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PUBLIC UTILITY COMMISSION
OF TEXAS

APPLICATION OF WIEDENFELD §
WATER WORKS, INCORPORATED TO §
AMEND A CERTIFICATE OF §
CONVENIENCE AND NECESSITY IN §
KERR COUNTY (37858-C) §

PUBLIC UTILITY COMMISSION
OF TEXAS

COMMISSION STAFF'S STATUS UPDATE

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files this Status Update in response to Order No. 2. In support of its Status Update, Staff states the following:

I. Background

On February 28, 2014, Wiedenfeld Water Works, Incorporated (Wiedenfeld Water) filed with the Texas Commission on Environmental Quality (TCEQ) an application to amend its certificate of convenience and necessity (CCN No. 12052) for a water system located in Kerr County, Texas.

On June 5, 2014, TCEQ sent Wiedenfeld Water a notice of deficiency regarding the application. TCEQ stated that Wiedenfeld Water needed to provide the following documents in order for the application to be accepted for filing:

- a. A general location map that outlines the service area with enough detail to locate the service area within Kerr County, Texas;
- b. A map showing showing the service area by metes and bounds, projectable digital data, verifiable landmarks, or a recorded plat map with metes and bounds;
- c. A written description of the service area;
- d. A map that shows facilities for the production, transmission, and distribution of service;
- e. A map that shows any facilities, customers, or area that is currently being served outside of Wiedenfeld Water's certificated area; and
- f. A completed and notarized oath.

On July 25, 2014, Wiedenfeld Water submitted the requested documents to the TCEQ. Among the documents submitted by Wiedenfeld Water was a compact disc that contained electronic mapping data.

On September 1, 2014, the processing of Wiedenfeld Water's application was transferred to the Commission.

On September 30, 2014, the Administrative Law Judge entered Order No. 2, which requires Staff to file a status update regarding Wiedenfeld Water's application by October 24, 2014. Staff's Status Update is timely filed.

II. Statutory and Substantive Rule Requirements

The Texas Water Code details the requirements for amending a certificate of convenience and necessity. In determining whether to amend a certificate of convenience and necessity, the Commission "shall ensure that the applicant possesses the financial, managerial, and technical capability to provide continuous and adequate service."¹ With respect to water utility service, the Commission must ensure that the applicant:

- (1) is capable of providing drinking water that meets the requirements of Chapter 341, Health and Safety Code, and requirements of this code; and
- (2) has access to an adequate supply of water.²

The factors listed in the Water Code that are to be considered by the Commission are:

- (1) the adequacy of service currently provided to the requested area;
- (2) the need for additional service in the requested area, including whether any landowners, prospective landowners, tenants, or residents have requested service;
- (3) the effect of the granting of a certificate or of an amendment on the recipient of the certificate or amendment, on the landowners in the area, and on any retail public utility of the same kind already serving the proximate area;
- (4) the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking into consideration the current and projected density and land use of the area;
- (5) the feasibility of obtaining service from an adjacent retail public utility;
- (6) the financial ability of the applicant to pay for the facilities necessary to provide continuous and adequate service and the financial stability of the applicant, including, if applicable, the adequacy of the applicant's debt-equity ratio;
- (7) environmental integrity;
- (8) the probable improvement of service or lowering of cost to consumers in that area resulting from the granting of the certificate or amendment; and

¹ TEX. WATER CODE § 13.241(a).

² TEX. WATER CODE § 13.241(b)(1)-(2).

(9) the effect on the land to be included in the certificated area.³

The Commission's substantive rules have substantially similar requirements.⁴

III. Status Update on Wiedenfeld Water's Application

Staff has reviewed Wiedenfeld Water's application and determined that there is a material deficiency. Staff is unable to read the electronic mapping data on the compact disc provided by Wiedenfeld Water. Accordingly, Staff has determined that Wiedenfeld Water's application is not administratively complete and therefore has yet to be filed with the Commission.⁵

Staff recommends Wiedenfeld Water be given thirty (30) days to submit readable electronic mapping data to Staff. Staff will then review this electronic mapping data, along with the rest of Wiedenfeld Water's application, for administrative completeness. In the event that Staff determines that Wiedenfeld Water's application is administratively complete, Staff will propose a procedural schedule.

V. Conclusion

Staff has determined that Wiedenfeld Water's application is not administratively complete due to certain deficiencies in the application. Staff recommends that Wiedenfeld Water be given thirty (30) days to submit readable electronic mapping data. Staff will then review Wiedenfeld Water's application for administrative completeness. In the event that Staff determines that Wiedenfeld Water's application is administratively complete, Staff will propose a procedural schedule.

Staff requests that the Administrative Law Judge issue an order consistent with this Status Update.

³ TEX. WATER CODE § 13.246(c).

⁴ P.U.C. SUBST. R. 24.102(a)(1)-(2), (d).

⁵ P.U.C. SUBST. R. 24.8(a).

Date: October 24, 2014

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I certify that a copy of this document was served his document was served on all parties of record on October 24, 2014 in accordance with P.U.C. Procedural Rule 22.74.



Sam Chang