



Control Number: 48660



Item Number: 24

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**APPLICATION OF THE CITY OF
LUCAS TO AMEND A WATER
CERTIFICATE OF CONVENIENCE
AND NECESSITY IN COLLIN
COUNTY**

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PUBLIC UTILITY COMMISSION: 21

PUBLIC UTILITY COMMISSION
FILING CLERK

OF TEXAS

JOINT MOTION TO ADMIT EVIDENCE AND PROPOSED NOTICE OF APPROVAL

COME NOW, the City of Lucas (Lucas) and Staff of the Public Utility Commission of Texas (Staff), representing the public interest, (collectively, the Parties), and file this Joint Motion to Admit Evidence and Joint Proposed Notice of Approval. In support thereof, the Parties show the following:

I. BACKGROUND

On September 4, 2018, Lucas filed an application to amend water certificate of convenience and necessity (CCN) No. 10193 in Collin County. Lucas is amending its CCN so that it reflects the actual service territory that it currently serves. The requested area includes adding approximately 2,951 acres, 2,693 current customers and no new customers.

On May 14, 2019, the administrative law judge (ALJ) issued Order No. 7, granting Staff's extension request, and requiring parties to file joint proposed findings of fact, including findings that address the factors in Texas Water Code § 13.246(c), and corresponding conclusions of law by May 28, 2019. This pleading is therefore timely filed.

II. JOINT MOTION TO ADMIT EVIDENCE

Staff respectfully requests that the following documents be admitted into evidence in this proceeding for the purpose of supporting a Commission notice of approval consistent with Staff's recommendation:

1. Application of the City of Lucas to Amend a Water Certificate of Convenience and Necessity in Collin County, filed on September 4, 2018 (AIS Item No. 1);
2. Notice of Application to Amend a Water Certificate of Convenience and Necessity, filed on September 11, 2018 (AIS Item No. 3);
3. Revised Maps, filed on October 31, 2018 (AIS Item No. 7);

4. Proof of Publication and Notice to Customers, filed on January 14, 2019 (AIS Item No. 11);
5. Affidavit of Notice to Current Customers, Landowners, Neighboring Utilities and Affected Parties, filed on March 6, 2019 (AIS Item No. 14);
6. Consent Form, filed April 22, 2019 (AIS Item No. 19);
7. Commission Staff's Recommendation on Final Disposition, and all attachments thereto, filed on May 2, 2019 (AIS Item No. 20);
8. Commission Staff's Amended Recommendation on Final Disposition, and all attachments thereto, filed on May 28, 2019 (AIS Item No. 23); and
9. The attached final map and certificate.

III. JOINT PROPOSED NOTICE OF APPROVAL

The attached Notice of Approval would grant Lucas's application for approval of the application to amend water CCN No. 10193 in Collin County, Texas. Also attached are the final map and certificate that were provided by Staff to the Applicant on April 15, 2019, and subsequently approved by Applicant via filed consent form on April 22, 2019. Staff and Applicant have reviewed and agreed to the attached Proposed Notice of Approval.

This docket was processed in accordance with applicable statutes and Commission rules. Notice of the application was issued pursuant to applicable Commission rules. Lucas and Staff are the only parties to this proceeding. The parties jointly request that the attached Proposed Notice of Approval be adopted.

IV. CONCLUSION

Applicants have agreed that Staff is authorized to file this pleading on their behalf. Therefore, the Parties respectfully request that the Commission grant the Motion to Admit Evidence, and adopt the attached Joint Proposed Notice of Approval.

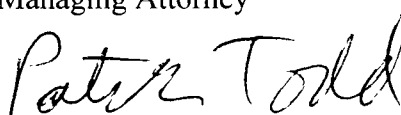
Date: May 28, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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**DOCKET NO. 48660
CERTIFICATE OF SERVICE**

I certify that a copy of this document was served on all parties of record on May 28, 2019, in accordance with the requirements of 16 TAC § 22.74.



Patrick Todd

DOCKET NO. 48660

APPLICATION OF THE CITY OF	§	PUBLIC UTILITY COMMISSION
LUCAS TO AMEND A WATER	§	
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY IN COLLIN	§	OF TEXAS
COUNTY	§	

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of the City of Lucas (Lucas) to amend its water certificate of convenience and necessity (CCN) number 10193 to include additional acres of land in Collin County. The Commission amends Lucas's water CCN number 10193 to include the requested service area addition.

I. FINDINGS OF FACT

The Commission makes the following findings of fact.

