

Public Utility Commission of Texas

Memorandum

To: Merritt Lander, Attorney
Legal Division

From: Fred Bednarski III, Financial Analyst
Rate Regulation Division

Subject: **Docket No. 50789**, *Application of the City of Richland for a Water Certificate of Convenience and Necessity and for Dual Certification with Corbet Water Supply Corporation in Navarro County*

Date: May 26, 2020

On April 27, 2020, The City of Richland (Applicant) filed an application to obtain a water Certificate of Convenience and Necessity (CCN) and for dual certification with Corbet Water Supply Corporation CCN No. 12278 in Navarro County, Texas under the provisions of Texas Water Code §§ 13.242 to 13.250 and 16 Texas Administrative Code §§ 24.225 to 24.237.

I reviewed the answers and supplemental information provided to questions 30 and 31 of the application and identified deficiencies in those answers for purposes of determining whether the application is administratively complete. Therefore, I recommend that the Applicant provide the following to cure the application:

1. Current audited financial statements,
2. Most recent approved budget,
3. A capital improvement plan, including a budget and an estimated timeline for construction of all facilities necessary to provide full service to the requested area, keyed to a map showing where all facilities are and will be located to provide service,
4. A description of the sources of funding for all facilities that will be constructed to serve the requested, and
5. A map showing where connections to serve the requested area are and will be located.

PUC Interoffice Memorandum

To: Merritt Lander, Attorney
Legal Division

From: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

Date: May 26, 2020

Subject: **Docket No. 50789**, *Application of the City of Richland for a Water Certificate of Convenience and Necessity and for Dual Certification with Corbet Water Supply Corporation in Navarro County*

On April 27, 2020, the City of Richland (Applicant) filed with the Public Utility Commission of Texas (Commission) an application to obtain a water Certificate of Convenience and Necessity (CCN) and for dual certification with Corbet Water Supply Corporation's water CCN No. 12278 in Navarro County, Texas pursuant to Texas Water Code (TWC) §§ 13.242 to 13.250 and the 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237.

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:

Staff recommends that the Applicant provide the following:

Application Content:

1. Copies of all applicable requests for service and a map showing the location of each service request;
2. A signed agreement from Corbet Water Supply Corporation for the dual certification of the proposed area;
3. A signed agreement from Pleasant Grove Water Supply Corporation for the dual certification of the water lines in the proposed area that overlap with CCN No. 10756;
4. A copy of the last comprehensive compliance investigation from the Texas Commission on Environmental Quality (TCEQ);
5. If the TCEQ report mentioned above reports any violations, provide documentation showing that the violations are in the process of or have been resolved;

Mapping Content:

6. A general location map identifying only the requested area, in reference to the nearest county boundary, city, or town;
7. A detailed map identifying only the requested area, in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads; and
8. Digital mapping data for the requested area, as a single polygon record, in shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet); **OR** metes and bounds survey sealed or embossed by either a licensed state surveyor or a registered professional land surveyor.

Separate from the deficiencies noted above, the Applicant must also provide the following during the technical review:

Technical Content:

The Commission cannot finalize approval of a CCN until construction is approved by the TCEQ for the distribution system to serve the requested area and the approval letter is filed in this docket per 16 TAC § 24.233(a)(14). The absence of the approval letter will not bar a recommendation that the application is sufficient. However, the Applicant must supplement the application with a copy of the construction approval letters from TCEQ for the distribution system to serve the requested area before Staff can make a final recommendation on the application.

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>).

DOCKET NO. 50789

APPLICATION OF THE CITY OF	§	PUBLIC UTILITY COMMISSION
RICHLAND FOR A WATER	§	
CERTIFICATE OF CONVENIENCE	§	OF TEXAS
AND NECESSITY AND FOR DUAL	§	
CERTIFICATION WITH CORBET	§	
WATER SUPPLY CORPORATION IN	§	
NAVARRO COUNTY	§	

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND PROPOSED NOTICE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Recommendation on Administrative Completeness and Proposed Notice. Staff recommends that the application be deemed administratively incomplete and that the applicant be ordered to address the identified deficiencies. In support, Staff shows the following:

I. BACKGROUND

On April 27, 2020, the City of Richland (Richland) filed an application to obtain a water certificate of convenience and necessity (CCN) and for dual certification with Corbet Water Supply Corporation's (Corbet WSC) water CCN No. 12278 in Navarro County, Texas. Richland filed supplemental information on May 5, 2020 and May 15, 2020.

On April 28, 2020, the Administrative Law Judge (ALJ) issued Order No. 1, establishing a deadline of May 26, 2020 for Staff to file a recommendation on the administrative completeness of the application and notice and propose a procedural schedule for further processing of the application. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information filed by Richland and, as detailed in the attached memorandum from Patricia Garcia of the Commission's Infrastructure Division, recommends that it be found administratively incomplete. Staff further recommends, as detailed in the attached memorandum of Fred Bednarski of the Commission's Rate Regulation Division, that the application be deemed insufficient from a financial perspective. Staff recommends that Richland be ordered to cure the deficiencies identified in Ms. Garcia's and Mr.

Bednarski's memoranda by June 25, 2020, and that Staff be given a deadline of July 27, 2020, to file a supplemental recommendation on the administrative completeness and proposed notice. Staff notes that Richland should not issue notice until the application is found administratively complete.

III. COMMENTS ON PROCEDURAL SCHEDULE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of this docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation for application sufficiency.

IV. CONCLUSION

For the reasons discussed above, Staff respectfully recommends that the application be found administratively incomplete at this time and that the Richland be ordered to file a supplement addressing the identified deficiencies in the application by June 25, 2020.

Dated: May 26, 2020

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Rachelle Nicolette Robles
Division Director

Eleanor D'Ambrosio
Managing Attorney

/s/ Merritt Lander
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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 May 26, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Merritt Lander
Merritt Lander