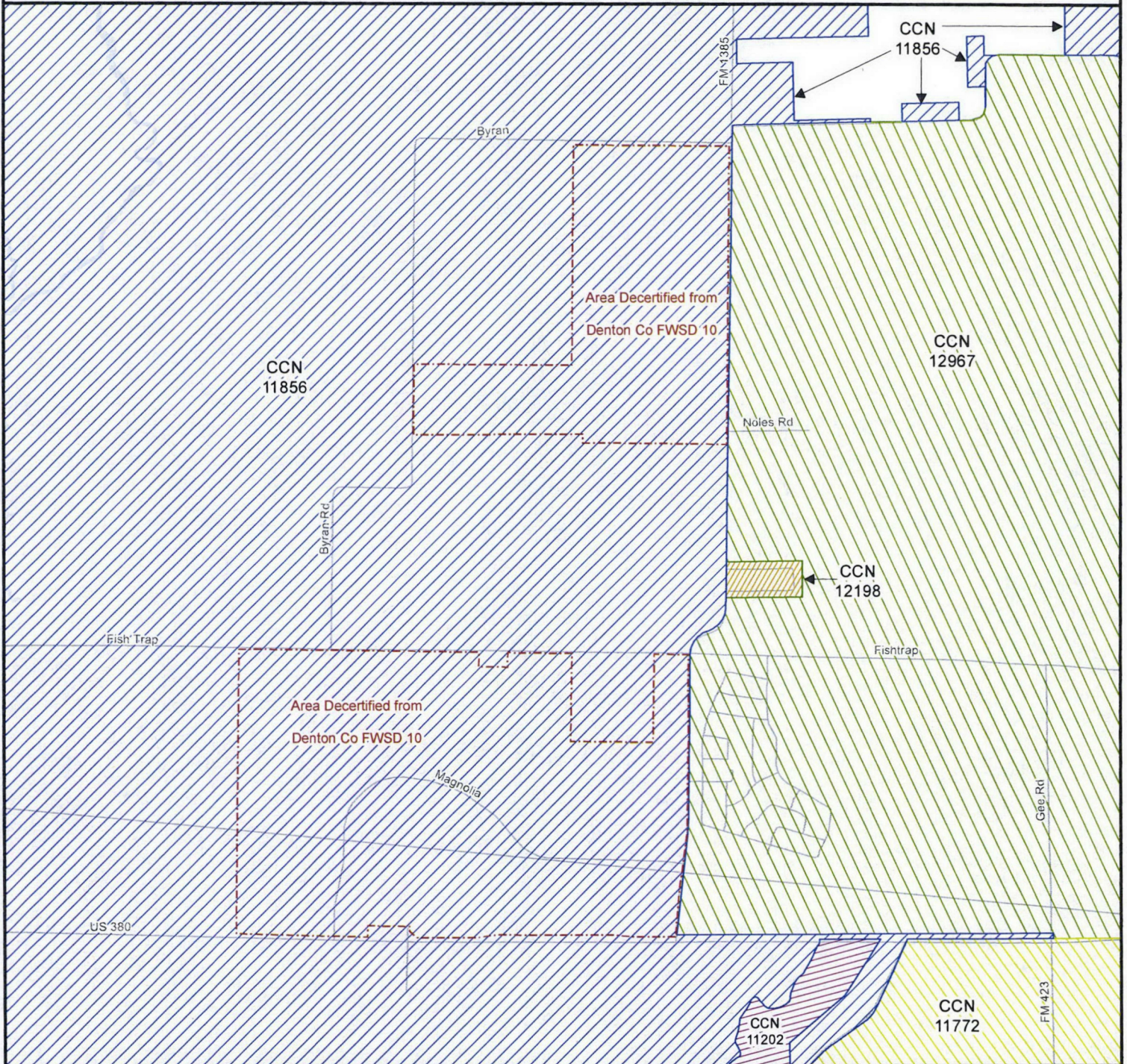
Certificate of Convenience and Necessity No. 13021

to provide continuous and adequate water utility service to that service area or those service areas in Denton County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48569 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 the Denton County Fresh Water Supply District No. 10 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 25th day of April 2019.


