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PUBLIC UTILITY COMMISSION

APPLICATION OF UNDINE TEXAS, §  
LLC AND CONSUMERS WATER, INC. §  
FOR SALE, TRANSFER, OR MERGER §  
OF FACILITIES AND CERTIFICATE §  
RIGHTS IN HARRIS COUNTY, TEXAS §  
AND MONTGOMERY COUNTY, §  
TEXAS §

PUBLIC UTILITY COMMISSION  
OF TEXAS

**MOTION FOR WAIVER OF NOTICE AND HEARING**

COMES NOW, Undine Texas, LLC (“Undine”) and files this Motion for Waiver of Notice and Hearing (“Motion”). This Motion is being filed simultaneously with the Application for Sale, Transfer, or Merger (“STM”) to show that good cause exists to expedite the sale of Consumers Water, Inc. (“Consumers”) to Undine. Undine respectfully requests waiver of notice and hearing pursuant to Tex. Water Code § 13.301.

**I. BACKGROUND**

On July 12, 2017, Undine filed an STM application to purchase Suburban Utility Company, Inc. (“Suburban”) (PUC Docket No. 47396). Suburban is subject to an Emergency Order issued by the Executive Director of the Texas Commission on Environmental Quality (“TCEQ”) on March 27, 2017.<sup>1</sup> The Emergency Order was issued pursuant to Tex. Water Code chs. 5 and 13, Tex. Health and Safety Code ch. 341, and 30 Tex. Admin. Code chs. 35, 290 and 291. The Emergency Order appointed Quadvest L.P. (“Quadvest”) as temporary manager of Suburban’s public water systems located in Harris County.<sup>2</sup> On July 25, 2017, Undine filed an STM application to purchase Community Utility Company (“Community”) (PUC Docket No. 47441).

<sup>1</sup> TCEQ Docket No. 2017-0392-UCR-E, *In the Matter of an Enforcement Action Against Suburban Utility Co.*; RN101175057; RN101241081; RN101252963; RN101209922: Emergency Order Appointing a Temporary Manager of a Water Utility (March 27, 2017) (Emergency Order).

<sup>2</sup> Emergency Order, Ordering Paragraph No. 3.

Consumers, Community, and Suburban share the same owners. Undine has also filed a Motion for Waiver of Notice and Hearing in both the Community and Suburban STM dockets in order to expedite those proceeding due to the Emergency Order and the potential for Suburban to enter receivership once Quadvest's Temporary Management ends in September. On August 4, 2017, Commission Staff recommended that good cause exists to grant Undine's request for waiver of notice in the Suburban proceeding. Because Undine seeks to acquire three systems under the same ownership, it is in the interest of judicial economy and efficiency to expedite all three STM applications so that they may be approved and close at approximately the same time.

## **II. GOOD CAUSE EXISTS TO WAIVE NOTICE AND HEARING**

Pursuant to Tex. Water Code § 13.301(a)(2), the Public Utility Commission ("Commission") may waive notice of the STM Application for good cause shown. The Commission may also investigate the proposed STM without a hearing to determine whether the transaction will serve the public interest.<sup>3</sup> If the Commission determines that no hearing is necessary, the proposed sale may be completed after 120 days or any time after the Commission notifies the utility that it will not hold a hearing.<sup>4</sup>

In examining an STM Application, the Commission must evaluate whether the purchasing company can demonstrate adequate financial, managerial, and technical capability for providing continuous and adequate service.<sup>5</sup> Ultimately, the Commission must determine whether the transaction will serve the public interest.

Currently, Consumers' system is owned by the by same owners of the Suburban system subject to the Emergency Order. That system is under Quadvest's temporary management until

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<sup>3</sup> Tex. Water Code Ann. § 13.301(d) (West 2008 and Supp. 2014) (TWC).

<sup>4</sup> TWC § 13.301(f).

<sup>5</sup> TWC § 13.301(b).

a court appoints a receiver to operate the system, or September 23, 2017. While Consumers' systems are not under temporary management, Undine seeks to purchase Suburban, Consumers, and Community's systems and provide a consistent level of service for Consumers' customers.

The proposed acquisition by Undine will result in a higher level of service for Consumers' customers. Undine intends to raise the standards for quality of customer service and customer and regulatory communications with respect to all regulatory compliance issues. Undine wholly intends to improve operations and maintenance of the system and ensure adequate service.

The faster the proposed acquisition is approved, the faster Undine can begin improving Consumers' facilities and customer service. Consumers' customers will greatly benefit from an accelerated evaluation process by the Commission. The interests of judicial economy and efficiency are also served by evaluating all three STMs concurrently since Undine seeks to purchase systems owned by a common owner.

Therefore, Undine requests the Commission waive the notice requirement for good cause shown. Undine also requests the Commission to evaluate Undine's ability to provide continuous and adequate service in an expedited manner in order to best serve the public interest, and to waive a public hearing in order to expedite the acquisition process and allow Undine to complete the acquisition before the required 120-day period, as authorized in Tex. Water Code § 13.301(f). Doing so will promote judicial efficiency, provide relief to Consumers' customers, and will serve the public interest.

### **III. CONCLUSION**

WHEREFORE PREMISES CONSIDERED, Undine Texas, LLC requests the Commission waive the notice requirement for good cause shown and additionally waive hearing

in order to expedite the acquisition proposed in this docket. Undine requests such other and further relief as it is justly entitled.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE  
& TOWNSEND, P.C.**

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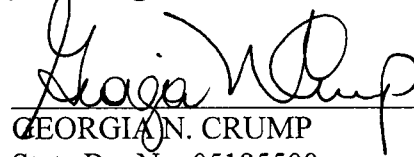
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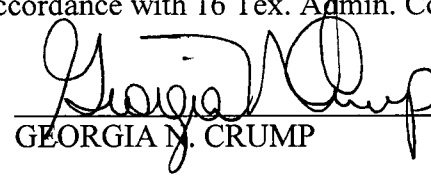
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ATTORNEYS FOR UNDINE TEXAS, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that on August 1, 2017, true and correct copy of the foregoing document has been served on all parties of record in accordance with 16 Tex. Admin. Code § 22.74.



GEORGIA N. CRUMP