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DOCKET NO. 53149

**APPLICATION OF LIQUID UTILITIES § PUBLIC UTILITY COMMISSION
LLC FOR A CERTIFICATE OF §
CONVENIENCE AND NECESSITY IN § OF TEXAS
MONTGOMERY COUNTY §**

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

On January 26, 2022, Liquid Utilities LLC (Liquid Utilities) filed an application to obtain a sewer certificate of convenience and necessity in Montgomery County under Subchapter G of Texas Water Code Chapter 13. On March 14, 2022, Liquid Utilities supplemented the application.

On February 28, 2022, the administrative law judge (ALJ) filed Order No. 2, establishing a deadline of April 28, 2022 for the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file comments on the administrative completeness of the application and to 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 memorandum from Kathryn Eiland and Fred Bednarski III, Rate Regulation Division, Staff recommends that the application is administratively incomplete from a financial perspective. Staff further recommends that Liquid Utilities be ordered to cure the deficiencies identified in the memorandum by May 29, 2022 and that Staff be given a deadline of June 29, 2022 to file a supplemental recommendation on the administrative completeness of the application. Staff notes that Liquid Utilities should not issue notice until the application is deemed sufficient.

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.

III. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively incomplete and that Liquid Utilities be ordered to file supplemental information to cure the deficiencies in the application by May 29, 2022. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: April 27, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

Robert Dakota Parish
Managing Attorney

/s/ Merritt Lander
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DOCKET NO. 53149

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 27, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Merritt Lander
Merritt Lander

Public Utility Commission of Texas

Memorandum

TO: Merritt Lander, Attorney
Legal Division

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

DATE: April 28, 2022

RE: Docket No. 53149 - *Application of Liquid Utilities LLC for a Certificate of Convenience and Necessity in Montgomery County*

On January 26, 2022, Liquid Utilities LLC (Liquid Utilities) filed an application to obtain a sewer certificate of convenience and necessity in Montgomery County under Subchapter G of Texas Water Code Chapter 13. On March 14, 2022, Liquid Utilities supplemented the application.

We 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 Liquid Utilities be required to provide the following information to cure the deficiencies:

1. An organizational chart that shows the names of all companies, company owners name and percentages, including, 1486 CCN, LLC, affiliated with Liquid Utilities, LLC;
2. A detailed listing of the amounts and the sources to pay for the cost of the sewer plant, distribution system cost, as well as the startup cost listed in the five year projections,
3. Identify which affiliate passes the leverage test and possess the funds necessary to pay for the capital improvements and start up monies pursuant to 16 TAC § 24.11.
4. Updated affidavit that includes the entity or individual that will be providing the funds to pay for the construction of the mobile home park and sewer plant and distribution costs;
5. An amortization schedule for repayment for the Third Coast loan if applicable;
6. Current bank balances for Dawn Milne, Joshua Milne, and Drew McDaniel if applicable to pass the financial assurance test; and
7. Verification of the number of connections the cost of the sewer plant and distribution system will have capacity to serve per TCEQ standards; and

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