



Submitting a Contract Designating Service Areas Between Utilities

Retail public utilities may transfer existing Certificate of Convenience and Necessity areas and customers by filing a contract for approval by the TCEQ pursuant to TWC 13.248 and 30 TAC 291.117(a-b) after notice and hearing.

Required Submissions

In addition to a written request that the TCEQ approve the contract pursuant to TWC 13.248, each request must include the following documents and information.

Contract

The contract should be specific to all areas to be transferred and must be signed by all parties. The contract must describe the transaction including, but not limited to, the exact acreage of any tracts involved and an explanation of how the area to be transferred will be served. Pursuant to TWC 13.301, investor-owned utilities and water-supply corporations must file a separate Sale, Transfer or Merger Application, Form TCEQ-10516, to transfer assets or facilities.

Financial, Managerial, and Technical Information

Each utility that is acquiring service area should submit information sufficient to demonstrate its financial, managerial, and technical ability to provide service in the area to be transferred.

Maps

Maps submitted must meet criteria in 30 TAC 291.105(a)(2)(A-G). The maps must clearly identify the area to be transferred, including acreage and tract numbers or names (or both).

Additional Submissions

- list of public water systems affected by the transfer
- list of affected customers
- list of affected landowners
- filing fee of \$100

Mailing Address

Submit the contract to:

Utilities and Districts Section, MC 153
Water Supply Division
TCEQ
PO Box 13087
Austin, TX 78711-3087
(regular and certified U.S. mail)

Utilities and Districts Section
Water Supply Division
TCEQ
Building F
12100 Park 35 Circle
Austin, TX 78753
(express deliveries, including USPS Express Mail, FedEx, UPS, etc.)

ABBREVIATIONS

CCN	Certificate of Convenience and Necessity	TAC	Texas Administrative Code (30 TAC no. = Title 30, Texas Administrative Code, <i>chapter, section, paragraph, etc. no.</i>)
FMT	financial, managerial, and technical	TWC	Texas Water Code
NOD	Notice of Deficiency		

Process

The contract will be processed in the following manner upon receipt by the TCEQ.

Administrative Review

The TCEQ will perform an administrative review within 10 days of receiving the contract.

If the contract is accepted for filing, the TCEQ will inform the applicant in writing that the technical review has begun. If the contract is not accepted for filing, the TCEQ will send a Notice of Deficiency with instructions to submit additional information within 30 days. If the requested information is not received within 30 days, the TCEQ will return the contract.

Technical and Legal Review

A technical and legal review begins once the contract is accepted for filing. If additional information is needed to complete the technical and legal review, the TCEQ will send an NOD requesting

a response within 30 days. If the requested information is not received within 30 days, the TCEQ will issue a final NOD requesting a response within 14 days. If the applicant fails to supply the requested information within 14 days, the TCEQ will return the contract.

Recommendation

TCEQ personnel prepare the maps, map-consent letter, CCNs, commission order, FMT memo, and any backup materials necessary for requesting a commission agenda-meeting date. They will not request a date until all parties submit written consent to the maps and TCEQ staffers have prepared the CCNs.

Commissioners' Agenda

Once the date of the relevant agenda meeting has been set, the TCEQ will mail parties notice of the meeting. Parties should be present and prepared to address the commission regarding the transaction.