



Control Number: 46150



Item Number: 77

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October 21, 2016

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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2016 OCT 24 AM 9:39

PUBLIC UTILITY COMMISSION
FILING CLERK

Re: Docket No. 46150
SOAH Docket No. 473-17-0685.WS

Dear Sir/Madam:

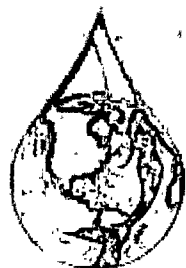
Undine Development, LLC ("Undine") has reviewed the customer concerns filed with the Commission, to date, and appreciates this opportunity to address some of these issues for our prospective customers, as well as the Commission.

While it is known we are a new company, Undine's management team has over 100 years of combined regulatory utility experience and has been successfully acquiring, managing and operating water and wastewater companies for almost twenty years.

Our core business philosophy is based on two simple but crucial items: maintaining regulatory compliance in all of our systems and providing exemplary customer service.

To accomplish this, we believe in maintaining open and regular communications with not only our customers, but with the regulators in the jurisdictions in which we serve. In this regard, we have already introduced ourselves to the Austin Staffs of the Texas Public Utility Commission ("TPUC") and Texas Commission for Environmental Quality ("TCEQ"). If this acquisition is approved, we will also begin holding regular town hall style meetings with customers to ensure their satisfaction and understanding of the regulatory utility process.

Customers can also be assured that as part of the regulatory process, potential new utility owners must meet certain criteria, including the financial capacity, the managerial experience and technical expertise necessary to properly maintain and operate the utility. With regard to rates, customers should know that only the TPUC can authorize changes in utility charges and that all expenses and capital investments must be approved and considered to be "reasonable and necessary" and "used and useful" by the TPUC.



undine development, llc
WATER IS OUR ELEMENT

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We also noted customer concerns regarding the assets and value of the Oak Shores Utility. Customers can be assured that our due diligence process and valuation of the system includes detailed inspections by our own highly-experienced personnel, an inspection by an outside engineering firm and coordination with the TCEQ to determine the existence of any current utility violations.

In closing, I would again stress our commitment to meeting all regulatory standards and permitting requirements. We shall also endeavor to build a reputation as providing superior utility service for all of our customers. We expect and plan for Undine to grow and become responsible for cost-effective utility solutions for systems throughout Texas. Our growth plan shall benefit all of our customers through economies of scale and the allocation of administrative costs over a large customer base.

Respectfully,

A handwritten signature in black ink that reads "Rick Melcher". The signature is written in a cursive, flowing style.

Rick Melcher
Manager of Public Relations

RM/nlr