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DOCKET NO. 52391

APPLICATION OF LIBERTY COUNTY UTILITIES, LLC FOR WATER AND SEWER CERTIFICATES OF CONVENIENCE AND NECESSITY IN LIBERTY COUNTY	§ § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS AND NOTICE AND PROPOSED PROCEDURAL SCHEDULE

On August 5, 2021, Liberty County Utilities, LLC (Liberty County) filed an application to obtain a water and sewer certificate of convenience and necessity (CCN) in Liberty County, Texas under Texas Water Code (TWC) § 13.254(a) and 16 Texas Administrative Code (TAC) § 24.245(h). Liberty County filed supplemental information on August 6, 2021

On August 6, 2021, the administrative law judge (ALJ) filed Order No. 1, establishing a deadline of September 7, 2021 for the Staff of the Public Utility Commission of Texas (Staff) to file comments on the administrative completeness of the application and proposed notice and to propose a procedural schedule for the further processing of this docket. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and as detailed in the attached memoranda from Jolie Mathis, Infrastructure Division, Kathryn Eiland, Rate Regulation Division, and Fred Bednarski, Rate Regulation Division, recommends that the application is incomplete from a managerial, technical and financial perspective. Staff further recommends that Liberty County be ordered to cure the deficiencies identified in Ms. Mathis, Ms. Eiland, and Mr. Bednarski’s memoranda by October 7, 2021 and that Staff be given a deadline of November 8, 2021 to file a supplemental recommendation on the administrative completeness of the application.

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 Liberty County 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 Liberty County be ordered to file supplemental information to cure the deficiencies in the application by October 7, 2021. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: September 7, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
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/s/Mildred Anaele
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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 September 7, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/Mildred Anaele
Mildred Anaele

Public Utility Commission of Texas

Memorandum

TO: Mildred Anaele, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: September 7, 2021

RE: Docket No. 52391 – *Application of Liberty County Utilities, LLC for Water and Sewer Certificates of Convenience and Necessity in Liberty County*

On August 5, 2021, Liberty County Utilities, LLC (Liberty County) filed with the Public Utility Commission of Texas (Commission) an application to obtain a water and sewer certificate of convenience and necessity (CCN) in Liberty County, Texas under Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237.

Based on the mapping review by Tracy Montes, Infrastructure Division, and my technical and managerial review of the information filed by Liberty County, I recommend that the application be deemed administratively incomplete and not accepted for filing.

Mapping Content:

Liberty County must submit the following item to resolve the mapping deficiencies:

Based on the mapping review by Tracy Montes, Infrastructure Division, the digital mapping data, detailed and general location maps submitted with **Item 1** on **8/6/2021** are deficient. The digital mapping data for the requested area does not accurately align with the existing CCN boundaries of the Quadvest LP (CCN Nos. 11612 and 20952). The digital mapping data must be revised to remove overlaps between the requested area and Quadvest LP's existing CCNs. The requested area does not appear to follow parcel boundaries or other verifiable man-made and natural landmarks. There are acreage discrepancies between the requested area as stated in the application, the metes and bounds and shapefile provided.

Applicant 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.

- Digital mapping data for the requested area, as a single polygon record, in shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet).
- Indicate the approximate total acreage for the requested area. The acreage indicated should be the same as stated in the application, metes and bounds and the shapefile.

Staff recommends the Applicant obtain additional mapping guidance from the PUC's mapping staff, Ms. Tracy Montes by email at tracy.montes@puc.texas.gov to resolve the mapping deficiencies.

Staff will need at least 30 days to review the documentation, maps, and digital data provided by Liberty County and draft a recommendation.

Note: Any confidential items should be submitted as confidential filings with the PUC. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).

Public Utility Commission of Texas

Memorandum

TO: Mildred Anaele, Attorney
Legal Division

FROM: Kathryn Eiland, Financial Analyst
Fred Bednarski III, Financial Analyst
Rate Regulation Division

DATE: September 7, 2021

RE: Docket No. 52391 - *Application of Liberty County Utilities, LLC for Water and Sewer Certificates of Convenience and Necessity in Liberty County*

On August 5, 2021, Liberty County Utilities, LLC (Liberty Utilities) filed an application to obtain water and sewer certificates of convenience and necessity in Liberty County under Subchapter G of Texas Water Code Chapter 13.

I reviewed the answers provided to questions 28, 29, 30, and 31 of the application and recommend the application be deemed administratively incomplete, and Liberty Utilities be required to provide the following information to cure the deficiencies:

- 1) An answer to application question 31, a disclosure of any affiliated interest or affiliate, including a description of the business relationship between all affiliated interests and Liberty Utilities,
- 2) The owners of Liberty Utilities and percentage of ownership,
- 3) Liberty Utilities approved proof of funding sources to pay for the water and wastewater plants and distribution systems as well as cover the projected operating losses. Please include payment amortization schedules as appropriate.
- 4) Provide proof of Liberty Utilities projected common stock amount of \$11,359,700.
- 5) Provide a written guarantee that Liberty Utilities' affiliate(s) are willing and capable to cover temporary cash shortages for the first 5 years of operations and fund asset purchases as applicable.
- 6) Rate studies supporting the proposed water rates and sewer rates, which provide all calculations and assumptions.