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PUBLIC UTILITY COMMISSION
FILING CLERK

October 18, 2016

Public Utility Commission of Texas
Attn: Filing Clerk
1701 North Congress Avenue, 8th Floor
Austin, Texas 78701

Re: PK-RE Development Company, Inc. d/b/a Oak Shores Water System ("PK-RE"); Notice of Intent to Sell Facilities and Transfer of Certificate of Convenience and Necessity (CCN) Nos. 12407 and 20948 to Undine Development, LLC ("Undine") in Travis County, Texas; PUC Docket No. 46150

Dear Filing Clerk:

I represent Greenshores on Lake Austin Property Owners' Association, Inc., and I would like to submit this letter of protest and hearing request in response to the Notice of Intent to Sell Facilities and Transfer of CCN Nos. 12407 and 20948. I formally request a public hearing on the matter on behalf of the Greenshores on Lake Austin Property Owners' Association, Inc. on behalf of its members.

The residents of Greenshores on Lake Austin are retail water and sewer utility customers of PK-RE Development Company, Inc. d/b/a Oak Shores Water System. The owner of PK-RE Development Company, Inc. is also the developer of the Greenshores on Lake Austin subdivision. The sale of the facilities and transfer of the CCNs will have an adverse impact on the customers of the water system, including the members of the Greenshores on Lake Austin Property Owners' Association. In particular,

- 1) the transferee, Undine Development, LLC, has not demonstrated that it is capable of providing continuous and adequate service, including its ability to meet the standards of the Commission and the Texas Commission on Environmental Quality for providing water and sewer service;
- 2) the transferee, Undine Development, LLC, has not demonstrated that it has the financial ability to pay for the improvements that are necessary to provide continuous and adequate service to the water and sewer systems;
- 3) the transferee, Undine Development, LLC, has not demonstrated that it has the financial stability to provide continuous and adequate service to the water and sewer systems;

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- 4) the transferee, Undine Development, LLC, has not demonstrated that it will provide a probable improvement of service or lowering of cost to consumers; and
- 5) in fact, considering that PK-RE has filed an application for a rate increase for the water and sewer systems (PUC Docket No. 46333), the transfer of the CCNs to Undine will actually result in higher rates for the customers of the water and sewer systems, including the members of the Greenshores on Lake Austin Property Owners' Association unless conditions are established in an order approving the transfer that adjust the rate base for the water and sewer systems downward via an acquisition adjustment to reflect the proper rate base upon which Undine may earn return.

My clients concerns could be addressed through conditions established in an order related to the requested sale and transfer, or by withdrawal of the application.

Finally, please add me to the service list for all future filings in this case. My contact information is listed above.

Sincerely,

THE CARLTON LAW FIRM, P.L.L.C.

A handwritten signature in black ink, appearing to read 'J. Carlton', with a long horizontal line extending to the right.

John J. Carlton
Attorney for Greenshores on Lake Austin
Property Owners' Association, Inc.