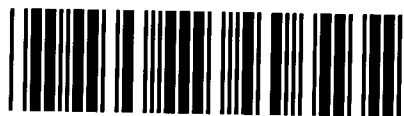




Control Number: 43963



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DOCKET NO. 43963

**APPLICATION OF CONCHO VALLEY
ELECTRIC COOPERATIVE, INC. TO
AMEND A CERTIFICATE OF
CONVENIENCE AND NECESSITY
FOR A SERVICE AREA EXCEPTION
WITHIN COKE COUNTY**

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PUBLIC UTILITY COMMISSION
OF TEXAS
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STAFF'S FINAL RECOMMENDATION


Commission Staff recommends approval of the application, based on the attached memorandum of Larry Reed.

Dated: January 15, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director - Legal Division

Karen S. Hubbard
Managing Attorney - Legal Division



Ralph J. Daigneault
Attorney - Legal Division
State Bar No. 24040755
(512) 936-7348
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on January 15, 2015, in accordance with P.U.C. Procedural Rule 22.74.



Ralph J. Daigneault

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Public Utility Commission of Texas

Memorandum

TO: Ralph J. Daigneault
Legal Division

FROM: Larry D. Reed *LDR*
Infrastructure & Reliability Division

DATE: January 15, 2015

SUBJECT: Docket No. 43963, *Application of Concho Valley Electric Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a Service Area Exception within Coke County*

BACKGROUND

On December 15, 2014, Concho Valley Electric Cooperative, Inc. ("CVEC") filed an application for an electric service area exception within Coke County, Texas ("Application"). The proposed service area exception is in Coleman County Electric Cooperative, Inc.'s ("CCEC") singly certificated service area. Louis M. Klement, Jr. has requested electric service from CVEC because it has existing electric distribution facilities closer than CCEC. The proposed service area exception will not affect the existing certificated boundaries of CVEC and CCEC. Both CVEC and CCEC have agreed to the proposed service area exception.

Commission staff recommended in its sufficiency recommendation on December 29, 2014 that this application be treated as a "service area exception" because CVEC and CCEC agree to the change, the affected electric customer requested the change, the application is complete, and proper notice has been provided. P.U.C. PROC. R. 22.55 notes that in proceedings other than those governed by §§ 22.51- 22.53, of this title (relating to Notice), the presiding officer may require a party to provide reasonable notice to affected persons. Staff recommended that *Texas Register* notice be deemed reasonable and that no additional notice (beyond *Texas Register* notice) be required. Order No. 2 deemed CVEC's application and notice sufficient and stated that the application shall be considered a service area exception pursuant to P.U.C. SUBST. R. 25.101(b)(1)(B). No party has requested intervention in this proceeding.

PROJECT DESCRIPTION

Louis M. Klement, Jr. requested electric service from CVEC for a hunting cabin located at W 100°15'18.65" N 31°55'44.65", Coke County, Texas. CVEC has electric distribution facilities approximately 2,144 feet away from the requested service location.

CCEC would have to extend electric distribution facilities approximately 4,300 feet from their closest existing power line to serve Mr. Klement's requested service location. The proposed service area exception is not anticipated to have any negative effect on community values, recreational and park areas, environmental integrity, and historical and aesthetic values.

NEED AND COST FOR THE PROPOSED CONSTRUCTION

CVEC has the nearest electric distribution facilities in the vicinity of Mr. Klement's requested service location. CCEC would need to construct approximately twice as much line as CVEC to serve Mr. Klement. CVEC has estimated that it can extend electric service to Mr. Klement's property at a cost of \$10,817.02. Mr. Klement will pay \$3,725.12 as aid-to-construction and have a raised minimum of \$86.74 to be paid over sixty (60) months. Mr. Klement requested service from CVEC because they are substantially closer to his property and would cost substantially less than CCEC.

CONCLUSIONS AND RECOMMENDATIONS

Consistent with PURA § 37.056, Commission staff recommends approval of this application for a service area exception of CVEC, as shown on the maps attached to the application.

cc: Katie Rich
Keith Rogas