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DOCKET NO. 54718

APPLICATION OF STAFF WATER	§	PUBLIC UTILITY COMMISSION
SUPPLY CORPORATION AND CITY	§	
OF CARBON FOR SALE, TRANSFER,	§	OF TEXAS
OR MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN EASTLAND	§	
COUNTY	§	

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

On March 7, 2023, Staff Water Supply Corporation (Staff WSC) and City of Carbon (City) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Eastland County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. Applicants supplemented the application on April 25, 2023, and May 5, 2023.

On April 10, 2023, the administrative law judge (ALJ) filed Order No. 2, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation on the administrative completeness of the application, proposed notice and propose a procedural schedule by June 5, 2023. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information and, as detailed in the attached memoranda from Jolie Mathis, Infrastructure Division, and Fred Bednarski III, Rate Regulation Division, Staff recommends that the supplemented application is administratively complete. Staff's recommendation on administrative completeness is not a comment on the merits of the application.

II. NOTICE

At this time, Staff recommends that the Applicants proceed with providing public notice to all current customers, neighboring utilities, political subdivisions, and other persons listed in the attached memorandum using the notice form provided by Ms. Mathis. Along with each individual notice, Staff recommends that the Applicants provide a copy of the maps deemed sufficient during administrative review delineating the requested service area.

Once notice has been provided, Staff recommends that the Applicants file proof of notice as described in the attached memorandum, including an affidavit specifying the name and address of every person and entity to whom notice was provided, the date that the notice was provided, and a copy of the map provided with the notice. Finally, Staff recommends that the Applicants use the attached notice and affidavit to meet these requirements.

III. PROCEDURAL SCHEDULE

Staff recommends that the application, as supplemented, be found administratively complete. Therefore, Staff proposes the following procedural schedule.

Event	Date
Deadline for the Applicants to file with the Commission signed affidavits that the notice was given along with a copy of the notice and map sent to the affected parties.	July 5, 2023
Deadline for Staff to file a recommendation on sufficiency of notice.	July 17, 2023
Deadline to intervene	30 days after notice is issued

IV. CONCLUSION

For the reasons detailed above, Staff recommends that the application, as supplemented, be found administratively complete, that the Applicants be directed to provide notice as described in the attached memorandum, and that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: June 5, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Interim Division Director

/s/ David Berlin
David Berlin
State Bar No. 24126088
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7442
(512) 936-7268 (facsimile)
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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 June 5, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ David Berlin
David Berlin

Public Utility Commission of Texas

Memorandum

TO: David Berlin, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: June 5, 2023

RE: Docket No. 54718 – *Application of Staff Water Supply Corporation and City of Carbon for Sale, Transfer, or Merger of Facilities and Certificate Rights in Eastland County*

City of Carbon (Carbon) and the Staff Water Supply Corporation (Staff WSC) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Eastland County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Carbon seeks approval to acquire facilities and to transfer a portion of the water service area from Staff WSC under water CCN No. 11155 and obtain a new CCN number.

Based on the mapping review by Dave Babicki, Infrastructure Division, the revised maps and digital mapping data submitted with Item 6 on May 5, 2023 are sufficient.

- The *requested area – north* includes approximately 426.6 acres, comprised of facility line + 200 feet CCN service area transferred from Staff WSC (CCN No. 11155) to Carbon with the issuance of a new water CCN number.
- The *requested area – south* includes approximately 764.2 acres, comprised of facility line + 200 feet CCN service area transferred area from Staff WSC (CCN No. 11155) to Carbon with the issuance of a new water CCN number.
- The *total requested area* includes 92 customer connections and approximately 1,190.8 acres, comprised of facility line + 200 feet CCN service area transferred area from Staff WSC (CCN No. 11155) to Carbon with the issuance of a new water CCN number.
- The application proposes the subtraction of approximately 1,190.8 acres from CCN No. 11155 and the addition of approximately 1,190.8 acres to Carbon with the issuance of a new water CCN number.

- The application indicates that the total acreage being requested is approximately 1,109.9 acres, however, the mapping review determined the requested area is approximately 1,190.8 acres.

