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DOCKET NO. 45212

**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)**

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PUBLIC UTILITY COMMISSION

OF TEXAS

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STAFF'S RESPONSE TO ORDER NO. 2

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Order No. 2, 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 112.69 acres and 27 current customers in the Bradford Oaks Ranch Subdivision.

On November 3, 2015, Order No. 2 was issued deeming the application incomplete and deficient and requiring the Applicants to supplement the application to cure the deficiencies noted by Staff by December 4, 2015. To date, the Applicants have not responded to Order No. 2 or cured the deficiencies. Order No. 2 also required Staff to file a supplemental recommendation on sufficiency and propose a procedural schedule, if appropriate, by December 11, 2015. Accordingly, this pleading is timely filed.

II. Recommendation on Administrative Sufficiency

The Applicants failed to comply with Order No. 2 to cure all deficiencies in its application by December 4, 2015. Specifically, Staff requests that the Applicants submit the following to resolve the deficiencies:

Mapping:

1. A revised general location (small scale) map only showing the proposed service area with enough detail to accurately locate the service area within the nearest city, town or county. Clearly mark and label the proposed service area in reference to verifiable man-made and natural landmarks such as roads, railroads or rivers.
2. Submit a large scale map only showing the proposed service area with enough detail to accurately locate the service area to be transferred in the vicinity of surrounding roads, streets, and rivers. Clearly mark and label the proposed service area in reference to verifiable man-made and natural landmarks such as roads, railroads or rivers. Since this map is used to determine if the proposed digital data is accurately positioned on PUC's base maps, do not display property data, extraterritorial or city limit boundaries on this map.

Technical:

1. Provide written documentation from Brazos River Authority allowing the Applicant to provide retail water service within the district boundary.
2. Provide an electronic copy of the City of Copperas Cove's purchased water contracts.

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. 2 by January 8, 2016 and that Staff be ordered to provide a supplemental recommendation by February 10, 2015.

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 January 8, 2016 to cure the deficiencies in the application identified in Order No. 2 and that Staff be ordered to provide a supplemental recommendation by February 10, 2015.

IV. Conclusion


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

Dated: December 11, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director – Legal Division

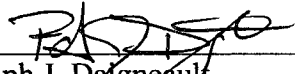
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 11, 2015, in accordance with 16 TAC § 22.74.



Ralph J. Daigneault