

Control Number: 45253



Item Number: 10

Addendum StartPage: 0

PUC DOCKET NO. 45253

**APPLICATION OF WOODLAND
HILLS WATER LLC TO AMEND A
WATER CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
LIBERTY AND MONTGOMERY
COUNTIES**

§
§
§
§
§
§

2016 JAN 15 AM 11:24

**PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS**

COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Commission), representing the public interest and files this Supplemental Recommendation and would show the following:

I. BACKGROUND

On October 14, 2015, Woodland Hills Water, LLC (Woodland Hills) filed an application to amend its water certificate of convenience (CCN) No. 12388 in Liberty and Montgomery Counties, Texas. On November 17, 2015, Order No. 2 was issued, finding that the application administratively incomplete, and requiring that the Woodland Hills file supplemental information by December 16, 2015, and that Staff file a supplemental recommendation on the administrative completeness of the application and proposed notice by January 15, 2015.

II. COMMENTS ON SUFFICIENCY OF APPLICATION AND NOTICE

Staff has reviewed the application and the supplemental information filed by Woodland Hills. Staff finds that the application be deemed administratively incomplete as supported by the attached memorandum from Janie Kohl and Tracy Harbour Montes of the Water Utilities Division. Specifically, Staff has identified several deficiencies in the content of the application and the maps provided with the application.

III. PROCEDURAL SCHEDULE

Staff recommends that Woodland Hills be given additional time to correct the deficiencies identified in Staff's memo. Staff proposes the following procedural schedule:

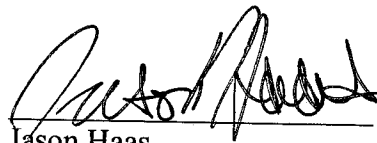
| Event | Date |
|---|-------------------|
| Deadline for Applicant to submit supplemental information | February 15, 2016 |
| Deadline for Staff's supplemental recommendation | March 15, 2016 |

Dated: January 15, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division


Karen Hubbard
Managing Attorney
Legal Division



Jason Haas
Attorney-Legal Division
State Bar No. 24032386
(512) 936-7295
(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, 2016 in accordance with 16 Tex. Admin. Code § 22.74.


Jason Haas

Public Utility Commission of Texas

Memorandum

To: Jason Haas
Legal Division

Thru: Lisa Fuentes, Water Regulation Team Leader
Tammy Benter, Director
Water Utilities Division

From: Janie Kohl, Financial Analyst
Tracy Harbour Montes, GIS Specialist
Patty Garcia, Engineering Specialist
Water Utilities Division

Date: January 12, 2015

Subject: Docket No. 45253, *Application of Woodland Hills Water LLC to Amend a Water Certificate of Convenience and Necessity in Liberty County and Montgomery County*

On October 19, 2015, Woodland Hills Water LLC, (Applicant) filed an application to amend water Certificate of Convenience and Necessity (CCN) No. 12388 in both Liberty County and Montgomery County, Texas, pursuant to Texas Water Code (TWC) §§ 13.242-.250 and 16 Tex. Admin Code (TAC) §§ 24.101-.107. The Applicant proposed to amend its CCN to include an additional 695.9701 acres. There are no customers in the proposed area.

Order No. 2 requested that Staff provide a recommendation regarding administrative completeness of this application by January 15, 2016. Staff has reviewed the information provided by the Applicant and recommends the application be deemed administratively incomplete and not accepted for filing due to the deficiencies detailed below:

Application Content

The Applicant has not fully completed the application for CCN Amendment. The Applicant must complete and/or clarify answers to the following sections of the application:

1. Section 4(C) requires the Applicant to summarize how the proposed utility system will be constructed and describe each projected construction phase, if any, was not answered. Staff duly notes that the applicant has no immediate plans to develop the property in reference to this question. However, in response to question 5(G)(i) the Applicant states that the property owner will provide all infrastructure as an addition to the neighboring water system currently operated by Woodland Hills Water L.L.C., as necessary. The Applicant should provide further details on the construction specifically addressing the following:
 - a. What and when will construction take place in terms of the system, infrastructure, number of connections, etc.
 - b. Phases of construction and projected years of construction phases.
 - c. Proposed cost of plant.
 - d. How the construction will be funded.

2. Clarification of which PWS the proposed infrastructure will be added to when the proposed area is developed. See Section 5(A)(i).
3. A response to Section 5(A)(iii) which requires the Applicant to note the date of the last TCEQ water system inspection was not completed.
4. A response to Section 5(A)(iv) which requires the Applicant to attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s) was not provided.
5. A response to Section 5(A)(v) which requires the Applicant to attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates for each system deficiency listed in the TCEQ inspection report letter referred to in Section 5(A)(iii) was not provided.
6. A response to Section 5(D) which requires the Applicant to complete a table listing the number of existing and/or proposed metered and non-metered connections (by size) was not provided. The proposed number should reflect the information presented in the business plan or financial documentation and reflect the number of service requests identified in Question 2(B) of the application.
7. A response to Section 5(I) which requires the applicant to describe their ability to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration, was not completed. The Applicant should submit answers to these questions.
 - a. The current and projected density; and
 - b. The land use of the requested area.
8. Additionally, the profit and loss statement submitted only covers four months and a balance sheet was not provided. The Applicant should submit both financial statements as follows:
 - a. Profit and loss statement for the most recent 12 month reporting period;
 - b. Balance sheet statement as of the last day of the most recent 12 month reporting period.
9. Clarify the basis of how the Applicant's financials are prepared, and that will be submitted in response to item 8 above, i.e., tax basis, Generally Accepted Accounting Principles, or utility basis.

Mapping Content

The Applicant did not file the required number of hard copy maps or data disks (CDs) for the proposed water service areas. The hard copy maps filed with Central Records do not match the color or quality of the graphic (PDF) maps filed electronically through the Agency Interchange System. The proposed service areas overlap Woodland Hills Water's certificated water CCN No. 12388 and T & W Water Service Water's CCN No. 12892.

The information listed below must remove overlaps with existing CCNs to resolve the mapping deficiencies:

1. Revised general location (small scale) map only showing the proposed service areas with enough detail to locate the service areas in the vicinity of the nearest town, city, or

county. This map should include both the north and the south properties (entire proposed service areas) as requested with this application.

2. Revised large scale (detailed) map for the **northern** property only showing the proposed service areas with enough detail to accurately determine the location of the service areas in reference to verifiable man-made and/or natural landmarks such as roads, railroads, and rivers.
3. Revised large scale (detailed) map for the **southern** property only showing the proposed service areas with enough detail to accurately determine the location of the service areas in reference to verifiable man-made and/or natural landmarks such as roads, railroads, and rivers.
4. Revised digital data for the proposed water service areas for both the north and south properties which must correspond to the same proposed service areas as shown on the revised small and large scale maps.
 - a. Each property must be a single, continuous polygon record, which is clearly labeled as proposed.
 - b. The digital data must be filed on a data disk (CD) labeled with the utility name and docket number assigned.
 - c. Include the projection (PRJ) or coordinate system and datum used to create the shapefile.
5. Provide the revised total acreage for the proposed water service areas after removing the overlaps with existing CCN Nos. 12388 and 12892.

Technical Review

The item listed below will be addressed during Staff's technical review of the application. Failure to provide the requested information may delay processing of the application.

1. The Applicant's proposed area is within the corporate boundaries of the City of Liberty. The Applicant must obtain written documentation from the City of Liberty allowing them to provide retail water service within the City's corporate boundaries.