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DOCKET NO. 45391

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PUBLIC UTILITY COMMISSION
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FOR TEXAS

APPLICATION OF RANCH UTILITIES, §
L.P. AND EMCAD WATER AND §
WASTEWATER, LLC FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE RIGHTS §
IN PARKER COUNTY §

COMMISSION STAFF’S RESPONSE TO ORDER NO. 1

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Order No. 1. In Support thereof, Staff shows the following:

I. BACKGROUND

On November 23, 2015, Ranch Utilities, L.P. (Ranch Utilities) and EMCAD Water and Wastewater, LLC (EMCAD) filed an application for sale, transfer, or merger (STM) of facilities and certificate of convenience and necessity rights in Parker County. Specifically, Ranch Utilities seeks approval to acquire a portion of the sewer systems assets of EMCAD held under sewer Certificate of Convenience and Necessity (CCN) No. 21064 in the Sugar Tree Subdivision.

On December 3, 2015, Order No. 1 was issued, requiring Staff to file comments on the administrative completeness of the application, proposed notice, and a procedural schedule by December 29, 2015. Therefore, this response is timely filed.

II. COMMENTS ON ADMINISTRATIVE COMPLETENESS

The review for administrative completeness of STM applications is provided by 16 Tex. Admin. Code § 24.8 (TAC). If the Commission determines material deficiencies exist in the application, the application may be rejected.¹ The Commission’s required contents of a STM application are provided by 16 TAC §§ 24.109 and 24.112. As detailed in the attached memo from Andrew Novak and Kristy Nguyen, in the Commission’s Water Utilities Division, Staff has

¹ 16 TAC § 24.8(a).

reviewed the application and recommends that the application be found administratively incomplete pursuant to 16 TAC §§ 24.109 and 24.112.

Staff identified deficiencies in the application and proposed notice. Specifically, EMCAD has not specified how EMCAD will be acquiring the CCN (ex: obtain a new CCN, amend the EMCAD's CCN, etc.). Ranch Utilities is not current on regulatory assessment fees. Further, the notice documents should be updated as described in the attached memorandum.

Finally, Staff cannot make a recommendation on notice until the other deficiencies are cured. However, Staff does note that Applicant should include notice to the following entities: Brazos River Authority, Upper Trinity Groundwater Conservation District, and Parker County. Staff recommends that Applicant *should not* publish notice until their maps and 2-mile list of entities have been reviewed and approved by Commission Staff. Applicant may contact mapping staff for mapping and notice related guidance.

Pursuant to 16 TAC § 24.8(a), the application is not considered filed until the Commission determines that the application, mapping requirements and proposed notice are administratively complete. Staff has identified deficiencies in the application and, therefore, recommends that the application package be found administratively incomplete pursuant to 16 TAC §§ 24.109 and 24.112.

III. PROPOSED PROCEDURAL SCHEDULE

Due to the deficiencies in the application, Staff does not recommend a procedural schedule for the evaluation of the merits of the application at this time. Staff recommends that Applicants be given until January 29, 2016 to cure the deficiencies identified in the attached memorandum. Staff proposes a deadline of February 25, 2016 for Staff to file additional comments regarding administrative completeness, along with a proposed procedural schedule if deemed administratively complete.

IV. CONCLUSION

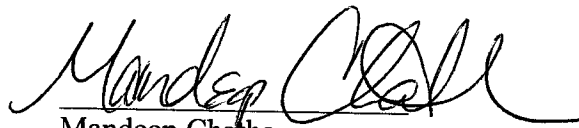
Staff respectfully requests that the ALJ issue an order consistent with this Response.

DATE: December 29, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division

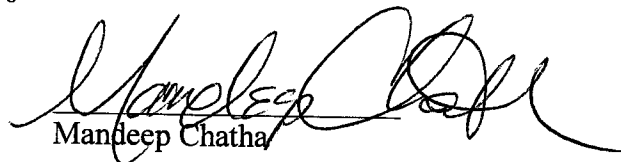


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the December 29, 2015 in accordance with 16 TAC § 22.74.



Mandeep Chatha

PUC Interoffice Memorandum

To: Mandeep Chatha
Legal Division

Thru: Tammy Benter, Director
Water Utilities Division

From: Andrew Novak, Financial Analyst
Kristy Nguyen, GIS Specialist
Water Utilities Division

Date: December 9, 2015

Subject: *Docket 45391, Application of Ranch Utilities, L.P. and EMCAD Water and Wastewater, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County*

On November 24, 2015, Ranch Utilities, L.P. (Ranch Utilities) and EMCAD Water and Wastewater, LLC (EMCAD) filed an application for sale, transfer, or merger of facilities and in Parker County. Specifically, EMCAD seeks approval to acquire a portion of the sewer system assets and service area of Ranch Utilities held under sewer Certificate of Convenience and Necessity (CCN) No. 21064 in the Sugar Tree Subdivision.

After review of the above referenced application, staff finds the application is insufficient in the content provided and recommends the application be found administratively incomplete. In addition, staff recommends the applicant should be ordered to:

1. Become current on regulatory assessment fees.
2. Clarify how EMCAD will transfer the CCN (Ex: obtain a new CCN, amend the EMCAD's CCN, etc.)
3. Notice the following entities, in addition to those entities listed in the application, located within a 2-mile buffer of the proposed service areas requested with this application:
 - a) Brazos River Authority
 - b) Upper Trinity Groundwater Conservation District
 - c) Parker County
4. Update notice documents as follows:
 - a) Bounded on the north by the Brazos River; and
 - b) Approximate acreage is 603 acres.