

# LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER T-35814

MULHOLLAND ENERGY SERVICES, LLC,  
EX PARTE

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*Docket No. T-35814, In re: Application for a Common Carrier Certificate of non-hazardous oilfield waste and hazardous waste for disposal, statewide.*

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(Decided February 12, 2021)

## ORDER

### *Overview*

Mulholland Energy Services, LLC (“MES,” “Company,” or “Applicant”) seeks from the Louisiana Public Service Commission (“LPSC” or “Commission”) a common carrier certificate authorizing MES to transport non-hazardous oilfield waste and hazardous waste for disposal, statewide. MES is headquartered in Midland, Texas, and currently possesses Commission saltwater Certificate Number 8332.

### *Background*

On December 15, 2020, MES filed an application (“Application”) seeking authorization from the Commission to operate as a common carrier of non-hazardous oilfield waste and hazardous waste for disposal, statewide. Notice of the Application was published in the Commission’s Official Bulletin on December 23, 2020. No interventions were filed during the intervention period or at any point thereafter.

At the initial status conference on January 26, 2021, representatives of the Applicant and the Commission Staff agreed to a procedural schedule with a hearing on February 11, 2021, during which the Applicant would have the burden of proving fitness under the Commission’s General Order dated January 23, 2018.

The Applicant filed its Pre-Hearing Statement on February 4, 2021. The Commission Staff filed its Pre-Hearing Statement on February 3, 2021, advising that it supports the Application. Due to the support of the Commission Staff and the lack of any intervenors, 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 February 11, 2021. At the hearing, appearances were made by MES and the Commission Staff. At the time of the hearing, the Application was unopposed.

### ***The Applicant's Request for Authority***

MES currently possesses saltwater authority from the Commission, pursuant to Common Carrier Certificate No. 8332. The Company is seeking authority to transport non-hazardous oilfield waste and hazardous waste for disposal, statewide.

### ***Testimony and Evidence Presented by the Applicant***

In support of its Application, MES presented the testimony of Nicholas Gallegos.

### **Testimony of Nicholas Gallegos**

Mr. Gallegos is the HSE and Security Director for MES, and is responsible for all regulatory, health, safety and environmental issues of the Company. MES is an oil and gas services company, providing cleaning and hauling services in Texas, Oklahoma and New Mexico. Along with Mulholland Energy Leasing and Mulholland Housing, MES is wholly owned by Mulholland Energy Services Holding Co., which is, in turn, wholly owned by Malcolm Mulholland, President and CEO of MES. The Company is not currently operating in Louisiana, but has leased a terminal in Keithville, Louisiana, in anticipation of obtaining the certificate sought herein.

Mr. Gallegos confirmed that MES holds a current insurance policy that meets the

requirements of the Commission, and has the financial ability to provide the transportation of waste for disposal in a safe and efficient manner. MES has never filed for bankruptcy, and has never been subject to state or federal tax audits. According to Mr. Gallegos, MES is in good standing with the Louisiana Secretary of State, and holds all necessary authorizations, permits and licenses from state and federal agencies to operate as an LPSC-regulated waste carrier.

MES has approximately 380 employees, 10-15 of whom are drivers ready to work in Louisiana. MES leases equipment from its affiliate, Mulholland Energy Leasing and Equipment, and employs in-house staff to perform repairs.

Mr. Gallegos discussed the Company's safety policies, providing an overview of the safety manual. MES conducts monthly safety meetings, and performs pre-employment, post-accident, random, reasonable suspicion, and necessary follow-up tests for drugs and alcohol in accordance with Federal Motor Carrier Safety Administration guidelines. The Company's cell phone policy requires that its drivers use hands free devices.