Applicant

1. Lucas is a municipal corporation operating as a home rule general law municipality.
2. Lucas provides water service to approximately 2,693 current customers.
3. Lucas owns and operates facilities for providing water service in Collin County.
4. Lucas is authorized to provide water service under Texas Commission on Environmental Quality (TCEQ) permitted public water system (PWS) identification number 0430054 and Commission water CCN number 10193.

Application

5. On August 22, 2018, Lucas filed an application to amend water CCN number 10193 in Collin County.
6. Lucas seeks to add new acreage to CCN number 10193 in which existing customers are located, for an approximate total acreage of 2,951 acres.
7. The requested additions to its bounded service area are within Lucas's city limits.
8. Lucas seeks to conform the boundaries of its CCN to include areas that it is currently serving.

9. The requested service area addition is located 6 miles west of downtown Allen and bounded on the north by Fairview, on the east by Wylie, on the south by Wylie/Parker, and on the west by Allen.
10. No portion of the requested service area addition is located within an incorporated city, other than Lucas, a district, or the certificated service area of another utility.
11. In Order No. 3 issued on November 14, 2018, the administrative law judge (ALJ) found the application administratively complete.
12. On April 22, 2019, Lucas filed a signed consent form agreeing to the map and certificate as prepared by Commission Staff.

Notice of Application

13. Notice of the application appeared in the September 21, 2018 issue of the *Texas Register*.
14. On January 14, 2019, Lucas filed a publisher's affidavit attesting to notice by publication on December 20, 2018, and December 27, 2019, in the Allen American, a newspaper of general circulation in Collin County.
15. On March 6, 2019, Lucas filed the affidavit of Stanton Foerster, city engineer for Lucas, attesting that notice was mailed to current customers, landowners, neighboring utilities, and affected parties on December 20, 2018.
16. In Order No. 5 issued on March 20, 2019, the ALJ found the notice sufficient.

Evidentiary Record

17. On May 28, 2019, Commission Staff and Lucas filed an agreed motion to admit evidence and proposed notice of approval.
18. In Order No. 8 issued _____, the ALJ admitted the following evidence into the record of this proceeding: Application of the City of Lucas to Amend a Water Certificate of Convenience and Necessity in Collin County, filed on September 4, 2018 (AIS Item No. 1); Notice of Application to Amend a Water Certificate of Convenience and Necessity, filed on September 11, 2018 (AIS Item No. 3); Revised Maps, filed on October 31, 2018 (AIS Item No. 7); Proof of Publication and Notice to Customers, filed on January 14, 2019 (AIS Item No. 11); Affidavit of Notice to Current Customers, Landowners, Neighboring Utilities and Affected Parties, filed on March 6, 2019 (AIS Item No. 14); Consent Form, filed April 22, 2019 (AIS Item No. 19); Commission Staff's Recommendation on Final

Disposition, and all attachments thereto, filed on May 2, 2019 (AIS Item No. 20); Commission Staff's Amended Recommendation on Final Disposition, and all attachments thereto, filed on May 28, 2019 (AIS Item No. 23); and the attached final map and certificate.

Adequacy of Existing Service — TWC § 13.246(c)(1), 16 TAC 24.227(d)(1)

19. Lucas's public water system has access to an adequate supply of water and has no unresolved TCEQ violations.

Need for Additional Service — TWC § 13.246(c)(2), 16 TAC § 24.227(d)(2)

20. The requested area is within Lucas's corporate limits, and is a recipient of Lucas's water services.

Effect of Granting the Amendment — TWC 13.246(c)(3), 16 TAC 24.227(d)(2)

21. Granting the amendment will enable Lucas to continue providing service to the requested area, and will have no effect on any other retail public utility servicing the approximate area.
22. Granting Lucas's amendment will not affect landowners in the certificated area.

Ability to Serve: Managerial and Technical — TWC §§ 13.246(c)(4), 13.241(a), 16 TAC §§ 24.227(a), 24.227(d)(4)

23. According to the TCEQ Drinking Water Watch database, Lucas's average daily usage is 1.285 million gallons per day (MGD). Per Lucas's agreement with North Texas Municipal Water District, Lucas's maximum demand can be up to 3.21 MGD. Since Lucas has 2,693 connections, using the TCEQ metric of 360 gallons per connection per day, Lucas can serve 8,916 connections, which is more than adequate to provide service.
24. Lucas has three class C and three class D licensed operators for public water system identification number 0430054.
25. The TCEQ database does not list any violations for permitted water facilities under public water system identification number 0430054.

