



## **Filing Receipt**

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**DOCKET NO. 54488**

<b>APPLICATION OF FOREST GLEN</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>UTILITY COMPANY TO AMEND ITS</b>	<b>§</b>	
<b>CERTIFICATE OF CONVENIENCE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>AND NECESSITY IN MEDINA</b>	<b>§</b>	
<b>COUNTY</b>	<b>§</b>	

**ORDER NO. 20**  
**REQUIRING ADDITIONAL CLARIFICATIONS AND**  
**SUPPLEMENTAL INFORMATION AND**  
**COMMISSION STAFF RECOMMENDATION**

In light of Chairman Gleeson’s memorandum filed on October 2, 2024 in Docket No. 54698,<sup>1</sup> the administrative law judge (ALJ) requires additional clarifications and supplemental information in order to further process this docket.

**I. Texas Commission on Environmental Quality (TCEQ) Permits**

Under 16 Texas Administrative Code § 24.233(a)(15)(A), an applicant must demonstrate technical capability to provide service, which includes an approval letter for the permit application from the Texas Commission on Environmental Quality (TCEQ) for the sewer system before the issuance of certificate of convenience and necessity (CCN). The applicant must have facilities in place to provide the service it is proposing.

In Order No. 16 filed on April 12, 2024, the ALJ expressed concerns over Forest Glen’s preliminary engineering report identifying three wastewater treatment facilities because:

1. FGU-WRRF1 (also known as the Potranco Ranch Subdivision Wastewater Treatment Facility), as permitted by the TCEQ under Texas Pollutant Discharge Elimination System (TPDES) number WQ0015030001, required upgrades and a permit amendment. Forest Glen had filed an undated and unsigned letter with attachments from the TCEQ with a draft permit for the expansion, but not final approval documents.
2. FGU-WRRF2 will be a new wastewater treatment plant providing service to the Microsoft Data Center, Megan’s Landing subdivision, and Medina Estates subdivision,

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<sup>1</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).

and construction is scheduled to begin in spring 2023 and the plant is expected to be operational in early 2024. According to the report, TCEQ is currently reviewing the discharge permit; however, Forest Glen later attached a TCEQ permit for FGU-WRRF2, identified as TPDES permit number WQ0016192001. It was unclear as to the status of the permit and TCEQ application.

3. FGU-WRRF3 will be a new wastewater treatment plant, but according to the report, details and a timeline for this facility have not been finalized, and construction is likely to start around fall 2027 with completion in summer 2028. According to the report, a new TCEQ discharge permit will be necessary for this facility.

In Forest Glen's response to Order No. 16 filed on April 25, 2024, Forest Glen clarified:

1. Forest Glen's request for a minor permit amendment with renewal for FGU-WRRF1, under TPDES number WQ0015030001 was issued on April 8, 2024, but that it had not been received by Forest Glen at the time of the response to Order No. 16.
2. Forest Glen approved plans and specifications for FGU-WRRF2, under TPDES number WQ0016192001, and issued an approval to commence construction dated March 26, 2024. Forest Glen attached the TCEQ approval for construction letter.
3. Permitting for FGU-WRRF3 is not necessary at this time because service to the "Stinson Tract" will be provided via lift station with ultimate treatment and discharge at FGU-WRRF1 until such time as demand on FGU-WRRF1 necessitates construction of FGU-WRRF3.

In order to assist in the processing of this docket, Forest Glen must:

1. identify the location in the record of each approval letter for its permit applications for its sewer systems to provide the service it is proposing; and
2. additionally, Forest Glen's clarification was filed in late April 2024; therefore, it should now have its documentation from the TCEQ for the minor permit amendment for FGU-WRRF1, under TPDES number WQ0015030001. Forest Glen must provide (1) a copy of the documentation from the TCEQ for the minor permit amendment; and (2) advise as to the status of construction. Per Chairman Gleeson's memorandum, the applicant

must have facilities in place to provide the service it is proposing before a CCN or CCN amendment will be issued.

By October 22, 2024, Forest Glen must file the required clarifications.

## **II. Loan Approval Documents**

The Commission has expressed concerns over whether a firm capital commitment from a developer, and not the utility, meets the financial assurance requirements of 16 TAC § 24.11(e)(5)(B)(ii).<sup>2</sup> In this docket, Forest Glen has submitted documentation from its affiliate affirming that funds are available to expand the existing sewer system and construct the new sewer systems. Forest Glen also provided copies of non-standard service agreements with the developers of the requested areas and copies of its tariff, which obligates the developer to pay for the cost of installation of collection lines and connection costs.

Because Forest Glen has both documentation from its affiliate, as well as the agreements with developers, the ALJ requires Commission Staff to revise its recommendation to address whether a good-cause exception to the requirements of 16 TAC § 24.11(e)(5)(B)(ii) is necessary. In addition, Commission Staff should revise its final recommendation to address the clarifications Forest Glen is filing in response to this Order.

By November 1, 2024, Commission Staff must file its revised final recommendation.

Concurrent with their filings, the parties must file a motion to admit evidence.

**Signed at Austin, Texas the 8th day of October 2024.**

**PUBLIC UTILITY COMMISSION OF TEXAS**



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**CHRISTINA DENMARK**  
**ADMINISTRATIVE LAW JUDGE**

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<sup>2</sup> *Id.* and *see also Application of Onalaska Water Supply Corporation to Amend its Certificate of Convenience and Necessity in Polk County*, Docket No. 54820, Chairman Thomas Gleeson memorandum (Aug. 14, 2024).