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DOCKET NO. 54464

APPLICATION OF ORANGE COUNTY	§	PUBLIC UTILITY COMMISSION
WATER CONTROL AND	§	
IMPROVEMENT DISTRICT NO. 1	§	OF TEXAS
(LEXINGTON) AND LEXINGTON	§	
WATER SYSTEMS FOR A SALE,	§	
TRANSFER, OR MERGE OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN ORANGE COUNTY	§	

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

On December 12, 2022, Orange County Water Control & Improvement District No. 1 (Lexington) (Orange County WCID No. 1) filed an application to amend Certificate of Convenience and Necessity (CCN) number 10115 in Orange County. On February 28, 2023, Orange County WCID No. 1 filed a supplemental brief to amend the application for a sale, merger, or transfer of facilities. On June 30, 2023, Commission Staff filed on behalf of itself and Orange County WCID No. 1, a recommendation for processing this docket as the sale, transfer, or merger of facilities and certificate rights and requested the application be restyled accordingly.

On July 12, 2023, the administrative law judge (ALJ) filed Order No. 7, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file supplemental recommendations on the administrative completeness of the application and the sufficiency of notice, along with a proposed procedural schedule, if appropriate, by August 30, 2023. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information and as detailed in the attached memorandum from Patricia Garcia, Infrastructure Division, recommends that the application is administratively incomplete from a managerial and technical perspective. As detailed in the attached memorandum from Fred Bednarski III, Rate Regulation Division, Staff recommends that the application is administratively complete from a financial perspective. Staff further recommends that the Applicants be ordered to cure the deficiencies identified in Ms. Garcia's memorandum by October 2, 2023, and that Staff be given a deadline of November 2,

2023, to file a supplemental recommendation on the administrative completeness of the application.

Staff respectfully requests adoption of these proposed deadlines as some of the noted deficiencies are related to mapping information and Staff's mapping experts may be required to assist Orange County WCID No. 1 regarding the supplemental mapping information needed to cure the mapping deficiencies and will require at least thirty days to review same.

II. PROCEDURAL SCHEDULE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of the docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation that the application be found administratively complete. Staff notes that Orange County WCID No. 1 should not issue notice until the application is deemed sufficient.

III. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively incomplete and that Orange County WCID No. 1 be ordered to file supplemental information to cure the deficiencies in the application by October 2, 2023. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: August 30, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Kevin Pierce
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CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on August 30, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Kevin Pierce
Kevin Pierce

Public Utility Commission of Texas

Memorandum

TO: Kevin Pierce, Attorney
Legal Division

FROM: Patricia Garcia, Infrastructure Analysis Section Director
Infrastructure Division

DATE: August 30, 2023

RE: Docket No. 54464 – *Application of Orange County Water Control & Improvement District No. 1 (Lexington) and Lexington Water Systems for a Sale, Transfer, or Merge of Facilities and Certificate Rights in Orange County*

On December 12, 2022, Orange County Water Control & Improvement District No. 1 (Orange County WCID No. 1) filed with the Public Utility Commission of Texas (Commission) an application to amend its water Certificate of Convenience and Necessity (CCN) No. 10115 in Orange County, Texas under Texas Water Code (TWC) §§ 13.242 through 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 through 24.237.

On February 28, 2023, Orange County WCID No. 1 and Lexington Water System, Inc. (Lexington Water) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Orange County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Orange County WCID No. 1, CCN No. 10115, seeks approval to acquire facilities and to transfer all of the water service area from Lexington Water under water CCN No. 11560.

Based on the mapping review and my technical and managerial review of the additional information filed by Orange County WCID No. 1 on February 28, 2023, April 20, 2023, May 11, 2023, and August 15, 2023, I recommend that the application be deemed administratively incomplete and not accepted for filing.

Mapping Content:

Based on the mapping review by Tracy Montes, Infrastructure Division, the revised maps requested by staff on April 28, 2023 have not been submitted on May 11, 2023 and on August 15, 2023.

Orange County WCID No. 1 must submit the following items to resolve the mapping deficiencies:

- A general location map identifying only the requested area, in reference to the nearest county boundary, city, or town.
- A detailed map identifying only the requested area, in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads.

Staff recommends Orange County WCID No. 1 obtain additional mapping guidance from the PUC's mapping staff, Tracy Montes by email at tracy.montes@puc.texas.gov to resolve the mapping deficiencies.

Public Utility Commission of Texas

Memorandum

TO: Kevin Pierce
Legal Division

FROM: David Lopez
Fred Bednarski III
Rate Regulation Division

DATE: August 30, 2023

RE: Docket No. 54464 – *Application of Orange County Water Control & Improvement District No. 1 and Lexington Water Systems for Sale, Transfer, or Merger of Facilities and Certificate Rights in Orange County*

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We reviewed the answers provided to questions 4, 10, 11, 12, and 14 of the application. We did not identify any deficiencies in those answers for purposes of determining whether the application is administratively complete. Therefore, we recommend that the Commission deem the application administratively complete from a financial perspective.