Ability to Serve: Financial Ability and Stability — TWC §§ 13.246(c)(6), 13.241(a), 16 TAC §§ 24.227(a), 24.227(d)(6), 24.11(e)

26. Lucas has the financial ability and financial stability to pay for facilities necessary to provide continuous and adequate service to the requested area.
27. Lucas has a debt-to-equity ratio of 0.37.
28. On August 22, 2018, Lucas filed the affidavit of Stanton Foerster, city engineer, attesting to the maps and financial information and attesting that Lucas will provide continuous and adequate service to all customers and qualified applicants for service within its certificated area.

Financial Assurance — TWC § 13.246(d); 16 TAC § 24.227(e)

29. There is no need to require Lucas to provide a bond or other financial assurance to ensure continuous and adequate service.

Ability to Serve: Water Utility Service — TWC § 13.241(b); 16 TAC § 24.227(a)(1)

30. Lucas's public water system, identification number 0430054, is in compliance with TCEQ requirements.

Service from Other Utilities — TWC § 13.241(c)(5); 16 TAC § 24.227(d)(5)

31. It is not feasible for an adjacent utility to provide service to the requested service area addition because Lucas has infrastructure in place in the requested service area addition.
32. Notice was provided to neighboring retail public utilities and no protest or request for hearing was made.

Regionalization or Consolidation — TWC § 13.241(d); 16 TAC § 24.227(b)

33. Lucas does not anticipate building new facilities to continue serving the requested service area addition in the future.

Environmental Integrity — TWC § 13.246(c)(7), 16 TAC § 24.227(d)(7)

34. There will be no effect on the land, because Lucas has been providing water services to the requested area for the past 15 years.

Improvement in Service — TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)

35. Granting Lucas's CCN amendment will not affect service to current customers because facilities already exist in the requested service area addition. The amendment is requested to include these facilities in the service area of the CCN. No new customers are anticipated in the requested service area addition.

Lowering of Cost — TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)

36. Lucas's existing service and rates to customers will remain the same.
37. Lucas's customers will continue to pay the rates in its existing water tariff.

Effect on the Land — TWC § 13.246(c)(9), 16 TAC § 24.227(d)(9)

38. There is no anticipated effect on the land because no construction or facilities are needed to continue serving in the proposed and existing service areas.

Certificate and Map

39. On April 15, 2019, Commission Staff emailed its proposed map and certificate to Lucas.
40. On April 22, 2019, Lucas filed its consent to the proposed map and certificate.
41. On May 2, 2019, Commission Staff filed the proposed map and certificate as an attachment to its recommendation.

Informal Disposition

42. More than 15 days have passed since the completion of the notice provided in this docket.
43. No protests or motions to intervene were filed that have not been dealt with, and no party, including Commission Staff, disputes any issue of law or fact.
44. Lucas and Commission Staff are the only parties to this proceeding.
45. No party requested a hearing and no hearing is needed.
46. The decision is not adverse to any party.
47. On May 2, 2019, Commission Staff recommended approval of the application.

II. CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this application under TWC §§ 13.041, 13.241, 13.244, and 13.246.
2. Lucas is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(59).

3. Notice of the application complies with TWC § 13.246 and 16 TAC § 24.235.
4. The application was processed in accordance with the requirements of the Administrative Procedure Act,¹ the TWC and Commission rules.
5. Lucas possesses the financial, managerial, and technical capability to provide continuous and adequate service to the requested service area addition in Collin County as required by TWC § 13.241(a) and 16 TAC § 24.227.
6. The amendment to CCN number 10193 is required for the public convenience and necessity and is necessary for the service, accommodation, convenience, and safety of the public as required by TWC §§ 13.242 and 13.246.
7. The requirements for informal disposition in 16 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 Commission amends Lucas's water CCN number 10193 to include the requested service area as described in this Notice of Approval and shown on the attached map.
2. The Commission approves the certificate and map attached to this Notice of Approval.
3. The Commission's official service area boundary map for Lucas shall reflect the change as provided in the attached map.
4. Lucas will serve every customer and applicant for service within the service area added under CCN number 10193 and such service must be continuous and adequate.
5. Lucas is required to comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Collin County affected by the application and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice of Approval.
6. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

¹ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001—.902.

Signed at Austin, Texas the _____ day of _____, 2019.

