



## **Filing Receipt**

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**DOCKET NO. 54429**

<b>APPLICATION OF PALO DURO</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SERVICE COMPANY, INC. AND THE</b>	<b>§</b>	
<b>CITY OF HUDSON OAKS FOR SALE,</b>	<b>§</b>	<b>OF TEXAS</b>
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN PARKER COUNTY</b>	<b>§</b>	

**ORDER NO. 22  
REQUIRING CLARIFICATIONS**

This Order addresses the need for clarifications regarding the final proposed tariff and certificates and improvements to the system.

**I. Proposed Final Tariff**

In the application of Palo Duro Service Company, Inc. and the City of Hudson Oaks for approval of the sale, transfer, or merger of facilities and certificate rights in Parker County, the applicants seek approval of the following: (1) the sale and transfer of 0.1 acres of Palo Duro’s singly-certificated service area under its certificate of convenience and necessity (CCN) number 12200 to Hudson Oaks; (2) the sale and transfer of 68.4 acres of Palo Duro’s service area under CCN number 12200 to Hudson Oaks, which is dually-certificated with Hudson Oaks; (3) the amendment of Palo Duro’s CCN number 12200 to remove the 68.5 acres of service area; and (4) the amendment of Hudson Oaks’ CCN number 12273 to add the 0.1 acres.

On September 25, 2024, Commission Staff filed a response to Order No. 20, which included the final proposed tariff. The proposed final tariff is for Palo Duro; however, Palo Duro is the transferor in this proceeding. The ALJ requires clarification as to whether the proposed final tariff should be for Hudson Oaks because it is acquiring the facilities and service area. Alternatively, if the tariff should be for Palo Duro, the parties must clarify whether the Trinity River Estates public water system, under identification number TX1840099, should remain listed in the tariff.

By October 21, 2024, the parties must file a clarification. By October 31, 2024, the parties should file a new proposed tariff, if needed, and revised consents forms.

## II. Proposed Final Certificates

On September 10, 2024, the parties filed two certificates, both listing the City of Hudson Oaks, for CCN numbers 12200 and 12273.

The parties should review the certificates and file corrected certificates identifying the correct utility.

By October 31, 2024, Commission Staff should file corrected certificates and the parties should file a revised consent form concurring with Commission Staff's corrected certificates.

## III. Improvements to the System

In the application filed on April 10, 2023, the applicants state that improvements or construction is required to meet the minimum requirements of the Texas Commission on Environmental Quality (TCEQ) to ensure continuous and adequate service to the requested area. The application included two estimates totaling \$22,730 to increase pressure tank capacity and storage tank capacity.<sup>1</sup> In its clarification filed on October 11, 2023, Hudson Oaks stated that the storage tank capacity and pressure tank capacity improvements had not been addressed to date and that Hudson Oaks recently agreed to undertake the obligation to make these improvements. Further, on December 11, 2023, Hudson Oaks stated that (1) it authorized the purchase of both a new pressure tank and a new ground storage tank and (2) it retained the services of a Texas professional engineer to submit the required plans and specifications to the TCEQ for both the new pressure tank and storage tank which will exceed the State of Texas Rules and Regulations for small public water systems.

In light of Chairman Gleeson's memorandum filed in Docket No. 54698,<sup>2</sup> the administrative law judge (ALJ) requires the applicants to clarify the status of the improvements for the new pressure tank and new storage ground tank, including the status of the TCEQ approval for the addition of the new pressure tank and new storage ground tank. The applicants should clarify whether the certificate of convenience and necessity (CCN) amendment for Hudson Oaks' CCN requires the construction of the facilities to provide the retail water utility service, as required under 16 Texas Administrative Code § 24.233(a)(14), and, if so, it must provide a copy of the

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<sup>1</sup> Attachment 8 to the application.

<sup>2</sup> *Application of Cresson Municipal Utility District No. 1 of Hood County for a Certificate of Convenience and Necessity in Hood County*, Docket No. 54698, Chairman Thomas Gleeson Memorandum (Oct. 2, 2024).

approval letter from the TCEQ. The facilities must be in place to provide the service it is proposing.<sup>3</sup>

By October 21, 2024, the applicants must file the required clarification. Further, by October 31, 2024, Commission Staff must file a recommendation addressing the information provided by the applicants.

All filings should include a motion to admit evidence.

**Signed at Austin, Texas on the 14th day of October 2024.**

**PUBLIC UTILITY COMMISSION OF TEXAS**



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**CHRISTINA DENMARK  
ADMINISTRATIVE LAW JUDGE**

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<sup>3</sup> *Id.* at 1.