Based on the mapping review and my technical and managerial review of the additional information filed on May 5, 2023, I recommend that the application be deemed administratively complete. I further recommend that the Applicants be ordered to do the following:

- 1) Provide notice of the application by first-class mail to the following:
 - a. Cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area:
 - *Brazos River Authority*
 - *City of Eastland (CCN No. 10470)*
 - *Eastland County Water Supply District*
 - *Westbound Water Supply Corporation (WSC) (CCN No. 11831)*
 - b. The county judge of each county that is wholly or partially included in the requested area:
 - *Eastland County Judge*
 - c. Each groundwater conservation district that is wholly or partially included in the requested area:
 - *None*
 - d. Any affected customers, and other affected parties in the requested area.

Addresses can be obtained from the Water Utility Database at <http://www.puc.texas.gov/watersearch>. District information and addresses can be obtained from the Texas Commission on Environmental Quality's (TCEQ) web site located at <https://www14.tceq.texas.gov/iwud/index.cfm>.

- 2) Publish notice once each week for two consecutive weeks in a newspaper having general circulation in the county where the requested area is located. Proof in the form of a publisher's affidavit must be filed within 30 days of the publication date. The affidavit must state with specificity each county in which the newspaper is of general circulation. Within 30 days of the date the notice was mailed, Carbon must file an affidavit specifying the notice that was provided to every person and entity to whom notice was provided and the date the notice was mailed.
- 3) Provide notice using the attached notice forms.
- 4) Provide a copy of the maps deemed sufficient during administrative review delineating the requested area with each individual notice to neighboring utilities, other affected parties, and customers.

- 5) File in the docket:
 - a. A copy of the notices (1 copy of each).
 - b. The general location and detailed maps deemed sufficient during administrative review.
 - c. The signed affidavits for published notice and mailed notices.
 - d. A list specifying every person and entity to whom notice was provided.
 - e. The publisher's affidavit and tear sheets for proof of newspaper publication.
- 6) Supplement the application with a copy of the approval letter for new facilities. Carbon will be building to provide additional water service for the requested area from TCEQ once it is received. Carbon must file the approval letter prior to Staff making a final recommendation on the application.

Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed, Staff may send requests for information (RFI) to Carbon and Staff WSC. Carbon and Staff WSC will have 20 days from the receipt of the RFI to respond.

Public Utility Commission of Texas

Memorandum

TO: David Berlin
Legal Division

FROM: Fred Bednarski III
Rate Regulation Division

DATE: June 5, 2023

RE: Docket No. 54718 – *Application of Staff Water Supply Corporation and City of Carbon for Sale, Transfer, or Merger of Facilities and Certificate Rights in Eastland County*

On March 7, 2023, Staff Water Supply Corporation (Staff WSC) and City of Carbon (Carbon) filed an application for the sale and transfer of facilities and certificate rights in Eastland County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

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

Notice to Current Customers, Neighboring Systems, and Cities
CITY OF CARBON NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO
TRANSFER WATER SERVICE AREA UNDER CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO. 11155 FROM STAFF WATER SUPPLY CORPORATION IN
EASTLAND COUNTY, TEXAS

To: _____ Date Notice Mailed: _____, 20____
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

<u>City of Carbon</u>	<u>P.O. Box 414</u>	<u>Carbon, TX</u>	<u>76435</u>
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to obtain a CCN, purchase a portion of the water facilities, and to transfer water certificated service area under CCN No. 11155 in Eastland County, TX from:

<u>Staff WSC</u>	<u>P.O. Box 421</u>	<u>Ranger, TX</u>	<u>76470</u>
(Seller's Name)	(Address)	(City), (State)	(Zip Code)

The sale is scheduled to take place if approved by the Commission (Texas Water Code § 13.301). The transaction and the transfer of the CCN includes the following:

Requested Area – North (CCN facility line plus two hundred feet):

The **requested area – north**, is located approximately 3.75 mile(s) northeast of downtown Carbon, Texas, and is generally bounded on the north by County Road 305; on the east by County Road 298; on the south by Farm to Market 2563; and on the west by State Highway 6.

The **requested area – north** includes approximately 426.6 acres, comprised of transferred area from Staff WSC (CCN No. 11155) to City of Carbon with the issuance of a new water CCN number.

