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DOCKET NO. 52666

APPLICATION OF CITY OF SCHERTZ	§	PUBLIC UTILITY COMMISSION
TO AMEND ITS CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY AND	§	OF TEXAS
FOR DECERTIFICATION OF A	§	
PORTION OF GREEN VALLEY	§	
SPECIAL UTILITY DISTRICT'S	§	
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY IN COMAL COUNTY	§	

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND NOTICE AND PROPOSED PROCEDURAL SCHEDULE**

On October 4, 2021, the City of Schertz (Schertz) filed an application to amend its water certificate of convenience and necessity (CCN) number 10645 and to decertify a portion of Green Valley Special Utility District's (Green Valley SUD) CCN number 10646 in Comal County. Schertz filed supplemental information on October 14, 2021.

On October 5, 2021, the administrative law judge (ALJ) filed Order No. 1, establishing a deadline of November 4, 2021 for the Staff of the Public Utility Commission of Texas (Staff) to file comments on the administrative completeness of the application and proposed notice and to propose a procedural schedule for the further processing of this docket. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information and, as detailed in the attached memorandum from Patricia Garcia of the Commission's Infrastructure Division, recommends that the application is incomplete from a managerial and technical perspective. In addition, Staff believes that it may be more administratively efficient to process this docket as a petition for approval of a service area contract under Texas Water Code § 13.248 and 16 TAC § 24.253 because Schertz and Green Valley SUD are both current CCN holders and have entered into an interlocal agreement for the decertification of Green Valley's CCN and the amendment of Schertz's CCN. However, the notice requirements for a petition for approval of a service area contract are markedly different than the notice requirements for a CCN amendment.¹ For

¹ Compare 16 TAC § 24.235, with 16 TAC § 24.253(c).

example, both Green Valley SUD and Schertz would need to provide the agenda and meeting minutes for the open meeting where the board of directors or city council approved the interlocal agreement.²

Staff recommends that Schertz be ordered to make a filing to either (1) cure the deficiencies in the application identified in Ms. Garcia's memorandum; or (2) provide the information necessary to process this docket under TWC § 13.248 along with a request to restyle the docket by November 18, 2021 and that Staff be given a deadline of December 2, 2021 to file a supplemental recommendation on the administrative completeness of the application.

II. PROCEDURAL SCHEDULE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of the docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation that the application be found administratively complete. Staff notes that Schertz should not issue notice until the application is deemed sufficient.

III. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively incomplete, and that Schertz be ordered to file supplemental information to cure the deficiencies in the application or to provide the information necessary to process this docket as a petition for approval of a service area contract by November 18, 2021. Staff respectfully requests the entry of an order consistent with these recommendations.

² 16 TAC § 24.253(c)(2).

Dated: November 4, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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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 November 4, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Jenna Keller
Jenna Keller

Public Utility Commission of Texas

Memorandum

TO: Jenna Keller, Attorney
Legal Division

FROM: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

DATE: November 4, 2021

RE: Docket No. 52666 – *Application of City of Schertz to Amend its Certificate of Convenience and Necessity and for Decertification of a Portion of Green Valley Special Utility District's Certificate of Convenience and Necessity in Comal County*

On October 4, 2021, the City of Schertz (Schertz) filed with the Public Utility Commission of Texas (Commission) an application to amend its water certificate of convenience and necessity (CCN) No. 10645 and to decertify a portion of Green Valley Special Utility District's (Green Valley SUD) CCN No. 10646 in Comal County, Texas under Texas Water Code (TWC) §§ 13.242 through 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 through 24.237.

Based on my technical and managerial review of the information filed by Schertz, I recommend that the application be deemed administratively incomplete and not accepted for filing.

The agreement provided with the CCN amendment application stated the agreement was entered into under TWC §§ 13.248 and 13.301. As an alternative to the CCN amendment application submitted, Schertz and Green Valley SUD may wish to process the amendment and decertification agreement through a petition for approval of a service area contract under TWC § 13.248 and 16 TAC § 24.253. The items required to complete the CCN amendment application and to file a sufficient petition are both listed below.

CCN Application Content (TWC §§ 13.242 to 13.250 and 16 TAC §§ 24.225 through 24.237):

If Schertz and Green Valley SUD wish to continue with the processing of the application filed on October 4, 2021, the following deficiencies must be remedied:

1. On page 2 of the application, Green Valley SUD's CCN number is listed as 10645. This number is inconsistent with the Commission's records for Green Valley SUD's CCN number, which is listed as 10646. Please make any necessary changes to the

application to ensure consistency with the Commission's records for Green Valley SUD's CCN number.

2. Complete the requested information in Part D, Question No. 20 of the application. Specifically, provide the Texas Commission on Environmental Quality (TCEQ) public water system ID, date of the most recent TCEQ inspection, and subdivisions served in the requested area.
3. Provide a copy of the most recent TCEQ inspection report or letter for the public water system identified in response to Part D, Question No. 20.
4. Provide the number of customers in the requested area by meter size as requested in Part D, Question No. 21 of the application.
5. Provide the rates for Schertz's customers and effective date of those rates.

Petition for Approval of a Service Area Contract (TWC § 13.248 and 16 TAC § 24.253):

If Schertz and Green Valley SUD wish to pursue the TWC § 13.248 petition route, they will need to submit:

1. A petition requesting the application be processed under TWC § 13.248.
2. The number of customers in the requested area.
3. The rates for Schertz's customers and effective date of those rates.
4. Proof that the notice requirements under 16 TAC § 24.253(c) have been fulfilled.

Note: Any confidential items should be submitted as confidential filings with the PUC. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).