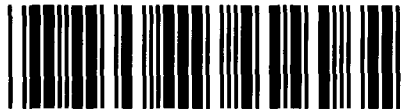




Control Number: 50626



Item Number: 5

Addendum StartPage: 0



DOCKET NO. 50626

**APPLICATION OF QUADVEST, L.P. §
TO AMEND ITS CERTIFICATES OF §
CONVENIENCE AND NECESSITY AND §
TO DECERTIFY PORTIONS OF THE §
CITY OF CONROE'S CERTIFICATES §
OF CONVENIENCE AND NECESSITY §
IN MONTGOMERY COUNTY §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

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

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and in response to Order No. 1, files this Recommendation on Administrative Completeness and Proposed Notice. Staff recommends that the application be deemed deficient at this time. In support thereof, Staff shows the following:

I. BACKGROUND

On March 6, 2020, Quadvest, L.P. (Quadvest), filed an application to amend its water certificate of convenience and necessity (CCN) No. 11612 and sewer CCN No. 20952 in Montgomery County. The application also seeks to decertify portions of the City of Conroe's water CCN No. 10339 and sewer CCN No. 20135. The requested service area consists of 257 acres with no current customer connections.

On March 26, 2020, the Commission administrative law judge issued Order No. 1, requiring Staff to file comments on the administrative completeness of the application and proposed notice and to propose a procedural schedule for further processing of the application by April 29, 2020. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum from Roshan Pokhrel in the Commission's Infrastructure Division, Staff has reviewed Quadvest's application and recommends that it be found administratively incomplete at this time. Specifically, Staff has identified that the application does not include documentation affirming the City of Conroe's agreement to decertify a portion of its water CCN and sewer CCN in the requested service area. The application also does not include documentation evidencing applicant's pending applications at the Texas Commission of Environmental Quality (TCEQ) for approval of Quadvest's construction of new

5

water facilities and the acquisition of a new water quality discharge permit to serve the requested service area. Staff recommends that Quadvest submit supplemental application materials, as further detailed in the attached memorandum.

Staff notes that Quadvest should not issue notice until its application is found administratively complete.

III. COMMENTS ON PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively incomplete. Staff further recommends that a deadline be established for Quadvest to cure the deficiencies identified in Mr. Pokhrel's memorandum by June 3, 2020. Additionally, Staff recommends that a deadline be established for Staff to review Quadvest's supplemental information and make a supplemental recommendation on the administrative completeness of the application by July 3, 2020.

Staff intends to propose a revised procedural schedule alongside a subsequent recommendation for application sufficiency.

IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that the application be found administratively incomplete at this time. Staff further recommends that the procedural schedule proposed above be adopted for further processing of this docket.

Dated: April 29, 2020

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

/s/ Richard Nemer

Richard Nemer
State Bar No. 24042829
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7348
(512) 936-7268 (facsimile)
richard.nemer@puc.texas.gov

DOCKET NO. 50626

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 April 29, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Richard Nemer

Richard Nemer

PUC Interoffice Memorandum

To: Richard Nemer, Attorney
Legal Division

From: Roshan Pokhrel, Engineering Specialist
Infrastructure Division

Date: April 29, 2020

Subject: **Docket No. 50626**, *Application of Quadvest, L.P. to Amend its Certificates of Convenience and Necessity and to Decertify Portions of the City of Conroe's Certificates of Convenience and Necessity in Montgomery County*

On March 6, 2020, Quadvest, L.P., (Applicant) filed an application with the Public Utility Commission of Texas (Commission) to amend its water certificate of convenience and necessity (CCN) No. 11612 and sewer CCN No. 20952 in Montgomery County. The application also seeks to decertify portions of the City of Conroe's water CCN No. 10339 and sewer CCN No. 20135. The application was filed under Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237.

Commission Staff has reviewed the information filed in the application and recommends that the application be deemed administratively incomplete and not accepted for filing at this time due to two deficiencies.

First, the Applicant's cover letter to the present application states that a discharge permit application was filed with the Texas Commission on Environmental Quality (TCEQ) on February 10, 2020. Applicant's cover letter further states that underground and well permits would be filed with the TCEQ within 60 days of the present application's filing. Nonetheless, under 16 TAC § 24.233(a)(14), a water CCN amendment application requires proof that the applicant has submitted plans and specifications for the proposed drinking water system with the TCEQ for a determination of administrative completeness. Similarly, under 16 TAC § 24.233(a)(15), a sewer CCN amendment application requires proof that the applicant has submitted an application for a wastewater permit with the TCEQ for a determination of administrative completeness.

Second, the requested service areas overlap with the City of Conroe's water and sewer CCNs. However, the Applicant has not filed an agreement letter from the City of Conroe to decertify a portion of its water CCN No. 10339 and sewer CCN No. 20135.

Staff recommends that the Applicant provide the following information to cure the previously identified application deficiencies:

- 1) an agreement letter from the City of Conroe to decertify a portion of its water CCN and sewer CCN, since the requested service area overlaps each of the City of Conroe's CCNs; and
- 2) documents evidencing that the Applicant submitted applications to the TCEQ for approval of (a) the construction of a new water facilities to serve the requested area and (b) a new water quality discharge permit to serve the requested area.