PUBLIC UTILITY COMMISSION OF TEXAS

**STEVEN LEARY
ADMINISTRATIVE LAW JUDGE**



Public Utility Commission of Texas

By These Presents Be It Known To All That

City of Lucas

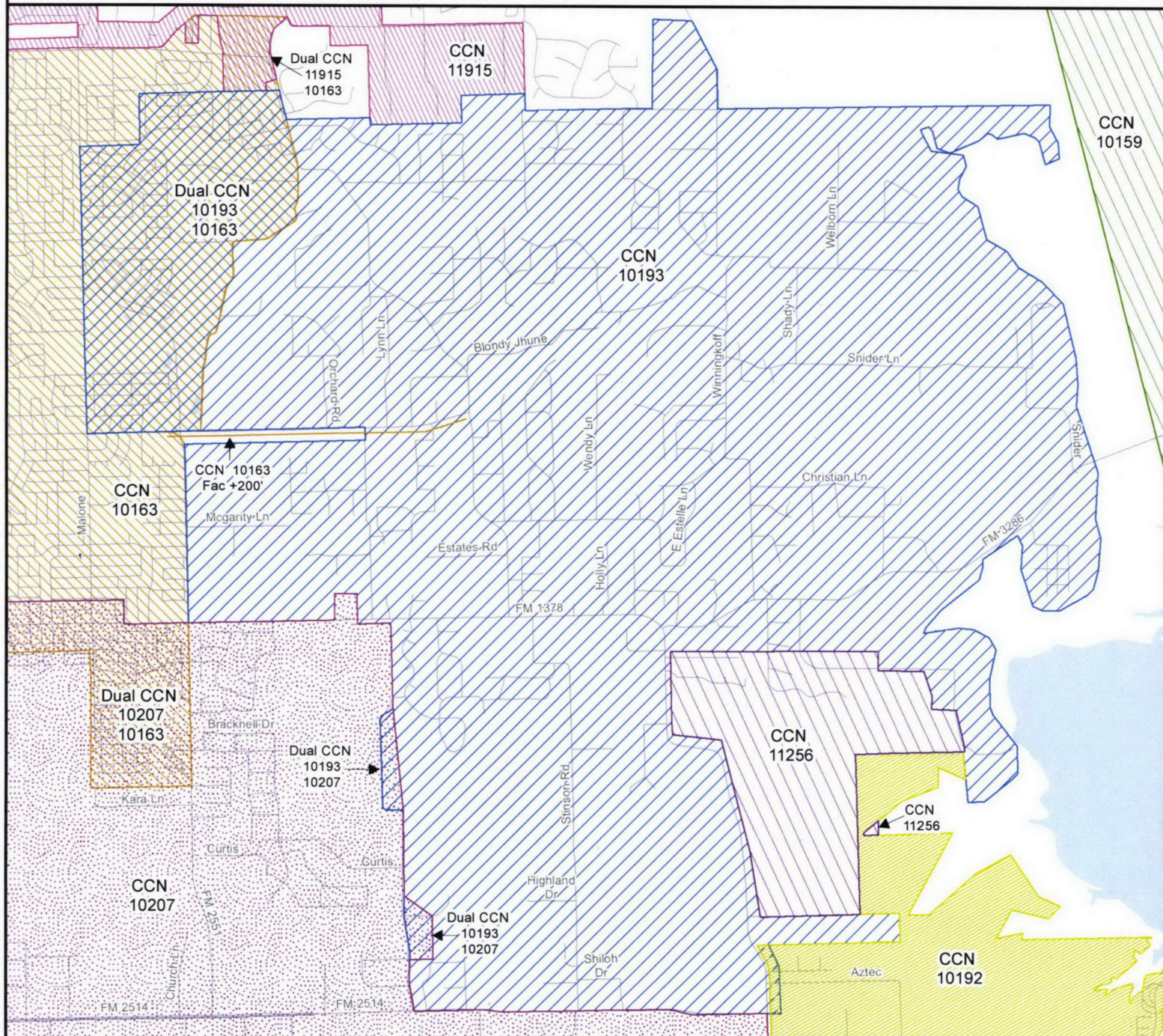
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, City of Lucas is entitled to this

Certificate of Convenience and Necessity No. 10193

to provide continuous and adequate water 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. 48660 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 City of Lucas 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 _____ 2019.


City of Lucas
 Water CCN No. 10193
 PUC Docket No. 48660
 Amended CCN No. 10193 in Collin County



Water CCN

-  10193 - City of Lucas
-  11915 - City of Fairview
-  10159 - Culleoka WSC
-  11256 - Seis Lagos Utility District
-  10192 - Wylie Northeast SUD
-  10207 - City of Parker
-  10163 - City of Allen

Water CCN Facility +200'

-  10163 - City of Allen



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

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Map by: Komal Patel
 Date created: April 5, 2019
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