In support of the testimony of Mr. Gallegos, the Applicant submitted the following exhibits into evidence at the hearing:

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|----------------------------|--|
| Exhibit A                  | <p>A copy of the public version of Mulholland Energy Services, LLC's Waste by Motor Vehicle Application, as filed with the Commission on December 15, 2020 with copies of the following documents, attached:</p> <ul style="list-style-type: none"><li>• Texas Secretary of State Certificate of Filing of Mullholland Energy Services, LLC, dated October 1, 2013;</li><li>• Louisiana Secretary of State Certificate of Good Standing for Mullholland Energy Services, LLC, dated November 17, 2020;</li><li>• List of Mullholland Energy Services, LLC officers operating in Louisiana;</li><li>• Equipment List for Mullholland Energy Services, LLC;</li><li>• <i>ACORD</i> Certificate of Liability Insurance, listing Live Oak Environmental, LLC as the insured, dated December 8, 2020;</li><li>• Employee Safety Manual for Mullholland Energy Services, LLC;</li><li>• Railroad Commission of Texas, Oil and Gas Division correspondence advising renewal of Mullholland Energy Services, LLC's Waste Haulers Permit No. 5984; and</li><li>• Railroad Commission of Texas, Oil and Gas Division Organization Report for Mullholland Energy Services, LLC;</li></ul> |
| Exhibit B, <i>in globo</i> | <p>Copies of the following documents (<b>admitted confidentially under seal</b>):</p> <ul style="list-style-type: none"><li>• Mulholland Energy Services, LLC's Balance Sheet as of</li></ul>  |

December 31, 2019;

- Mulholland Energy Services, LLC's Profit & Loss statement for January through December 2019;
- Mulholland Energy Services, LLC's Balance Sheet as of December 31, 2018; and
- Mulholland Energy Services, LLC's Profit & Loss statement for January through December 2018;

Exhibit C, *in globo*

Copies of the following documents:

- A table of contents for Mulholland Energy Services, LLC's safety manual; and
- Mulholland Energy Services, LLC's safety manual (submitted electronically on flash drive); and

Exhibit D, *in globo*

A copy of Commission Staff's First and Second Sets of Data Requests to Mulholland Energy Services, LLC, and Mulholland Energy Services, LLC's Responses.

#### *Commission Staff's Position*

The Commission Staff expressed its support for the Application, both in its Pre-Hearing Statement and verbally at the February 11, 2021 hearing. The Commission Staff confirmed, both in its Pre-Hearing Statement and verbally at the hearing, that there are no complaints, citations, or violations pending against MES and that MES has no current annual report due or outstanding ISF reports or fees.

#### *Conclusion*

Having considered the application of Mulholland Energy Services, LLC, 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 Mulholland Energy Services, LLC has established its fitness to operate, and that a common carrier certificate should be issued to the Applicant.

Accordingly, **IT IS HEREBY ORDERED** that Mulholland Energy Services, LLC be issued a common carrier certificate, authorizing operations in Louisiana intrastate commerce as a common carrier of non-hazardous oilfield waste and hazardous waste for disposal, statewide.

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**IT IS FURTHER ORDERED** that the issuance of the common carrier certificate is conditioned upon the full compliance of Mulholland Energy Services, 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**  
February 18, 2021



A handwritten signature in blue ink, appearing to read "Brandon M. Frey".

**BRANDON M. FREY**  
**SECRETARY**

*/S/ CRAIG GREENE*

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**DISTRICT II**  
**CHAIRMAN CRAIG GREENE**

*/S/ ERIC F. SKRMETTA*

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**DISTRICT I**  
**VICE CHAIRMAN ERIC F. SKRMETTA**

*/S/ FOSTER L. CAMPBELL*

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**DISTRICT V**  
**COMMISSIONER FOSTER L. CAMPBELL**

*/S/ LAMBERT C. BOISSIERE, III*

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**DISTRICT III**  
**COMMISSIONER LAMBERT C. BOISSIERE, III**

*/S/ MIKE FRANCIS*

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**DISTRICT IV**  
**COMMISSIONER MIKE FRANCIS**