



Control Number: 44740



Item Number: 5

Addendum StartPage: 0

DOCKET NO. 44740

**APPLICATION MSEC ENTERPRISES,
INC. TO AMEND A CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
MONTGOMERY COUNTY**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**
2015 JUN 17 PM 2:46
FILING CLERK

COMMISSION STAFF'S RESPONSE TO ORDER NO. 1

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Response to Order No. 1, and would show the following:

I. BACKGROUND

On May 18, 2015, MSEC Enterprises, Inc. (MSEC or Applicant) filed an application to amend sewer certificate of convenience and necessity (CCN) No. 20984 in Montgomery County. In Order No. 1, issued on May 21, 2015, the administrative law judge set a deadline of June 17, 2015 for Commission Staff to file comments on the administrative completeness of the application and proposed notice.

II. COMMENTS ON ADMINISTRATIVE COMPLETENESS

Based on the attached memorandum from Fred Bednarski, Financial & Managerial Review Specialist, and Komal Patel, GIS Specialist in the Water Utilities Division, Staff recommends that the application be deemed administratively incomplete. Specifically, Staff requires additional financial and mapping information to properly evaluate the application.

III. PROCEDURAL SCHEDULE

Order No. 1 also requires that the Applicant and Staff file comments/recommendation regarding how this application should be processed and propose a procedural schedule. Based on Staff's recommendation that the application be deemed incomplete, Staff recommends that the Applicant submit the additional information no later than July 17, 2015, and that Staff be required to file a supplemental recommendation no later than August 17, 2015.

Dated: June 17, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director

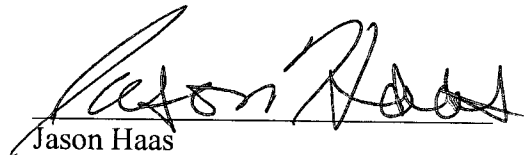
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on June 17, 2015, in accordance with P.U.C. Procedural Rule 22.74.



Jason Haas

PUC Interoffice Memorandum

To: Jason Haas
Legal Division

Thru: Lisa Fuentes, Team Lead
Water Utilities Division

From: Fred Bednarski, Financial & Managerial Review Specialist
Komal Patel, GIS Specialist
Water Utilities Division

Date: June 16, 2015

Subject: Docket No. 44740; Application Mid-South Senergy (MSEC) Enterprises, Inc. to amend its Sewer Certificate of Convenience and Necessity (CCN) No. 20984 held in Montgomery County.

MSEC Enterprises, Inc. (Applicant) filed an application to amend its sewer Certificate of Convenience and Necessity (CCN) No. 20984 and in Montgomery County pursuant to the criteria in the Tex. Water Code , pursuant to Texas Water Code (TWC) §§ 13.242 - 13.250 and 16 Tex. Admin. Code §§ 24.101 - 24.107.

I have reviewed the above referenced application and have found that it is deficient in the content provided as well as the required mapping information; therefore, I recommend that the application be deemed administratively incomplete and accordingly not accepted for filing.

Application Content

The application indicates sewer service will be extended to 3 schools to be built by the Montgomery Independent School District. The application must include enough information for staff to reasonably conclude during the technical review that the Applicant has the ability to serve adequate and continuous service. In order for the application to proceed the following clarifications and documentation should be submitted:

1. A business plan indicating how MSEC plans to expand and serve the new area and the cost associated with providing service to the area (facilities cost) as well as how MSEC and parent company plan on financing the expansion.
2. Complete financial statements for the parent company including a cash flow statement (Staff needs to know the annual principal and interest payments; key ratios Staff examines are long term debt to equity and debt coverage ratios).
3. A copy of MSEC's current approved tariff.

Mapping Content

I recommend the Applicant submit the following items to resolve the mapping deficiencies:

1. The hardcopy map referred to as Attachment 3 is insufficient for notice and mapping purposes:

- For notice purposes the existing CCNs shown on the map must be removed and the layout of the map needs to be changed so that the North arrow is oriented towards the top of the page. The current layout of the map submitted is confusing with the North arrow pointing towards the left of the page,
- For mapping purposes applicant needs to submit a more detailed (large scale) map to verify placement of the 2 proposed areas.