

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER T-37161

TRI-STATE ENVIRONMENTAL, LLC
EX PARTE

Docket No. T-37161, In re: Application for a Common Carrier Certificate of non-hazardous oilfield waste, non-hazardous industrial solid waste and hazardous waste for disposal, statewide.

(Decided June 17, 2024.)

ORDER

Background

Tri-State Environmental, LLC (“Tri-State” or “Applicant”) filed an application (“Application”) with attachments on April 11, 2024, seeking from the Louisiana Public Service Commission (“LPSC” or “Commission”) a common carrier certificate authorizing it to transport non-hazardous oilfield waste, non-hazardous industrial solid waste, and hazardous waste for disposal, statewide. Notice of the Application was published in the Commission’s *Official Bulletin* on April 26, 2024 for a 15-day intervention period. No interventions were filed.

At a status conference on May 29, 2024, representatives of the Applicant and the Commission Staff agreed to a procedural schedule that was included in the *Report of Status Conference* issued on the same day. Pursuant to the schedule, Commission Staff and Tri-State filed their pre-hearing statements on June 3 and June 4, 2024, respectively. As there are no intervenors and Commission Staff supports the Application, the Application is considered unopposed.

Jurisdiction and Applicable Law

The Commission derives its jurisdiction over common carriers and public utilities from the Louisiana Constitution of 1974. Article IV, Section 21(B) of the Constitution provides, in pertinent part, that:

[t]he [C]ommission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

In addition, La. R.S. 45:163 provides that “[t]he [C]ommission has the power and authority necessary to supervise, govern, regulate, and control motor carriers...which transport household goods, passengers, or waste intrastate and to fix reasonable and just rates, fares, tolls, or charges for the commodities furnished or services rendered by such motor carriers.” La. R.S. 45:164 states that “[n]o motor carrier of waste shall operate without first having obtained from the [C]ommission a common carrier certificate or contract carrier permit.” La. R.S. 45:164(B) provides that an

applicant for a common carrier certificate, contract carrier permit, or expansion of authority granted in an existing certificate must prove fitness by proving all of the following:

- (1) The applicant holds, or is capable of acquiring, an insurance policy that complies with [C]ommission rules.
- (2) The applicant has the financial ability to provide the transportation of waste for disposal in a safe and efficient manner.
- (3) The applicant holds, or is capable of acquiring all the necessary authorizations required by any and all regulatory authorities for the transportation of waste for disposal.
- (4) The applicant holds, or is capable or [sic] acquiring for use, equipment and man power to provide transportation services in a safe and efficient manner.
- (5) The applicant has in place, or is capable of establishing, a safety program necessary for the safe and efficient transportation of waste for disposal.

The Commission's *General Order* dated January 23, 2018 incorporated the above requirements into Rule 33 of the Commission's *Rules of Practice and Procedure*, which now reads (in pertinent part) as follows:

- A. An applicant applying for a common carrier certificate, contract carrier permit, or expansion of authority granted in an existing certificate or permit authorizing the transportation of non-hazardous oilfield waste, hazardous waste or non-hazardous industrial solid waste shall prove fitness...in a hearing before an administrative law judge or hearing officer by proving that the applicant:
 1. holds, or is capable of acquiring, an insurance policy providing coverage of two hundred fifty thousand dollars for injury or death per person or five hundred thousand dollars per occurrence, and ten thousand dollars property damage,
 2. has the financial ability to provide the transportation of waste for disposal in a safe and efficient manner,
 3. holds, or is capable of acquiring, all of the necessary authorizations required by any and all regulatory authorities for the transportation of waste for disposal[,]
 4. holds, or is capable of acquiring for use, equipment and man power to provide transportation services in a safe and efficient manner, and
 5. has in place, or is capable of establishing, a safety program necessary for the safe and efficient transportation of waste for disposal.
- ...
- D. The provisions of this rule are applicable to all applications for common carrier certificates and contract carrier permits of waste and all applications for expansion of existing waste authority, including those applications which are presently pending before the Commission but have not yet gone to hearing on the merits.
- E. All restrictions on existing certificates or permits are valid until expansion of authority is applied for and a new certificate or permit is granted. However, any restrictive language in any existing common carrier certificate or any contract carrier permit

of waste that prevents the carrier from applying for expanded authority for any period of time is null and void...

