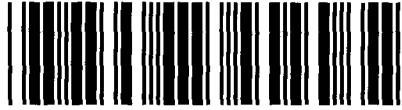


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Addendum StartPage: 0

DOCKET NO. 47093

**APPLICATION OF PETRA FIRMA
DEVELOPMENT GROUP, INC. A
WATER CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
TOM GREEN COUNTY**

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PUBLIC UTILITY COMMISSION

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PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Commission Staff's Recommendation on Sufficiency. In support thereof, Staff shows the following:

I. BACKGROUND

On April 24, 2017, Petra Firma Development Group, Inc. (Petra Firma) filed an application for a new water certificate of convenience and necessity (CCN) in Tom Green County, Texas. The total new service area being requested includes approximately 1,145 acres and zero current customers.

Order No. 1, issued April 27, 2017, directed Staff to file comments on the administrative completeness of the application and proposed notice by May 24, 2017. Therefore, this pleading is timely filed.

II. STAFF'S RECOMMENDATION ON SUFFICIENCY

Staff has reviewed Petra Firma's application and, as supported by the attached memorandum of Janie Kohl of the Water Utilities Division, Staff recommends that there are material deficiencies in the application that make it not administratively complete. Specifically: 1) the detailed map does not show roads located in close proximity to the requested area; 2) Petra Firma did not include a list of entities required to receive notice of this application; 3) Petra Firma has not submitted plans and specifications to the Texas Commission on Environmental Quality (TCEQ); and 4) Petra Firma has not included an estimated timeline or description of the sources of funding for construction of new facilities.

In order to cure the identified deficiencies, Staff recommends that Petra Firma file revised mapping information and other additional information as set forth in the attached memorandum. Staff respectfully requests that Petra Firma be given until June 23, 2017 to cure these deficiencies

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in its application, and that Staff be given until July 24, 2017 to review Petra Firma's supplemental materials and file additional comments on the administrative completeness of the revised application.

III. CONCLUSION

For the reasons stated above, Staff respectfully requests the entry of an order consistent with the above recommendations.

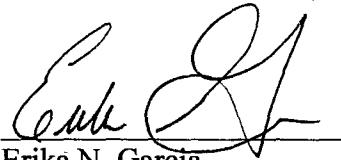
Dated: May 24, 2017

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director

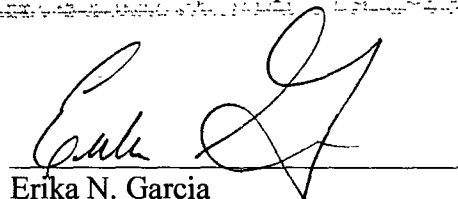
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Managing Attorney



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P.O. Box 13326
Austin, Texas 78711-3326
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DOCKET NO. 47093 CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record May 24, 2017,
in accordance with 16 TAC § 22.74.



Erika N. Garcia

PUC Interoffice Memorandum

To: Erika Garcia
Legal Division

Thru: Lisa Fuentes, Manager
Water Utilities Division

From: Janie Kohl, Financial Analyst
Water Utilities Division

Date: May 22, 2017

Subject: *Docket No. 47093, Application of Petra Firma Development Group, Inc. to Obtain a Water Certificate of Convenience and Necessity in Tom Green County*

On April 24, 2017, Petra Firma Development Group, Inc. (Applicant) filed an application to obtain a water Certificate of Convenience and Necessity (CCN) in Tom Green County, Texas, pursuant to Texas Water Code §§ 13.242-.250 (TWC) and 16 Tex. Admin Code §§ 24.101-.107 (TAC). The Applicant proposes to obtain a CCN for 1,145 acres with 0 current customers.

Staff has reviewed the information provided by the Applicant and recommends the application be deemed administratively incomplete and insufficient for filing due to the deficiencies detailed below.

A. Mapping and Notice Content:

The detailed map filed does not show roads located in close proximity to the requested area. Additionally, the Applicant did not file a list of entities required to receive notice of this application.

The Applicant must file the following items to resolve the mapping and notice deficiencies:

- A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads. The requested area must be shown in the same location as filed with the digital mapping data.
- A list of entities required to receive notice of the application.

Staff recommends the Applicant contact Tracy Montes at (512) 936-7187 or Tracy.montes@puc.texas.gov for guidance in order to resolve these mapping deficiencies.

B. Application Content:

The Applicant noted in its cover letter to the application that “Wells, plant, and distribution lines are all needed to provide potable water to future residents.” Those plans have been completed and will be submitted to the TCEQ upon approval of the CCN.”¹ However, pursuant to 16 TAC § 24.105(a)(14)(A), the Applicant must file proof that it has submitted plans and specifications to TCEQ in order for its application to be administratively complete. The Applicant will then be required to file a TCEQ approval letter for the plans and specifications prior to the completion of the technical review of the application.

¹ Cover Letter to application at 2.

C. Financial Information:

Construction plans were provided in Attachment 8 of the application titled "Expected Expenses and Revenue" totaling \$257,000 in initial costs and \$451,000 in total costs for 3 sections. Pursuant to 16 TAC §§ 24.105(a)(6) and (7), a CCN application must contain a capital improvement plan, including a budget and estimated timeline for construction of facilities, as well as a description of the sources of funding for all facilities that will be constructed.

The Applicant must file the following items to resolve the financial deficiencies:

1. A description of how construction will be funded for the initial phase and the remaining sections' costs as required under 16 TAC §24.11 (e)(4)(B)(iii)(II).
 - a. Please include a statement as to how each phase is funded, i.e., debt, cash, loan, or a combination thereof.
 - b. If a loan is part of the funding, please submit documentation with loan terms as part of the application as required under 16 TAC §24.11 (e)(5).
2. An estimated timeline for each phase of construction.