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DOCKET NO. 54488

**APPLICATION OF FOREST GLEN §
UTILITY COMPANY TO AMEND ITS §
SEWER CERTIFICATE OF §
CONVENIENCE AND NECESSITY IN §
MEDINA COUNTY §**

**PUBLIC UTILITY COMMISSION

OF TEXAS**


**FOREST GLEN UTILITY COMPANY'S RESPONSE TO COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION**

TO THE PUBLIC UTILITY COMMISSION STAFF, by and through their attorney of record Cheri Hasz, Legal Division, Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326.

COMES NOW, Forest Glen Utility Company ("Forest Glen" or "FGU") and submits this Response to the Public Utility Commission Staffs ("Commission Staff") Second Request for Information ("RFI") pursuant to Tex. R. Civ. P. 190 through 198 and 16 Tex. Admin. Code §22.144 ("TAC"). Pursuant to 16 TAC § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

Respectfully submitted,

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By: 

Helen S. Gilbert

**ATTORNEYS FOR FOREST
GLEN UTILITY COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that I have or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail, or Certified Mail Return Receipt Requested on all parties on the 27th of December 2023.

Helen S. Gilbert

Helen S. Gilbert

**RESPONSE TO COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION TO FOREST GLEN UTILITY COMPANY
QUESTION NO. STAFF 2-1**

STAFF 2-1 The collection line and connection cost to provide continuous and adequate sewer service to the 1,917 proposed LUE's in the requested area pursuant to the capital improvement plan in interchange item 6 page 6 of this docket.

RESPONSE: *See Forest Glen's Tariff, Attachment 29, at page 11 (third paragraph) to the Application for CCN Amendment filed on December 16, 2022, which includes the Commission's language regarding the developer's responsibility for construction of facilities for a non-standard service connection. The Commission's language states the following:*

"If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities."

The Commission's tariff language also states that the Utility may require developers to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with the TCEQ minimum design criteria for facilities used in the production, collection, transmission, pumping, or treatment of sewage or the TCEQ minimum requirements. The Commission's tariff language defines a developer as one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Forest Glen's PUC-issued tariff places the obligation on developers of the areas to be added to the CCN to design, construct, and pay for their individual sewer collection systems within their subdivisions. This developer obligation for the cost and installation of the collection system is restated in the non-standard service agreements ("NSSAs") that were filed in this docket as Supplemental Attachment 9 to the Application on December 18, 2023.

Also note that in response to Commission Staff's First RFI, Forest Glen's affiliate California Water Service Group (Cal Water) filed an affidavit on December 11, 2023 stating that it was capable, available, and willing to cover temporary cash shortages as needed, as well as provide funding to install FGU's required capital improvements, as customer demand requires. That means that Cal Water would cover the cost of collection system installation in the event developers did not comply with their NSSAs and Tariff obligations. As a practical matter, retail public utilities do not design, construct, and install internal infrastructure within customer subdivisions, as most of these properties are raw land that would require complete design of the subdivision's roads, sewer lines, lots, etc. Estimating the cost of internal infrastructure by the

retail public utility is also not required by Texas Water Code § 13.244(d) or 16 TAC § 24.11(e)(5)(B). Section 24.11(e)(5)(B) requires only a firm capital commitment to affirm funds are available to install the plant and equipment necessary to serve the projected customers in the first two years, which was previously provided.

Prepared by: Helen Gilbert

Sponsored: TBD

**RESPONSE TO COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION TO FOREST GLEN UTILITY COMPANY
QUESTION NO. STAFF 2-2**

STAFF 2-2 A firm capital commitment such as executed developer agreements, line of credit, equity agreements, sufficient cash reserves per audited financial statements, or loan documents affirming access to funds to pay for the required collection lines and connection cost provided in response to Staff 2-1 and pursuant to 16 TAC § 24.11(e)(5)(B).

RESPONSE: See Response to Staff 2-1 above.

Prepared by: Helen Gilbert

Sponsored: TBD