



## Filing Receipt

**Received - 2021-09-17 09:11:52 AM**

**Control Number - 52445**

**ItemNumber - 3**

**DOCKET NO. 52445**

<b>APPLICATION OF HYDROTEX, LLC</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>FOR A CERTIFICATE OF</b>	<b>§</b>	
<b>CONVENIENCE AND NECESSITY IN</b>	<b>§</b>	<b>OF TEXAS</b>
<b>LIBERTY COUNTY</b>	<b>§</b>	

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE  
COMPLETENESS AND PROPOSED PROCEDURAL SCHEDULE**

On August 18, 2021, HydroTex, LLC (HydroTex) filed an application to obtain a water certificate of convenience and necessity (CCN) in Liberty County. The application requests a service area that includes 89 acres and 120 proposed connections.

On August 20, 2021, the administrative law judge filed Order No. 1, establishing a deadline of September 17, 2021 for the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file comments on the administrative completeness of the application and propose a procedural schedule for 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 of the Commission’s Infrastructure Division and Fred Bednarski III of the Commission’s Rate Regulation Division, Staff recommends that the application be deemed administratively incomplete from a mapping and technical perspective and from a financial perspective. Staff further recommends that HydroTex be ordered to cure the deficiencies identified in Ms. Mathis’ and Mr. Bednarski’s memoranda by October 18, 2021 and that Staff be given a deadline of November 19, 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 this 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 HydroTex 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 HydroTex be ordered to file supplemental information to cure the deficiencies in the application by October 18, 2021. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: September 17, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Rustin Tawater  
Managing Attorney

/s/ Daniel Moore

Daniel Moore  
State Bar No. 24116782  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7465  
(512) 936-7268 (facsimile)  
Daniel.Moore@puc.texas.gov

**DOCKET NO. 52445**

**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 17, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Daniel Moore

Daniel Moore

# *Public Utility Commission of Texas*

---

## **Memorandum**

**TO:** Daniel Moore, Attorney  
Legal Division

**FROM:** Jolie Mathis, Utility Engineering Specialist  
Infrastructure Division

**DATE:** September 17, 2021

**RE:** Docket No. 52445 – *Application of HydroTex, LLC for a Certificate of Convenience and Necessity in Liberty County*

---

On August 18, 2021, HydroTex, LLC (HydroTex) filed with the Public Utility Commission of Texas (Commission) an application to obtain a water 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 HydroTex, I recommend that the application be deemed administratively incomplete and not accepted for filing.

### **Application Content:**

The following deficiencies must be remedied:

1. Reference question 11 of the application:  
Please provide a copy of any documentation from the Texas Commission on Environmental Quality (TCEQ) acknowledging the submittal of the construction plans for the facilities necessary to serve the requested area or the TCEQ letter(s) approving the same.

### **Mapping Content:**

The mapping documentation filed in the application is deficient because the digital mapping data was not provided in a useable shapefile format. HydroTex must submit the following item to resolve the mapping deficiencies:

- Digital mapping data for the requested area, provided as a single polygon record, in a shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet).

Staff recommends HydroTex obtain additional mapping guidance from the PUC's mapping staff, Ms. Tracy Montes by email at [tracy.montes@puc.texas.gov](mailto: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 HydroTex 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 the Commission's website: <http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>.

# *Public Utility Commission of Texas*

---

## **Memorandum**

**TO:** Daniel Moore, Attorney  
Legal Division

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

**DATE:** September 17, 2021

**RE:** Docket No. 52445 - *Application of HydroTex, LLC for a Certificate of Convenience and Necessity in Liberty County*

---

On August 18, 2021, HydroTex, LLC (HydroTex) filed an application to obtain a water certificate 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 that the application be deemed administratively incomplete, and that HydroTex be required to provide the following information to cure the deficiencies:

1. A list of affiliates and a description of the business relationship between HydroTex, LLC and any affiliate including SVAG Investment, LLC and Kevin Browder;
2. Completed projected financial statements, i.e., application appendix B, to provide water service to the requested area;
3. A capital improvement plan, including a budget and an estimated timeline for construction of all facilities necessary to provide full service to the requested area, keyed to a map showing where such facilities will be located within the certificated area;
4. A description of the sources of funding for all facilities that will be constructed to serve the requested area;
5. A proposed tariff; and
6. A rate study supporting the proposed water rates that provides all calculations and assumptions.