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July 24, 2019

VIA HAND-DELIVERY

Mr. Stephen Journey
Public Utility Commission of Texas
Attn: Central Records
1701 N. Congress Avenue, Suite 8-100
Austin, TX 78701

Re: *Application of Community Utility Company and Undine Texas, LLC, for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris and Montgomery Counties; Docket No. 47441*

Application of Undine Texas, LLC and Consumers Water, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris and Montgomery Counties; Docket No. 47477

Dear Mr. Journey:

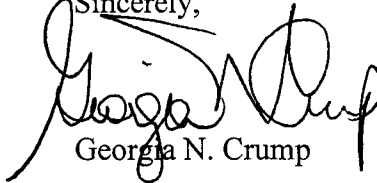
On July 25, 2017, Undine Texas, LLC (Undine) filed the Application for Sale, Transfer, or Merger of facilities and certificate rights in Harris and Montgomery Counties held by Community Utility Company, LLC, Docket No. 47441. This filing is uncontested. On November 27, 2017, the Commission authorized the transaction to proceed, and the transaction closed on July 2, 2018. The parties filed a Joint Motion for Adoption of a Proposed Notice of Approval on October 3, 2018, and on November 30, 2018, the parties filed a Joint Motion to Admit Evidence; the Motion to Admit Evidence was granted on January 3, 2019. Since that time, the parties have been awaiting a Notice of Approval in this Docket.

On August 7, 2017, Undine filed the Application for Sale, Transfer, or Merger of facilities and certificate rights in Harris and Montgomery Counties held by Consumers Water, Inc., Docket No. 47477. This filing is uncontested. The Commission authorized the transaction to proceed on December 4, 2017; the transaction closed on July 2, 2018. The parties filed a Joint Motion for Adoption of Proposed Notice of Approval on October 3, 2018, and a Joint Motion to Admit Evidence on November 30, 2018; the Motion to Admit Evidence was granted on January 3, 2019. Because of other dockets being finalized in the intervening time, additional evidence was filed at the Commission's request on June 7, 2019, which was admitted into evidence on June 11, 2019.

On June 18, 2019, additional clarification was provided. The parties are awaiting a Notice of Approval in this Docket.

Undine respectfully requests that Notices of Approval be issued in these dockets. The delay in finalizing the transfer of the CCNs to Undine is negatively affecting Undine's ability to timely revise pass-through fees to recover fees paid to third parties.¹ In addition, the uncertainty created by the delay in issuing the Notices of Approval results in the risk that rate filings by Undine in the future will be deemed insufficient because of the lack of finality in these dockets. Undine has invested substantial sums in the upgrading and maintenance of these systems that it has owned for over a year, and it needs to timely file for rate relief in order to recoup that investment.

Thank you for your consideration of this request.

Sincerely,

Georgia N. Crump

GNC/jmc
7884060

¹ *Application of Undine Texas, LLC for a Pass Through Rate Change*, Docket No. 49570 (pending). Staff recommended denial of Undine's minor tariff change because there has been no Notice of Approval issued in Docket No. 47477. As noted in Undine's response to Staff's recommendation, Undine is experiencing a short-fall of over \$114,000 per year as a result of its inability to recover increased pass through fees.