F. Certificates or permits issued after the adoption of this rule shall not contain restrictions.

The Hearing

A hearing on the Application was convened on June 11, 2024, at which Tri-State and the Commission Staff appeared through counsel.

Testimony and Evidence Presented by the Applicant

In support of its Application, Tri-State presented the testimony of Ryan Gisclair, Michael Guillot, and Michael Joiner.

Testimony of Ryan Gisclair

Mr. Gisclair is the Management Analyst and HSE Manager for the Applicant who testified he has been employed by Tri-State since 2019, and served as a safety consultant to Tri-State for approximately 12 years before becoming an employee. Mr. Gisclair provided his employment background, stating that he has over 20 years of experience in the oil and gas industry, primarily in safety and quality. Mr. Gisclair noted that the Applicant is a Texas limited liability company formed on April 26, 2007, with its office in Houma, Louisiana and its sole terminal at Port Fourchon in Golden Meadow, Louisiana. Mr. Gisclair identified a document listing the owners of Tri-State, which provides that there are seven owners, with the majority owner being Judy Carter with 51 percent ownership.

Mr. Gisclair explained that the Applicant operates exclusively in Louisiana and its services include: offshore drilling, mud, and mud system cleaning; dock services such as loading and offloading of vessels at its dock location at Port Fourchon; and, plant mud cleaning services. The Applicant does not presently hold any LPSC authority and is seeking the requested authority to enhance its current services. The Applicant has an estimated 83 employees, 6 of which are drivers. If the requested authority is granted, Mr. Gisclair anticipates that the Applicant will hire additional employees depending on business growth.

Mr. Gisclair identified proof of insurance for the Applicant and confirmed that the policies insure all of its equipment and drivers, meet or exceed the minimum requirements, and will be renewed on or before expiration. Mr. Gisclair testified regarding Tri-State's regulatory compliance. Mr. Gisclair confirmed that Tri-State is in good standing with the Louisiana Office of Secretary of State and state and federal regulatory agencies. Mr. Gisclair stated that the Applicant holds or is capable of acquiring all necessary authorizations required by regulatory authorities for

the transportation of waste for disposal. Mr. Gisclair confirmed his understanding of myriad Commission rules and regulations, including filing annual reports, paying inspection and supervision fees, and maintaining current insurance documents on file with the Commission. Per Mr. Gisclair, the Applicant intends to fully comply with all of the Commission's regulations. Mr. Gisclair indicated that the Applicant has or is willing to acquire the necessary permits, equipment, finances, and personnel for the transportation of LPSC-regulated waste in a safe, efficient, and LPSC-compliant manner.

Mr. Gisclair addressed Tri-State's safety policies and practices. Mr. Gisclair identified and provided an overview of the Applicant's *HSE Management System*, which is provided to all employees who are required to read, understand, and sign an acknowledgment. Mr. Gisclair discussed the Applicant's zero-tolerance drug and alcohol and cell phone policies and its drug and alcohol screening procedures. Mr. Gisclair advised that Tri-State conducts safety meetings, discussed some of the topics discussed at those meetings, and noted the meetings are documented electronically on the Applicant's server. According to Mr. Gisclair, the Applicant is a member of the ISNetworld safety network and maintains the highest ratings. Tri-State is willing to join additional safety networks if requested. Tri-State utilizes a third-party safety consultant that reviews its operations annually. Additionally, the Applicant's customers conduct safety audits, typically the Applicant will undergo two customer audits each year.

Mr. Gisclair testified regarding the Applicant's driver hiring and training practices. Driver applicants undergo requisite background checks and a drug and alcohol screening. According to Mr. Gisclair, the Applicant prefers drivers with at least two years of experience, and new driver hires undergo two weeks of on-site training which includes riding with an experienced driver and receiving instruction on specific equipment and processes. Mr. Gisclair stated that the Applicant utilizes a third-party consultant who assists Tri-State in the hiring process.

Testimony of Michael Guillot

Mr. Guillot is the Chief Financial Officer of the Applicant who testified regarding his employment background and duties at Tri-State. Mr. Guillot stated that he worked in public accounting for 10 years before being hired by the Applicant as CFO in December 2018.

