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DOCKET NO. 51657

APPLICATION OF THE CITY OF ANNA TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY IN COLLIN COUNTY § **PUBLIC UTILITY COMMISSION**
§
§ **OF TEXAS**
§

NOTICE OF APPROVAL

This Notice of Approval addresses the application of the City of Anna to amend its sewer certificate of convenience and necessity (CCN) number 20898 to add 105 acres of uncertificated area in Collin County. The Commission amends Anna’s CCN number 20898 to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicant

1. Anna is a municipality in Collin County.
2. Anna operates, maintains, and controls facilities for providing retail sewer service to customers in Collin County under CCN number 20898.
3. Anna owns and operates multiple sewer systems that are permitted by the Texas Commission on Environmental Quality (TCEQ).
4. Anna has been granted a permit by the TCEQ, under Texas Pollutant Discharge Elimination System permit number WQ0016043001, to construct, operate, maintain, and control the Hurricane Creek Regional Wastewater Treatment Plant.

Application

5. On December 28 and 29, 2020, Anna filed the application at issue in this proceeding.
6. Anna filed supplemental information on January 7, April 8, September 10, and October 26, 2021, and October 2, 2023.
7. The application, as supplemented, seeks to amend Anna’s sewer CCN number 20898 to add 105 uncertificated acres and no current connections.

8. The requested area is located approximately four miles southeast of downtown Anna, Texas, and is generally bounded on the north by a line approximately 700 feet north of and parallel to County Road 286; on the east by County Road 277; on the south by County Road 286; and on the west by the East Fork Trinity River.
9. In Order No. 14 filed on February 7, 2024, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

Notice

10. On June 4, 2021, Anna filed the following:
 - a. the affidavit of Todd Strouse, authorized representative for Anna, attesting that notice was mailed to affected entities on May 12, 2021; and
 - b. a publisher's affidavit attesting to the publication of notice in the *Anna-Melissa Tribune*, a newspaper of general circulation in Collin County, on May 13 and 20, 2021.
11. On June 22, 2021, Anna filed the affidavit of Mr. Strouse attesting that notice was mailed to the Greater Texoma Utility Authority on June 21, 2021.
12. In Order No. 5 filed on June 29, 2021, the ALJ found the notice sufficient.
13. On May 8, 2024, Anna filed the affidavit of Mr. Strouse attesting that notice was sent via first-class mail on May 8, 2024, to John H. Rattan, the only landowner owning a tract of land over 25 acres wholly or partly inside the requested area.
14. In Order No. 21 filed on May 13, 2024, the ALJ found Anna's supplemental notice sufficient.

Evidentiary Record

15. In Order No. 21 filed on May 13, 2024, the ALJ admitted the following into evidence:
 - a. Anna's application filed on December 28 and 29, 2020;
 - b. Anna's first supplement to the application filed on January 7, 2021;
 - c. Anna's response to Commission Staff's first request for information to Anna filed on March 24, 2021;

- d. Anna's second supplement to the application filed on April 8, 2021;
- e. Commission Staff's supplemental recommendation on administrative completeness and proposed procedural schedule filed on April 26, 2021;
- f. Anna's proof of notice filed on June 4, 2021;
- g. Anna's supplemental proof of notice filed on June 22, 2021;
- h. Commission Staff's recommendation on sufficiency of notice filed on June 24, 2021;
- i. Anna's third supplement to the application filed on September 10, 2021;
- j. Commission Staff's second request for information to Anna filed on September 24, 2021;
- k. Anna's fourth supplement to the application filed on October 26, 2021;
- l. Anna's fifth supplement to the application filed on October 2, 2023;
- m. Anna's consent form filed on December 7, 2023;
- n. Commission Staff's final recommendation filed on January 5, 2024;
- o. The map and certificate attached to the parties' joint request for ruling on administrative completeness and motion to admit evidence and proposed notice of approval filed on January 19, 2024;
- p. Anna's proof of notice to John Rattan filed on May 8, 2024; and
- q. Commission Staff's response to Order No. 20, recommendation on sufficiency of notice, and motion to admit evidence including all attachments filed on May 9, 2024.

Adequacy of Existing Service

- 16. There are no customers in the requested area.
- 17. There is no retail sewer service being provided in the requested area.

Need for Service

- 18. Mr. Rattan, the owner of the requested area, requested sewer service from Anna.

Effect of Approving the Application and Amending the Certificate

19. Granting the CCN amendment will obligate Anna to provide sewer service to future customers in the requested area and such service must be continuous and adequate.
20. Nearby retail public utilities were properly noticed. No protests, adverse comments, or requests to intervene were filed by any adjacent retail public utility in this docket.
21. There will be no effect on any other retail public utility providing service to the proximate area.

