



Control Number: 49283



Item Number: 2

Addendum StartPage: 0

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PUBLIC UTILITY COMMISSION
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APPLICATION OF SARDIS-LONE §
ELM WATER SUPPLY §
CORPORATION AND MOUNTAIN §
PEAK SPECIAL UTILITY DISTRICT §
FOR APPROVAL OF SERVICE AREA §
CONTRACT UNDER TEXAS WATER §
CODE § 13.248 AND TO AMEND §
CERTIFICATES OF CONVENIENCE §
AND NECESSITY IN ELLIS COUNTY §

**ORDER NO. 1
REQUIRING COMMENTS ON ADMINISTRATIVE COMPLETENESS AND
PROPOSED NOTICE, AND ADDRESSING OTHER PROCEDURAL MATTERS**

I. Application

This Order addresses the March 4, 2019 application of Sardis-Lone Elm Water Supply Corporation and Mountain Peak Special Utility District (collectively, applicants) for approval of a service area contract under Texas Water Code § 13.248 to amend certificates of convenience and necessity (CCN) in Ellis County.

The envisioned agreement would apparently transfer portions of Sardis-Lone Elm WSC's service area under water CCN number 10058 to Mountain Peak SUD under water CCN number 10908.¹ The service areas to be transferred include approximately 130 acres and no customers.

**II. Requiring Comments on the Administrative Completeness
of the Application and Proposed Notice**

The administrative law judge (ALJ) notes that the application form used by the applicant was for a Sale, Transfer, or Merger of a Retail Public Utility. On or before April 3, 2019, Commission Staff must file comments on the appropriateness of the application used and the administrative completeness of the application and proposed notice. By April 3, 2019, the applicants and Commission Staff must file a recommendation regarding how to proceed with the application and propose a procedural schedule.

¹ However, some portions of the application suggest that the transfer would be in the other direction (i.e., from Mountain Peak SUD to Sardis-Lone Elm WSC).

III. Discovery

Discovery may proceed; however, objections to requests for information (RFIs) must be filed and served within 10 days of receiving the RFI. Objections must include a statement that negotiations were conducted diligently and in good faith. If the parties are unable to resolve a discovery dispute, a motion to compel a response to an RFI must be filed and served within five working days of receipt of an objection. The motion to compel must specify the grounds for the motion.

IV. Filings

Unless otherwise specified, an original and ten copies of documents relating to this proceeding must be filed with the Commission's filing clerk in accordance with 16 Texas Administration Code (TAC) § 22.71. A copy of each document filed with the Commission must also be served on all parties as required by 16 TAC § 22.74. All filings can be accessed on the PUC Interchange webpage at, <http://interchange.puc.texas.gov>.


All parties are required to provide their current addresses, telephone and fax numbers, if available, to all other parties and to the Commission by filing and serving all parties with such information. Each party must provide the Commission and all parties with an updated address and telephone and fax number, if such information changes. The telephone and fax numbers will be included on the service list for the convenience of the parties. Parties are responsible for updating their own service lists to reflect changed information and the addition of any other parties.

V. Ex Parte Communications

Ex parte communications with the administrative law judge (ALJ) are prohibited under 16 TAC § 22.3(b)(2). Parties must communicate with the ALJ only through written documents filed with the Commission's filing clerk and served on all parties. Questions concerning this Order or any other order must be submitted in writing, filed with the Commission, and served on all parties of record.

Signed at Austin, Texas the 6th day of March 2019.

PUBLIC UTILITY COMMISSION OF TEXAS



HUNTER BURKHALTER
ADMINISTRATIVE LAW JUDGE

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