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DOCKET NO. 50404

PETITION OF STERLING DEASON	§	PUBLIC UTILITY COMMISSION
O'DONNELL AND DARWIN DEASON,	§	
CO-TRUSTEES OF THE STERLING	§	OF TEXAS
DEASON O'DONNELL DD 2012 TRUST	§	
UNDER AGREEMENT OF THE DD	§	
2014-B GRANTOR RETAINED	§	
ANNUITY TRUST TO AMEND	§	
MARILEE SPECIAL UTILITY	§	
DISTRICT'S CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY IN	§	
COLLIN COUNTY BY EXPEDITED	§	
RELEASE	§	

**NOTICE OF APPROVAL
MAKING A DETERMINATION ON COMPENSATION**

In this Notice of Approval, the Commission determines that, for the streamlined expedited release granted in this docket, Sterling Deason O' Donnell and Darwin Deason, co-trustees of the Sterling Deason O'Donnell DD 2012 Trust under agreement of the DD 2014-B Grantor Retained Annuity Trust owes no compensation to Marilee Special Utility District under Texas Water Code (TWC) § 13.2541. The Commission previously granted streamlined expedited release and removed a tract of land from Marilee SUD's certificate of convenience and necessity (CCN) number 10150. The Commission's determination on compensation is based on the appraisal by the Commission's appointed appraiser.

I. Findings of Fact

The Commission makes the following findings of fact.

Petitioners

1. Sterling Deason O'Donnell and Darwin Deason are the co-trustees of the Sterling Deason O'Donnell DD 2012 Trust dated September 5, 2012.

CCN Holder

2. Marilee is a special utility district operating under chapter 65 of the Texas Water Code (TWC).

3. Marilee holds CCN number 10150 that obligates it to provide retail water service in its certificated service area in Collin County.

Petition

4. On January 2, 2020, the petitioners filed a petition for streamlined expedited release of a portion of a tract of land from the CCN holder's service area under CCN number 10150.
5. In a Second Order on Rehearing filed on March 1, 2022, the Commission granted the petition and released the tract of land from the CCN holder's certificated service area.
6. Ordering paragraph 7 of the Second Order on Rehearing stated that, if streamlined expedited release was granted, this docket would continue for the purpose of determining compensation in accordance with the schedule adopted in Order No. 12.

Appraisers and Appraisals

7. On May 10, 2022, the petitioners filed their appraiser's report, completed by Willdan Financial Services and dated May 9, 2022, which recommended compensation in the amount of \$0.
8. On May 10, 2022, the CCN holder filed its appraiser's report, completed by NewGen Strategies & Solutions and dated May 5, 2022, which recommended compensation in the amount of \$211,485.
9. On November 3, 2022, Commission Staff filed its Commission-appointed appraiser's report, completed by Utility Valuation Experts and dated November 3, 2022, which determined no compensation was owed.

Compensation

10. The amount of compensation owed to the CCN holder by the petitioners for the streamlined expedited release is \$0.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority to determine the amount of compensation to be awarded after granting streamlined expedited release under TWC §§ 13.254 and 13.2541.
2. No notice is required to determine the amount of compensation.

3. No opportunity for a hearing to determine compensation for streamlined expedited release is provided under TWC § 13.2541 or 16 Texas Administrative Code (TAC) § 24.245(h)(7).
4. The determination on compensation under TWC § 13.2541 and 16 TAC § 24.245(i) is not a contested case.
5. Under 16 TAC § 24.245(i)(2), if a petitioner and CCN holder cannot agree on an independent appraiser, they must each engage their own appraiser at their own expense, and each appraiser's report must be submitted to the Commission within 70 days after release is granted. After receiving the appraisals, the Commission must appoint a third appraiser who must make a determination on compensation. The determination by the Commission's appraiser may not be less than the lower appraisal or more than the higher appraisal made by the appraisers engaged by the CCN holder and the petitioners.
6. Under 16 TAC § 24.245(i)(3), the determination of compensation made by the Commission-appointed appraiser is binding on the Commission, the CCN holder, and the petitioner.
7. No compensation is owed by the petitioners to the CCN holder for the release under TWC § 13.2541.
8. Under TWC § 13.2541(i) and 16 TAC § 24.245(i)(2)(B), the petitioners and CCN holder must each pay half the cost of the Commission-appointed appraiser.
9. The Commission processed the petition in accordance with the TWC and Commission rules.

III. Ordering Paragraphs

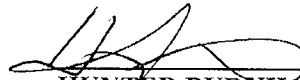
In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. No compensation is owed by the petitioners to the CCN holder for the streamlined expedited release.
2. If they have not already done so, the CCN holder and the petitioners must, within 30 days of the date of this Notice of Approval, each pay half the cost of the Commission-appointed appraiser.

3. The Commission denies all other motions and any other requests for general or specific relief not expressly granted by this Notice of Approval.

Signed at Austin, Texas the 10th day of November 2022.

PUBLIC UTILITY COMMISSION OF TEXAS



HUNTER BURKHALTER
CHIEF ADMINISTRATIVE LAW JUDGE