



Control Number: 50041



Item Number: 18

Addendum StartPage: 0

**DOCKET NO. 50041**

**APPLICATION OF AIRW 2017-7, L.P.  
TO OBTAIN A WATER CERTIFICATE  
OF CONVENIENCE AND NECESSITY  
IN COLLIN COUNTY**

§  
§  
§  
§

**PUBLIC UTILITY COMMISSION  
OF TEXAS**



**COMMISSION STAFF'S THIRD SUPPLEMENTAL RECOMMENDATION ON  
ADMINISTRATIVE COMPLETENESS**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this third supplemental recommendation on administrative completeness. Staff recommends that the application continue to be deemed administratively incomplete and that the applicant be ordered to address the identified deficiencies. In support thereof, Staff shows the following:

**I. BACKGROUND**

On September 23, 2019, North Custer Road Plant filed an application to obtain a water Certificate of Convenience and Necessity (CCN) in Collin County. The requested service area consists of 138 acres and currently has no customers. The docket was subsequently re-styled to reflect that AIRW 2017-7, L.P. (AIRW 2017-7) was the correct name of the applicant.

On April 29, 2020, Order No. 5 was issued establishing a deadline of June 10, 2020 for Staff to file a supplemental recommendation on the administrative completeness of the application, along with a proposed a procedural schedule. Therefore, this pleading is timely filed.

**II. DEFICIENCY RECOMMENDATION**

As detailed in the attached memorandum of Patricia Garcia in the Commission's Infrastructure Division, Staff has been working with AIRW 2017-17 to provide the documentation needed for continued processing of the application. As explained in Staff's second supplemental sufficiency recommendation filed on March 24, 2020, AIRW 2017-7 has proposed to allocate master metered utility service among duplexes, which is inconsistent with 16 TAC § 24.275(c). To date, AIRW 2017-17 has not submitted supplemental information, and therefore, Staff continues to recommend that the application be found administratively incomplete and deficient.

### **III. PROCEDURAL SCHEDULE**

Staff recommends that AIRW 2017-7 be ordered to cure the deficiencies identified in Ms. Garcia's memorandum by July 10, 2020 and that Staff be given a deadline of August 10, 2020, to file a supplemental recommendation on the administrative completeness of the application. Staff notes that AIRW 2017-7 should not issue notice until the application is found administratively complete.

### **IV. CONCLUSION**

Staff respectfully requests the issuance of an order consistent with the foregoing.

Dated: June 10, 2020

Respectfully submitted,

#### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Eleanor D'Ambrosio  
Managing Attorney

s/ Kourtnee Jinks  
Kourtnee Jinks  
State Bar No. 24097146  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7265  
(512) 936-7268 (facsimile)  
kourtnee.jinks@puc.texas.gov

**DOCKET NO. 50041**

**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on June 10, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

s/ Kourtnee Jinks  
Kourtnee Jinks

## PUC Interoffice Memorandum

---

**To:** Kourtnee Jinks, Attorney  
Legal Division

**From:** Patricia Garcia, Senior Engineering Specialist  
Infrastructure Division

**Date:** June 10, 2020

**Subject:** **Docket No. 50041**, *Application of AIRW 2017-17 to Obtain a Water Certificate of Convenience and Necessity in Collin County*

On September 23, 2019, North Custer Road Plant filed with the Public Utility Commission of Texas (Commission) an application to obtain a water Certificate of Convenience and Necessity (CCN) number in Collin County, Texas pursuant to Texas Water Code §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237. In the supplemental filing provided on December 6, 2019, the Applicant stated that its name was changed to AIRW 2017-7, L.P. (Applicant) and the docket was restyled to reflect this change.

Staff has actively been working with the Applicant to provide the needed documentation; as of June 9, 2020, the Applicant has not submitted a response. The set up of the proposed utility is as follows: The public water system that will be serving the area is North Custer Road Plant. This water system will provide service to two master meters.

The Applicant's proposed rate design shows a minimum monthly charge of \$3,604.80 for an 8" meter and does not include minimum charges for any other meter size. The proposed rate design also indicates that each master meter will serve 462 duplex units. The developers of these units will be the utility's customers and will pay the rates contained in the proposed tariff. The developers will then allocate the master metered usage to the tenants of the duplexes .

Staff recommends that a duplex does not meet the requirements for the allocation of master metered water utility service because a duplex only consists of two dwelling units. Therefore, Staff recommends that the application be deemed administratively incomplete and not accepted for filing because the proposed rate design and tariff do not comply with Commission rules. To cure this deficiency, Staff recommends that the Applicant submit a proposed utility set up and rate design that does not rely on the allocation of master metered usage and instead bills each customer for usage read by a separate water meter for each unit within each duplex.

Note: Any confidential items should be submitted as confidential filings with the PUC. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).