Requested Area – South (CCN facility line plus two hundred feet):

The **requested area – south**, is located approximately 0.45 mile(s) northeast of downtown Carbon, Texas, and is generally bounded on the north by County Road 300; on the east by Farm to Market 2689; on the south by State Highway 6; and on the west by the intersection of West Asphalt Road and 4th Street.

The **requested area – south** includes approximately 764.2 acres, comprised of transferred area from Staff WSC (CCN No. 11155) to City of Carbon with the issuance of a new water CCN number.

The **total requested area** includes 92 customer connections, approximately 1,190.8 acres, comprised of transferred area from Staff WSC (CCN No. 11155) to City of Carbon with the issuance of a new water CCN number.

The application proposes the subtraction of approximately 1,190.8 acres from CCN No. 11155 and the addition of approximately 1,190.8 acres to City of Carbon and the issuance of a new water CCN number.

See enclosed maps showing the requested area.

This transaction will not have an effect on the current customer's rates and services.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date. The letter must include the person's name, address, email address and fax number if applicable.

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

Si desea información en español, puede llamar al 1-888-782-8477.

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND AFFECTED PARTIES DOCKET NO. 54718

STATE OF TEXAS
COUNTY OF _____

_____ has provided individual
notice to the following entities and customers:

DATE OF NOTICE

OATH

I, _____, being duly sworn, file this form as
_____ (indicate relationship to applicant, that is,
owner, member of partnership, title of officer of corporation, or other authorized representative of
applicant); that in such capacity, I am qualified and authorized to file and verify such form, am
personally familiar with the notices given with this application, and have complied with all notice
requirements in the application and application acceptance letter; and that all such statements made
and matters set for therein are true and correct.

Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant,
or its attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this _____ day of _____, 20____,
to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____

Notice Form Updated: March 31, 2022

Notice for Publication

**CITY OF CARBON NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO
TRANSFER WATER SERVICE AREA UNDER CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO. 11155 FROM STAFF WATER SUPPLY CORPORATION IN
EASTLAND COUNTY, TEXAS**

City of Carbon	P.O. Box 414	Carbon, TX	76435
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to obtain a CCN, purchase a portion of the water facilities, and to transfer water certificated service area under CCN No. 11155 in Eastland County, TX from:

Staff WSC	P.O. Box 421	Ranger, TX	76470
(Seller's Name)	(Address)	(City), (State)	(Zip Code)

The sale is scheduled to take place if approved by the Commission (Texas Water Code § 13.301). The transaction and the transfer of the CCN includes the following:

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The **requested area – north**, is located approximately 3.75 mile(s) northeast of downtown Carbon, Texas, and is generally bounded on the north by County Road 305; on the east by County Road 298; on the south by Farm to Market 2563; and on the west by State Highway 6.

The **requested area – north** includes approximately 426.6 acres, comprised of transferred area from Staff WSC (CCN No. 11155) to City of Carbon with the issuance of a new water CCN number.

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The **requested area – south**, is located approximately 0.45 mile(s) northeast of downtown Carbon, Texas, and is generally bounded on the north by County Road 300; on the east by Farm to Market 2689; on the south by State Highway 6; and on the west by the intersection of West Asphalt Road and 4th Street.

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The application proposes the subtraction of approximately 1,190.8 acres from CCN No. 11155 and the addition of approximately 1,190.8 acres to City of Carbon and the issuance of a new water CCN number.

A copy of the maps showing the requested area are available at: City Hall, 302 Main Street, Carbon TX 76435

This transaction will not have an effect on the current customer's rates and services.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date. The letter must include the person's name, address, email address and fax number if applicable.

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Si desea información en español, puede llamar al 1-888-782-8477.

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION OF TEXAS



PUBLISHER'S AFFIDAVIT DOCKET NO. 54718

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____,
who being by me duly sworn, deposes and that (s)he is the

_____ of the _____
(TITLE) (NAME OF NEWSPAPER)

that said newspaper is regularly published in _____
(COUNTY/COUNTIES)

and generally circulated in _____, Texas;
(COUNTY/COUNTIES)

and that the attached notice was published in said newspaper on the following dates, to wit:

(DATES)

(SIGNATURE OF NEWSPAPER REPRESENTATIVE)

Subscribed and sworn to before me this _____ day of _____, 20____,
to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____