



Control Number: 45212



Item Number: 13

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RECEIVED

APPLICATION OF KEMPNER WATER §  
SUPPLY CORPORATION AND CITY §  
OF COPPERAS COVE FOR SALE, §  
TRANSFER, OR MERGER OF §  
FACILITIES AND CERTIFICATE §  
RIGHTS IN CORYELL COUNTY §  
(BRADFORD OAKS RANCH §  
SUBDIVISION) §

PUBLIC UTILITY COMMISSION

2016 APR 8 AM 11:02  
PUBLIC UTILITY COMMISSION  
FILING CLERK

OF TEXAS

**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION FINDING  
APPLICATION ADMINISTRATIVELY INCOMPLETE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Order No. 4 and Supplemental Recommendation Finding Application Administratively Incomplete, and would show the following:

**I. Background**

On September 30, 2015, Kempner Water Supply Corporation (Kempner) and the City of Copperas Cove (the City) (together the Applicants) filed an application for approval of a sale, transfer, or merger (STM) of facilities and certificate rights in Coryell County. The parties seek approval to transfer portions of Kempner's water certificate of convenience and necessity (CCN) No. 10456 and associated facilities to the City and amend the City's CCN No. 10449 accordingly. This application affects approximately 113 acres and 27 current customers in the Bradford Oaks Ranch Subdivision.

On February 12, 2016, Order No. 4 was issued deeming the application administratively incomplete and deficient and requiring the Applicants to supplement the application to cure the deficiencies noted by Staff by March 10, 2016. The Applicants filed supplemental information in response to Order No. 4 on March 9, 2015. Order No. 4 also required Staff to file a supplemental recommendation regarding administrative completeness by April 8, 2016. Accordingly, this pleading is timely filed.

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## **II. Recommendation on Administrative Sufficiency**

As supported by the attached memorandum from Andrew Novak, Financial Analyst, Fred Bednarski III, Financial and Managerial Review Specialist, and Tracy Montes, GIS Specialist with the Water Utility Regulation Division, Staff finds the application administratively incomplete and deficient. Pursuant to 16 Tex. Admin. Code § 24.8(a) (TAC), applications are not considered filed until a determination of administrative completeness is made, thus at this time the application is not considered filed with the Commission.

Specifically, Staff requests that the Applicants submit the following to resolve the deficiencies:

### **Mapping:**

The Applicants filed insufficient digital data for the proposed service area, since the data was not properly formatted. Staff cannot determine if the Applicants removed the unintended gaps and overlaps between the proposed service area and neighboring CCN areas. Staff recommends that the Applicants revise the digital data so that it is properly formatted as a polygon shapefile. In addition, Staff recommends that the Applicants supplement the application by providing revised digital data for the proposed service area only including the portion of Kempner's water CCN to be transferred to the City. Furthermore, Staff recommends that the information be provided in a shapefile, polygon format along with the projection (.prj) file on a CD.

Staff's review of water STM applications is a meticulous, time intensive practice, and Staff has limited resources to process this kind of application. The Applicants have the burden of providing the required information with its application in a timely manner. Processing of the application cannot proceed until the requested items are received and reviewed. In order to afford Staff the opportunity to provide a thorough analysis of this application, Staff respectfully requests that the Applicants be ordered to cure the deficiencies in its application identified in Order No. 3 by March 10, 2016 and that Staff be ordered to provide a supplemental recommendation by April 8, 2016.

### III. Proposed Procedural Schedule

Due to the deficiencies in the application, Staff does not recommend a procedural schedule for the evaluation of the merits at this time. Staff recommends that the Applicants be given until April 22, 2016 to cure the deficiencies in the application identified above and that Staff be ordered to provide a supplemental recommendation by May 13, 2016.

### IV. Conclusion

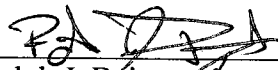
Staff respectfully requests that an order be issued consistent with this Recommendation.

**Dated: April 8, 2016**

Respectfully Submitted,


Margaret Uhlig Pemberton  
Division Director – Legal Division

Karen S. Hubbard  
Managing Attorney – Legal Division

  
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### CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 8, 2016, in accordance with 16 TAC § 22.74.

  
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Ralph J. Daigneault

## PUC Interoffice Memorandum

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**To:** Ralph Daigneault  
Legal Division

**Thru:** Tammy Benter, Director  
Water Utilities Division

**From:** Andrew Novak, Financial Analyst  
Fred Bednarski III, Financial & Managerial Review Specialist  
Tracy Montes, GIS Specialist  
Water Utilities Division

**Date:** April 8, 2016

**Subject:** **Docket 45212**, *Application of Kempner Water Supply Corporation and City of Copperas Cove for Sale, Transfer, or Merger of Certificate Rights in Coryell County (Bradford Oaks Ranch Subdivision)*

On September 30, 2015, Kempner Water Supply Corporation (Seller or Kempner) and the City of Copperas Cove (Purchaser or the City) (collectively, Applicants) filed an application for approval of a sale, transfer, or merger of facilities and certificate rights in Coryell County. The application was filed pursuant to criteria in Tex. Water Code Ann. § 13.301 (TWC) and 16 Tex. Admin. Code §§ 24.106, 24.109, and 24.112 (TAC). The Applicants seek approval to transfer portions of Kempner's service area included in water Certificate of Convenience and Necessity (CCN) No. 10456, associated customers, and facilities to the City and amend the City's CCN No. 10449 accordingly. This application affects approximately 113 acres and 27 current customers in Bradford Oaks Ranch Subdivision.

The Applicants filed supplemental information for the application on March 9, 2016, in response to Order No. 4. Staff has reviewed the supplemental information and finds the application administratively incomplete and insufficient for filing.

Staff recommends that the Applicants supplement the application with the following additional information to resolve the deficiencies:

### **Mapping**

The Applicants filed insufficient digital data for the proposed service area, since the data was not properly formatted. Staff cannot determine if the Applicants removed the unintended gaps and overlaps between the proposed service area and neighboring CCN areas. Staff recommends that the Applicants revise the digital data so that it is properly formatted as a polygon shapefile. In addition, Staff recommends that the Applicants supplement the application by providing revised digital data for the proposed service area only including the portion of Kempner's water CCN to be transferred to the Purchaser. Furthermore, Staff recommends that the information be provided in a shapefile, polygon format along with the projection (.prj) file on a CD.