



Control Number: 52002



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**DOCKET NO. 52002**

**APPLICATION OF CPR WATER  
SUPPLY COMPANY, LLC FOR A  
WATER CERTIFICATE OF  
CONVENIENCE AND NECESSITY IN  
SMITH COUNTY**

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**RECEIVED**  
2021 MAY 10 PM 2:50  
**PUBLIC UTILITY COMMISSION**  
**OF TEXAS**

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE  
COMPLETENESS AND PROPOSED PROCEDURAL SCHEDULE**

On April 9, 2021, CPR Water Supply Company, LLC (CPR Water) filed an application to obtain a water certificate of convenience and necessity (CCN) in Smith County. The requested service area consists of 151 acres and zero current customers.

On April 15, 2021, the administrative law judge filed Order No. 1 establishing a deadline of May 10, 2021 for Staff of the Public Utility Commission of Texas (Staff) to file a recommendation on the administrative completeness of the application and propose a procedural schedule. Therefore, this pleading is timely filed.

**I. COMMENTS ON ADMINISTRATIVE COMPLETENESS**

Staff has reviewed CPR Water's application, and, as detailed in the attached memoranda of Fred Bednarski of the Rate Regulation Division, and Heidi Graham of the Infrastructure Division, recommends that it be found administratively incomplete at this time. Staff notes that CPR Water should not issue notice until the application is found administratively complete.

**II. PROPOSED PROCEDURAL SCHEDULE**

In accordance with Staff's deficiency recommendation, Staff proposes the following procedural schedule:

<b>Event</b>	<b>Date</b>
Deadline for CPR Water to cure deficiencies identified in Staff's memoranda	June 7, 2021
Deadline for Commission Staff to file a supplemental recommendation on sufficiency of the application and a proposed procedural schedule for the continued processing of this application	July 5, 2021

### **III. CONCLUSION**

For the reasons discussed above, Staff respectfully requests that the application be deemed deficient and respectfully requests the entry of an order consistent with the above recommendation.

Dated: May 10, 2021

Respectfully submitted,

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

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**DOCKET NO. 52002**

#### **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 10, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/S/ Phillip Lehmann  
Phillip Lehmann

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Phillip Lehmann, Attorney  
Legal Division

**FROM:** Heidi Graham, Lead Engineering Specialist  
Infrastructure Division

**DATE:** May 10, 2021

**RE:** Docket No. 52002 – *Application of CPR Water Supply Company, LLC for a Water Certificate of Convenience and Necessity in Smith County*

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On April 9, 2021, CPR Water Supply Company, LLC filed with the Public Utility Commission of Texas (Commission) an application to obtain a water certificate of convenience and necessity (CCN) in Smith County, Texas under Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237.

Based on my technical review of the application, I recommend that the application be deemed administratively incomplete and not accepted for filing.

### **Application Content:**

The following deficiencies must be remedied:

#### **Ability to Provide Adequate Service**

16 TAC § 24.227(a)(1) requires that for retail water utility service, the Commission will ensure that the applicant has a public water system approved by the Texas Commission on Environmental Quality (TCEQ) that is capable of providing drinking water that meets the requirements of Texas Health and Safety Code, Chapter 341, TCEQ rules, and the TWC; and access to an adequate supply of water or a long-term contract for purchased water with an entity whose system meets the same requirements.<sup>1</sup>

A letter dated November 6, 2020, from the TCEQ to Jerry F. Fontaine, P.E. regarding the construction of a groundwater public water system, was attached to the application. The letter stated that the project could not be reviewed further because it was incomplete and requested that additional information be submitted within 30 days from the date of the letter. To date, no additional submittals have been made to TCEQ for this project.<sup>2</sup>

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<sup>1</sup> 16 TAC § 24.227(a)(1)

<sup>2</sup> [https://records.tceq.texas.gov/cs/idcplg?IdcService=TCEQ\\_SEARCH](https://records.tceq.texas.gov/cs/idcplg?IdcService=TCEQ_SEARCH)

In order to satisfy the requirements of 16 TAC § 24.227(a)(1), provide a letter from TCEQ stating that the project submittal for a public water system is complete and will be reviewed. Before the CCN can be granted by the Commission, a public water system meeting the requirements of 16 TAC § 24.227(a)(1) must be approved for construction by TCEQ.

Need for Service

16 TAC § 24.227(e)(2) requires the need for additional service in the requested area. The answer for the application's question 9 regarding the receipt of any requests for service in the requested area is yes.<sup>3</sup> Attached to the application under Request & Responses for Service (Docket No. 50581) is a notice of approval on compensation for an expedited release petition filed by Cole, Prewitt and Rudisill, LLC to amend Southern Utilities Company's water Certificate of Convenience and Necessity No. 10762 in Smith County.

Please provide an explanation of Cole, Prewitt and Rudisill, LLC's interest in this proceeding. Specifically, please specify Cole, Prewitt and Rudisill, LLC's relationship with CPR Water Supply Company. Additionally, in order to satisfy the requirement of 16 TAC § 24.227(e)(2), please provide the following for the requested area:

- (A) written applications or requests for service from landowners, prospective landowners, tenants, or residents;
- (B) economic needs;
- (C) environmental needs; or
- (D) reports or market studies demonstrating existing or anticipated growth in the requested area.

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>).

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<sup>3</sup> Application of CPR Water Supply Company, LLC for a Water Certificate of Convenience and Necessity in Smith County, Docket 52002 at 4 of 18 (April 9, 2021)

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Phillip Lehmann, Attorney  
Legal Division

**FROM:** Fred Bednarski III, Financial Analyst  
Rate Regulation Division

**DATE:** May 10, 2021

**RE:** Docket No. 52002 – *Application of CPR Water Supply Company, LLC for a Water Certificate of Convenience and Necessity in Smith County*

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On April 9, 2021, CPR Water Supply Company, LLC (CPR Water) filed an application to obtain a water Certificate of Convenience and Necessity in Smith County under Subchapter G of Texas Water Code Chapter 13.

I reviewed the answers provided to questions 30 and 31 of the application and recommend the application be deemed administratively incomplete, and that CPR Water be required to provide the following information to cure the deficiencies:

1. A water rates study that supports the proposed tariffed rates and fees, and
2. Historical year-end financial statements for CPR Water's affiliate for the most recent 2 years.