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DOCKET NO. 50927

**PETITION OF THE CITY OF MESQUITE § PUBLIC UTILITY COMMISSION NO. 51
AND TALTY SPECIAL UTILITY §
DISTRICT FOR APPROVAL § OF TEXAS
OF A SERVICE AREA CONTRACT §
UNDER TEXAS WATER CODE §
§ 13.248 AND TO AMEND §
CERTIFICATES OF CONVENIENCE §
AND NECESSITY IN KAUFMAN §
COUNTY §**

COMMISSION STAFF'S CLARIFICATION IN RESPONSE TO ORDER NO. 6

On June 15, 2020, the City of Mesquite (Mesquite) and Talty Special Utility District (Talty SUD) (collectively, Applicants) filed an application for approval of a service area contract under Texas Water Code (TWC) § 13.248 and to amend water certificates of convenience and necessity (CCNs) in Kaufman County. The requested area totals approximately 6,180 feet in Kaufman County (2,700 feet along FM 741, 670 feet along Dozier Circle, and 2,810 feet along High Country Lane) and contains connections to 23 customers.

On April 30, 2021, the administrative law judge (ALJ) issued Order No. 6, requiring Staff to file a clarification of its position on the transfer of assets and facilities under the terms of the agreement in this docket by May 7, 2021. Therefore, this pleading is timely filed.

I. STAFF'S RESPONSE

Staff's memorandum of April 23, 2021 mistakenly stated that assets and facilities are, and are not, being transferred under the terms of the agreement. As reflected in the attached revised memorandum of Jolie Mathis of the Infrastructure Division and the application, Applicants intend to transfer assets and facilities under the terms of the agreement. The applicants seek to transfer physical control of customer connections and a portion of six-inch water line.

II. CONCLUSION

Staff respectfully provides the preceding clarification.

Dated: May 7, 2021

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Rachelle N. Robles
Division Director

Rashmin J. Asher
Managing Attorney

/s/ Justin C. Adkins
Justin C. Adkins
State Bar No. 24101070
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7289
(512) 936-7268 (facsimile)
Justin.Adkins@puc.texas.gov

**DOCKET NO. 50927
CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on May 7, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Justin C. Adkins
Justin C. Adkins

PUC Interoffice Memorandum

To: Justin Adkins, Attorney
Legal Division

From: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

Date: May 7, 2021

Subject: **Docket No. 50927:** *Petition of City of Mesquite and Talty Special Utility District for Approval of a Service Area Contract Under Texas Water Code § 13.248 and to Amend Certificates of Convenience and Necessity in Kaufman County*

On June 15, 2020, the City of Mesquite (Mesquite) and Talty Special Utility District (Talty SUD) (collectively, Petitioners) filed a petition for approval of a contract designating Certificate Convenience and Necessity (CCN) service areas under Texas Water Code (TWC) § 13.248. Specifically, Petitioners seek to amend Mesquite's water CCN No. 10060 and Talty SUD's CCN No. 10850 in Kaufman County, Texas. The Petitioners' TWC § 13.248 service area contract is being reviewed in accordance with 16 Texas Administrative Code (TAC) § 24.253.

The Petitioners filed an agreement requesting Talty SUD be permitted to transfer a portion of its water service area under CCN No. 10850 Mesquite's CCN No. 10060. Specifically, Mesquite and Talty SUD entered into a contractual agreement which permits Mesquite to provide water services within the agreed upon water service area. The Petitioners will transfer assets and facilities under the terms of the agreement. The water service area the Petitioners contracted to transfer consists of approximately 131 acres and 23 customers.

Notice was provided to the affected customers in the area subject to the transfer. The customers are currently provided service by Talty SUD. The Petitioners submitted documentation to satisfy the notice requirements under 16 TAC § 24.253(c).

The petition meets all applicable requirements of TWC, Chapter 13 and 16 TAC, Chapter 24. Therefore, I recommend approval of the petition.

The Petitioners consented to the attached map and certificates on March 30, 2021 and April 1, 2021.