



Control Number: 44816



Item Number: 5

Addendum StartPage: 0

RECEIVED

APPLICATION OF SHARON WATER  
SUPPLY CORPORATION TO MEND  
ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY IN  
UPSHUR AND WOOD COUNTIES §  
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§

PUBLIC UTILITY COMMISSION

2015 JUL 8 AM 10:51  
OF FILING CLERK

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## COMMISSION STAFF'S RESPONSE TO ORDER NO. 1

Comes Now, Staff of the Public Utility Commission of Texas (Staff) and files this Response to Order No. 1. In support of this filing, Staff states the following:

### I. BACKGROUND

On June 8, 2015, Sharon Water Supply Corporation (Sharon WSC or Applicant) filed with the Public Utility Commission of Texas (Commission) an application (Application) to amend its water certificate of convenience (CCN) No. 10476 in Upshur and Wood Counties, Texas. The total area requested includes approximately 23.534 acres and 50 current customers.

Order No. 1 instructed Staff to file a recommendation on the Application by July 8, 2015. Therefore, this pleading is timely filed.

### II. RECOMMENDATION

As noted by the attached memorandum (Attachment A) of Debbie Reyes Tamayo, Tracy Harbour, and Fred Bednarski of the Water Utilities Division, Staff recommends that the Application be deemed insufficient for filing due to numerous deficiencies, including engineering information, mapping data, and financial and managerial documentation. Attachment A asks specific questions and requests specific information needed in order for the Application to be administratively complete.

Staff recommends that the Applicant be allowed until August 10, 2105 to cure the noted deficiencies and that Staff be allowed until September 16, 2015 to make a supplemental recommendation.

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The Applicant shall not issue notice until the Commission's Administrative Law Judge (ALJ) issues an order accepting the application for filing and directing the Applicant to issue notice.

### **III. CONCLUSION**

Staff respectfully requests the entry of an order consistent with the above recommendations.

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

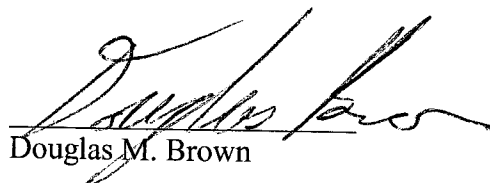
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Austin, Texas 78711-3326

### **DOCKET NO. 44816 CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on July 8, 2015 in accordance with 16 TAC § 22.74.



Douglas M. Brown

# **ATTACHMENT A**

## PUC Interoffice Memorandum

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**To:** Douglas Brown  
Legal Division

**Thru:** Tammy Benter, Director  
Lisa Fuentes, Work Leader  
Water Utilities Division

**From:** Debbie Reyes Tamayo, Program Specialist  
Tracy Harbor, GIS Specialist  
Fred Bednarski III, Financial & Managerial Review Specialist  
Water Utilities Division

**Date:** July 6, 2015

**Subject:** Docket No. 44816: *Petition by Sharon Water Supply Corporation (WSC) to Amend the WSC's Certificate of Convenience and Necessity in Upshur and Wood Counties*

On June 8, 2015, the Sharon WSC (Applicant) filed with the Public Utility Commission of Texas (Commission) an application requesting to amend the Water Supply Corporation's (WSC) water Certificate of Convenience and Necessity (CCN) No. 10476 in Upshur and Wood Counties, Texas. The application is being reviewed under Texas Water Code §13.254(d) (TWC) and Title 16 Tex. Admin. Code §§24.115 and 24.102(a)(1) (TAC). Order No. 1 requested that staff review the application for administrative completeness and file a recommendation by July 8, 2015.

Based on review of the information in the application and the applicable laws and rules, I recommend that the application be deemed insufficient for filing. In order to cure the deficiencies, Staff recommends the Applicant provide the following information:

### **Application Content**

1. A copy of the preliminary engineering report to staff or provide proof that the preliminary engineering report, or plans and specifications for the proposed system that will provide service to the proposed area have been submitted to and approved by the TCEQ.
2. Responses to questions C, D, E, F, and G on page 6 of the application.
3. Question D, on page 7 of the application, states the proposed number of additional meters will be 50 for water and 50 for sewer. Is the purpose of the application to amend water and sewer boundaries or just water?
4. Response to question J on page 9 of the application.
5. Requests for service from landowners or developers in the proposed area to demonstrate a need for service.

### **Concerning the Financial Review**

After a review of the Financial and Managerial, the applicant will need to file a business plan to provide service to the new areas which should include the following information:

1. A plan to provide service to the new area and associated cost,
2. A plan to pay for cost to serve the new areas,

3. A 5 year projected profit and loss statements, cash flow worksheets, and balance sheets for each of the first five years of operation. Income from rates projected should correlate to the projected growth in connections, shown on the projected profit and loss statement.
4. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.

### **Mapping Content**

1. A general location (small scale) map showing only the proposed water service area with enough detail to accurately locate the service area within Upshur and Wood Counties.
2. Revised digital data only including the proposed water service area in a drawing (DWG) file format on a data disk (CD). The revised digital data must remove all overlaps with the following existing CCNs [Fouke WSC (10488), Pritchett WSC (10478), Big Woods Springs Water (12367) and their own existing CCN 10476].
  - a. The proposed digital data must be a single, continuous polyline or polygon record, which is clearly labeled as the proposed service area.
  - b. The proposed digital data must include the projection or coordinate system used to create the digital data.
  - c. Labeled CD with the utility name and docket number assigned to this case.
  - d. Revised digital data must show the same proposed water service area on small and large scale maps submitted for this application.
3. A complete list of all utilities, districts and municipalities located within a 2-mile buffer of the proposed water service area. Also, include the groundwater conservation districts located within the requested proposed water service area.

The Applicant shall not issue notice to any party until the Applicant's proposed notice describing the general location is approved by the Commission.

TB/DRT