Ability to Serve: Managerial and Technical

22. Anna does not have any unresolved violations listed in the TCEQ database.
23. The Commission's complaint records go back five years and show no complaints against Anna.
24. Anna has received approval from the TCEQ to construct the Hurricane Creek Regional Wastewater Treatment Plant, through which it will provide service to the requested area.
25. Anna will employ or contract with TCEQ-licensed operators who will operate and maintain the sewer system that will provide service to the requested area.
26. Anna has the managerial and technical capability to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

27. Mr. Rattan requested Anna provide sewer service to the requested area.
28. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

29. It is necessary for Anna to build a physically separate sewer system in order to provide service to the requested area.
30. Anna has been approved to build a wastewater treatment plant to serve future customers in the requested area and will have sufficient capacity to service the area.
31. Anna demonstrated that regionalization or consolidation with an adjacent retail public utility is not economically feasible.

Ability to Serve: Financial Ability and Stability

32. Anna has a debt-to-equity ratio that is less than one, satisfying the leverage test.
33. Anna demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after approval of the CCN amendment, satisfying the operations test.
34. Anna must make capital improvements in excess of \$100,000 to provide continuous and adequate service to the requested area.
35. Anna filed a capital improvement plan that included a budget, an estimated timeline for construction of all facilities necessary to provide full service to the requested area, and was keyed to a map showing where such facilities will be located to provide service.
36. Anna submitted a firm capital commitment affirming funds are available to construct the planned capital improvements.
37. Anna demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance

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

Environmental Integrity and Effect on the Land

39. Future construction will be necessary for Anna to provide service to the requested area.
40. Anna has received approval from the TCEQ for the construction of the sewer system, including collection lines and wastewater treatment plant.
41. The effects on environmental integrity and on the land will not be to such a degree that the CCN amendment should not be approved.

Improvement in Service or Lowering Cost to Consumers

42. New customers requiring service in the requested area will benefit by being able to receive sewer service from Anna.
43. No lowering of cost to customers will result from the amendment of Anna's CCN.

Map and Certificate

44. On December 6, 2023, Commission Staff emailed the proposed final map and certificate to Anna.
45. On December 7, 2023, Anna filed its consent to the proposed final map and certificate.
46. On January 19, 2024, Commission Staff filed the proposed final map and certificate as attachments to the joint request for ruling on administrative completeness and motion to admit evidence and proposed notice of approval.

Informal Disposition

47. More than 15 days have passed since the completion of the notice provided in this docket.
48. No party filed a protest or motion to intervene.
49. Anna and Commission Staff are the only parties to this proceeding.
50. No party requested a hearing and no hearing is necessary.
51. Commission Staff recommended approval of the application.
52. This decision is not adverse to any party.

II. Conclusion of Law

The Commission makes the following conclusions of law:

1. The Commission has authority over this proceeding under Texas Water Code (TWC) §§ 13.041, 13.241, 13.244, and 13.246.
2. Anna is a retail public utility as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Anna's application meets the requirements set forth in TWC § 13.244 and 16 TAC §§ 24.227 and 24.233.
4. Anna provided notice of the application that complies with TWC § 13.246 and 16 TAC § 24.235.

5. The Commission processed the application as required by chapter 13 of the TWC, the Administrative Procedure Act,¹ and Commission rules.
6. After considering the factors in TWC §§ 13.241(a) and 13.246(c) and 16 TAC § 24.227(a) and (e), Anna has demonstrated that it possesses the financial, managerial, and technical capability to provide continuous and adequate service to the requested area, as required by TWC § 13.241(a) and 16 TAC § 24.227.
7. It is not necessary for Anna to provide a bond or other financial assurance under TWC § 13.246(d) and 16 TAC § 24.227(f).
8. Anna demonstrated that regionalization or consolidation with an adjacent retail public utility is not economically feasible, as required by TWC § 13.241(d).
9. Anna provided a firm capital commitment, in compliance with 16 TAC § 24.11(e)(5)(B).
10. Anna provided a capital improvement plan, including a budget and an estimated timeline for construction of all facilities necessary to provide full service to the requested area, keyed to a map showing where such facilities will be located to provide service, as required by 16 TAC § 24.233(a)(6).
11. Anna demonstrated that the amendment to CCN number 20898 to include the requested area is necessary for the service, accommodation, convenience, or safety of the public as required by TWC § 13.246(b) and 16 TAC § 24.227(d).
12. Under TWC § 13.257(r) and (s), Anna must record a certified copy of the approved map and certificate, along with a boundary description of the service area, in the real property records of Collin County within 30 days of this Notice of Approval and must submit evidence of the recording to the Commission.
13. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

¹ Tex. Gov't Code §§ 2001.001-.903.


III. Ordering Paragraphs

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

1. The Commission amends Anna's sewer CCN number 20898 to add the requested area, as described in this Notice of Approval and as shown on the map attached to this Notice of Approval.
2. The Commission approves the map attached to this Notice of Approval.
3. The Commission issues the certificate attached to this Notice of Approval.
4. Anna must provide service to every customer and applicant for service within the approved area under sewer CCN number 20898 who requests sewer service and meets the terms of Anna's sewer service policies, and such service must be continuous and adequate.
5. Anna must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Collin County affected by this application and file in this docket proof of the recording no later than 30 days after the date of this Notice of Approval.
6. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas on the 24th day of May 2024.

