



Control Number: 47639



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| <b>APPLICATION OF GULF COAST<br/>UTILITY COMPANY, INC. AND UNDINE<br/>TEXAS ENVIRONMENTAL, LLC FOR<br/>SALE, TRANSFER, OR MERGER OF<br/>SEWER FACILITIES AND<br/>CERTIFICATE RIGHTS IN BRAZORIA<br/>COUNTY</b> | §<br>§<br>§<br>§<br>§<br>§<br>§ | <p style="text-align: center;"> <b>BEFORE THE</b><br/><br/> <b>PUBLIC UTILITY COMMISSION</b><br/><br/> <b>OF TEXAS</b> </p> |
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PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF’S CLOSING DOCUMENTS RECOMMENDATION**

COMES NOW the Commission Staff of the Public Utility Commission of Texas (Commission), representing the public interest, and in response to Order No. 7 files this Closing Documents Sufficiency Recommendation. Commission Staff recommends that the closing documents filed in this proceeding be found sufficient. In support thereof, Commission Staff shows the following:

**I. BACKGROUND**

On September 22, 2017, Gulf Coast Utility Company, Inc. (Seller) and Undine Texas Environmental, LLC (Purchaser) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Brazoria County, Texas pursuant to Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.<sup>1</sup> Specifically, Purchaser seeks approval to acquire all sewer system assets and the associated service area currently held by Seller under sewer certificate of convenience and necessity (CCN) No. 20688.<sup>2</sup> The total area being requested for the Southwood Estates portion is approximately 245 acres with 530 affected customers and for Spring Crossing is approximately 286 acres and 0 current customers. If the acquisition is approved, Applicants requested that rather than cancel Seller’s CCN and issue a new CCN number, that Purchaser be allowed to keep sewer CCN No. 20688 under Purchaser’s name.<sup>3</sup>

On January 23, 2018, the Commission Administrative Law Judge (ALJ) issued Order No. 4 approving the Applicants’ request to proceed with and consummate the transaction. Order No.

<sup>1</sup> Section 24.239 was formerly 16 Tex. Admin. Code § 24.109 prior to the renumbering of Chapter 24.

<sup>2</sup> Application at 1 (Sept. 22, 2017).

<sup>3</sup> Clarification Letter at 1 (Oct. 26, 2017).

5 granted Applicants' request for an extension of the deadline established by 16 TAC § 24.239(o) which would ordinarily cause the Commission's approval of a transaction to expire after 180 days. Order No. 7 further extended Applicants' deadline to file closing documents to November 20, 2018. Order No. 7 also required Commission Staff to file a recommendation on the sufficiency of Applicants' closing documents within 30 days of their filing. Applicants filed closing documents and a customer deposits report on November 20, 2018. Because this recommendation is filed within 30 days of Applicants' filing, this pleading is timely filed.

**II. CLOSING DOCUMENTS SUFFICIENCY RECOMMENDATION**

Commission Staff reviewed the closing documents filed by Applicants and recommends that these sale documents be found sufficient. The documents indicate that the transaction was consummated on November 20, 2018, which was after the Commission's approval to proceed with the transaction was issued in Order No. 4, and that Seller and Purchaser were parties to the transaction. Commission Staff also reviewed the documents Applicants filed evidencing the disposition of customer deposits and recommends a finding that customer deposits have been properly addressed. Such deposits were transferred from Seller to Purchaser.

**III. PROPOSED ADDITIONAL PROCEDURAL SCHEDULE**

In accordance with Commission Staff's recommends that the closing documents be found sufficient, Commission Staff proposes the following procedural schedule:

| <b>Event</b>  | <b>Date</b>       |
|---|-------------------|
| Deadline for Commission Staff to provide final maps, certificates, and tariffs (if applicable) to Applicants for review and consent | December 21, 2018 |
| Deadline for Applicants to file signed consent forms  | January 4, 2019   |
| Deadline for the parties to jointly file a proposed order   | January 16, 2019  |

**IV. CONCLUSION**

For the reasons stated above, Commission Staff respectfully recommends that the closing documents be found sufficient and that customer deposits be found to have been properly addressed. Commission Staff further requests that the above proposed procedural schedule be adopted for continued processing of this docket.

Dated: December 12, 2018

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
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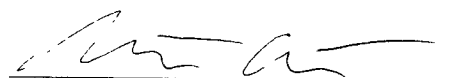


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**DOCKET NO. 47639  
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record December 12, 2018, in accordance with 16 TAC § 22.74.



Matthew A. Arth