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DOCKET NO. 51923

APPLICATION OF QUADVEST, L.P.	§	PUBLIC UTILITY COMMISSION
TO AMEND ITS WATER	§	
CERTIFICATES OF CONVENIENCE	§	OF TEXAS
AND NECESSITY IN MONTGOMERY	§	
COUNTY	§	

COMMISSION STAFF’S RESPONSE TO ORDER NO. 27

On March 22, 2021, 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, Texas.

On March 15, 2023, the administrative law judge (ALJ) filed Order No. 27, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation by March 31, 2023, to Staff’s final recommendation filed on February 2, 2022. Therefore, this pleading is timely filed.

I. SUPPLEMENTAL RECOMMENDATION

Staff presents the following responses and supporting information as detailed in the attached memorandum from Ethan Blanchard, Rate Regulation Division:

- 1) Quadvest is required to satisfy the requirements of 16 Texas Administrative Code § 24.11(e)(5)(B) and, demonstrated a firm capital commitment consistent with the Commission's discussion at its October 6, 2022 open meeting; and
- 2) Quadvest has satisfied the requirements of Texas Water Code § 13.244(d)(3), consistent with the Commission' s discussion at its October 6, 2022 open meeting.

II. CONCLUSION

For the reasons stated above, Staff requests an order consistent with this recommendation.

Dated: March 31, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

/s/ Marisa Lopez Wagley
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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 March 31, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Marisa Lopez Wagley
Marisa Lopez Wagley

Public Utility Commission of Texas

Memorandum

TO: Kevin Bartz
Legal Division

FROM: Ethan Blanchard
Rate Regulation Division

DATE: March 24, 2023

RE: Docket No. 51923 – *Application of Quadvest, L.P. to Amend its Certificate of Convenience and Necessity in Montgomery County*

On March 22, 2022, Quadvest, LP (Quadvest) filed an application to amend its water certificate of convenience and necessity (CCN) number 11612 and sewer CCN number 20952 in Montgomery County under Subchapter G of Texas Water Code Chapter 13.

On March 15, 2023, the Administrative Law Judge issued Order No. 27, requiring Staff to file a recommendation on whether Quadvest has satisfied the requirements of 16 TAC § 24.11(e)(5)(5) and TWC § 13.244(d)(3), consistent with the Commission’s discussion at its October 6, 2022 open meeting.

At the February 16, 2023 open meeting, the Commission elaborated upon its previous discussion at the October 6, 2022 open meeting. The Commissioners clarified that audited financial statements showing an adequate cash surplus were sufficient proof of financial assurance.¹

Quadvest has submitted audited financial statements and other documentation demonstrating adequate cash funding of the planned system improvements for the Decker Farms systems.² Therefore, I recommend a finding that Quadvest satisfies the requirements of 16 TAC § 24.11(e)(5)(B).

¹ Open Meeting at 39:40 (Feb. 16, 2023), Item No. 3 (*available at https://www.adminmonitor.com/tx/puct/open_meeting/20230216/*).

² The calculations for which can be found in confidential Attachment EB-2