Denton County Fresh Water Supply District No. 10
 Portion of Water CCN No. 13021
 PUC Docket No. 48569

13.248 Agreement Decertified a Portion of Denton County Fresh Water Supply District No. 10
 in Denton County



Water CCN

-  11856 - Mustang SUD
-  12967 - City of Prosper
-  12198 - Water Assn of North Lake Inc
-  11202 - Town of Little Elm
-  11772 - City of Frisco

 Area Decertified

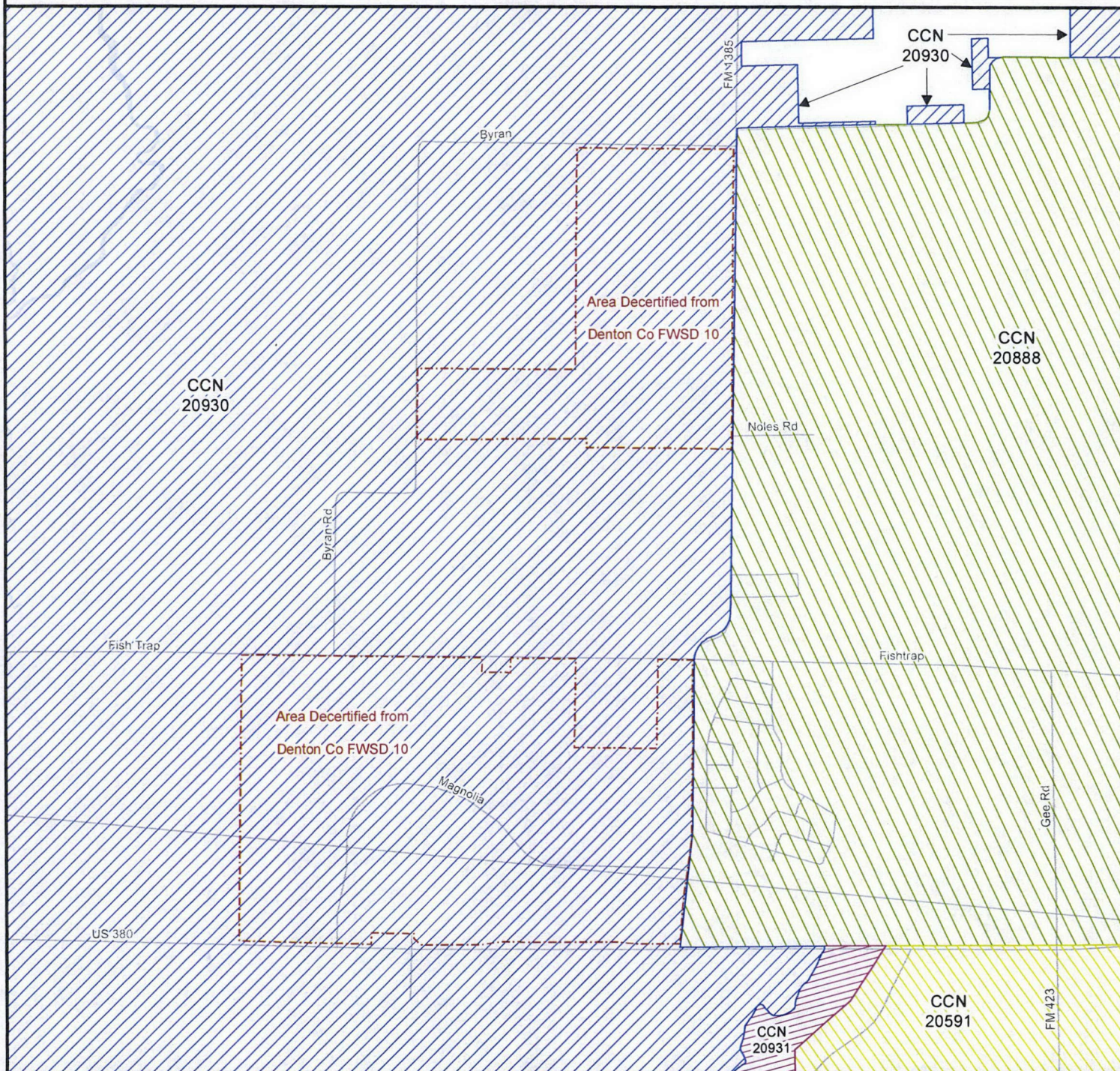
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Public Utility Commission of Texas
 1701 N. Congress Ave
 Austin, TX 78701

Map by: Komal Patel
 Date created: November 16, 2018
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Denton County Fresh Water Supply District No. 10
Portion of Sewer CCN No. 20923
PUC Docket No. 48569
13.248 Agreement Decertified a Portion of Denton County Fresh Water Supply District No. 10
in Denton County

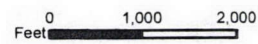


Public Utility Commission of Texas
 1701 N. Congress Ave
 Austin, TX 78701

Sewer CCN

- 20930 - Mustang SUD
- 20888 - City of Prosper
- 20931 - Town of Little Elm
- 20591 - City of Frisco

Area Decertified



Map by: Komal Patel
 Date created: November 16, 2018
 Project Path: n:\finalmapping\
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