Mr. Guillot testified regarding the Applicant's financial condition, identifying documents depicting the Applicant's finances, asserting that the Applicant is financially able to provide safe and efficient transportation of waste, and stating there are no financial factors that would limit that ability. According to Mr. Guillot, the Applicant is financially stable, has not filed for bankruptcy,

has had no issues with payroll, has not been the subject of a tax audit, and is current on federal and state tax filings.

Testimony of Michael Joiner

Mr. Joiner is an employee of the Applicant who stated his title is Operations at Fourchon and who testified regarding his employment background and his duties at Tri-State. Mr. Joiner has been employed by the Applicant for eight years and has been in his current role for three years. His responsibilities include ensuring proper loading and unloading of vessels and equipment maintenance.

Mr. Joiner testified regarding the Applicant's equipment. According to Mr. Joiner, the Applicant will use three trucks and trailers that are owned, free of any encumbrances, by Tri-State Transportation and then leased to the Applicant. Tri-State Transportation is a wholly owned subsidiary of the Applicant. Mr. Joiner addressed the Applicant's maintenance policies and practices, including pre- and post-trip inspection, maintenance schedules, and maintenance documentation. Maintenance is/will be performed by the equipment manufacturer per its guidelines. Mr. Joiner provided that all equipment to be used by the Applicant for the transportation of LPSC-regulated is in good working order, noting the trucks are 2025 model Kenworths. According to Mr. Joiner the Applicant's trucks are equipped with GPS and forward-facing cameras, and are governed to a speed of 69 miles per hour.

In connection with their testimonies, the witnesses identified the following exhibits which were admitted:

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| Exhibit A, <i>in globo</i> | A copy of the <i>Waste by Motor Vehicle Application</i> filed by Tri-State Environmental, LLC on April 11, 2024, with public attachments (copy of <i>HSE Management System</i> admitted on a flash drive). |
| Exhibit A-1, <i>in globo</i> | Copies of the following financial documents for Tri-State Environmental, LLC (admitted confidentially under seal): <ul style="list-style-type: none">• 12/31/23 & 12/31/22 Balance Sheet• 12/31/23 & 12/31/22 Statements of Operations. |
| Exhibit B, <i>in globo</i> | A copy of <i>Tri-State Environmental, LLC's Response to LPSC Staff's First Set of Date Requests</i> (with public attachments). |
| Exhibit C | A copy of <i>Tri-State Environmental, LLC's Supplemental Response to LPSC Staff's First Set of Date Requests</i> (with attachments). And, |
| Exhibit D, <i>in globo</i> | A copy of <i>Tri-State Environmental, LLC's Response to LPSC Staff's Second Set of Date Requests</i> (with attachments). |

Commission Staff's Position

The Commission Staff expressed its support for the Application in its pre-hearing statement and confirmed at the hearing that there are no LPSC regulatory issues with the Applicant and that it supports the Application.

Conclusion

Having considered the Application of Tri-State, the testimony and evidence presented in support of the Application, the directives of the Commission's *General Order* dated January 23, 2018, Rule 33 of the Commission's *Rules of Practice and Procedure*, and other applicable law, we find that Tri-State has established its fitness to operate and that a common carrier certificate should be issued to the Applicant as requested.

Accordingly, **IT IS HEREBY ORDERED** that Tri-State Environmental, LLC be issued a common carrier certificate authorizing operation in Louisiana intrastate commerce as a common carrier of non-hazardous oilfield waste, non-hazardous industrial solid waste, and hazardous waste for disposal, statewide.

IT IS FURTHER ORDERED that the issuance of the common carrier certificate is conditioned upon the full compliance of Tri-State Environmental, LLC with the laws of the State of Louisiana and the rules and regulations of the Louisiana Public Service Commission.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
June 18, 2024



Brandon M. Frey

BRANDON M. FREY
SECRETARY

/S/ MIKE FRANCIS

DISTRICT IV
CHAIRMAN MIKE FRANCIS

/S/ DAVANTE LEWIS

DISTRICT III
VICE CHAIRMAN DAVANTE LEWIS

/S/ FOSTER L. CAMPBELL

DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL

/S/ ERIC F. SKRMETTA

DISTRICT I
COMMISSIONER ERIC F. SKRMETTA

/S/ CRAIG GREENE

DISTRICT II
COMMISSIONER CRAIG GREENE