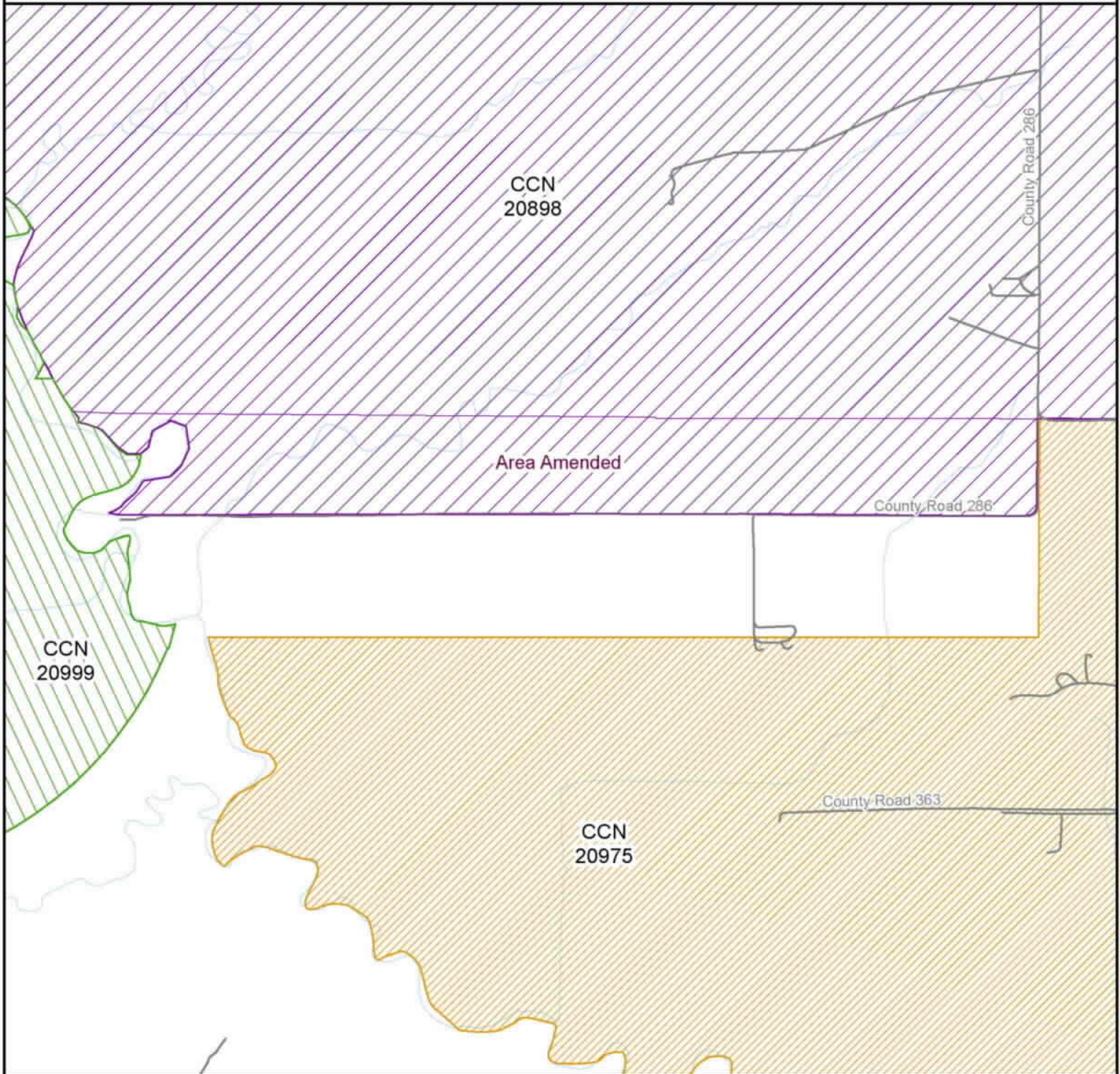
PUBLIC UTILITY COMMISSION OF TEXAS



SUSAN E. GOODSON

ADMINISTRATIVE LAW JUDGE

PUCT Docket No. 51657
City of Anna
Portion of Sewer CCN No. 20898
Amend CCN No. 20898 in Collin County



Sewer CCN

-  20898 - City of Anna
-  20999 - City of Weston
-  20975 - City of Melissa





Public Utility Commission of Texas

By These Presents Be It Known To All That

City of Anna

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, City of Anna is entitled to this

Certificate of Convenience and Necessity No. 20898

to provide continuous and adequate sewer 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. 51657 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 Anna 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.