



Control Number: 47640



Item Number: 10

Addendum StartPage: 0

DOCKET NO. 47640

**APPLICATION OF UNDINE TEXAS,
LLC AND GULF COAST UTILITY
COMPANY, INC. FOR SALE,
TRANSFER, OR MERGER OF
WATER FACILITIES AND
CERTIFICATE RIGHTS IN
BRAZORIA AND MATAGORDA
COUNTIES**

§
§
§
§
§
§
§
§

**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF'S RECOMMENDATION
ON ADMINISTRATIVE COMPLETENESS**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this response to Order No. 1, Staff's Recommendation on Sufficiency of the Application. Staff recommends that the application be deemed sufficient for further review. In support thereof, Staff shows the following:

I. BACKGROUND

On September 22, 2017, Undine Texas, LLC and Gulf Coast Utility Company, Inc. (collectively, Applicants) filed an application for sale, transfer, or merger of facilities and certificate rights in Brazoria and Matagorda Counties. Specifically, Undine seeks approval to acquire all facilities and cancel Gulf Coast Utility Company, Inc.'s water Certificate of Convenience and Necessity (CCN) No. 12094

On September 26, 2017, Order No. 1 was issued, establishing a deadline of October 23, 2017, for Staff to file a recommendation on the administrative completeness of the application and notice and propose a procedural schedule for further processing of the application. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum from Fred Bednarski in the Commission's Water Utility Regulation Division, Staff has reviewed the application filed by Applicants and recommends that it be found administratively complete and accepted for filing.

III. NOTICE

As detailed in the attached memorandum, Staff recommends that Applicants be directed to use the attached notice forms to do the following:

- 1) Provide correct notice of the application to the following:
 - a) cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area;
 - b) the county judge of each county that is wholly or partially included in the requested area;
 - c) each groundwater conservation district that is wholly or partially included in the requested area; and

- 2) Provide correct notice to the following entities:

Kucera Farms aka Magnolia Bend Subdivision

- Brazoria County Ground Conservation District
- Brazoria County Judge
- Brazoria County Drainage District 5
- Brazoria County MUD 32
- Brazoria County MUD 55
- Brazoria County MUD 56
- City of Iowa Colony
- City of Manvel
- Port Freeport
- West Brazoria County Drainage District

Southwood Estates Subdivision

- Aqua Texas Inc (CCN No. 13203)
- Brazoria County Drainage District 5
- Brazoria County Groundwater Conservation District
- Brazoria County Judge
- Brazoria County MUD 21 (CCN No. 13042)
- Brazoria County MUD 22 (CCN No. 13231)
- Brazoria County MUD 25
- Brazoria County MUD 29
- Brazoria County MUD 30
- Brazoria County MUD 31
- Brazoria County MUD 39
- Brazoria County MUD 40
- Brazoria County MUD 42
- Brazoria County MUD 43
- City of Arcola
- City of Iowa Colony

- City of Pearland (CCN No. 11008)
- City of Manvel
- Fort Bend County Drainage District
- Fort Bend County FWSD 1
- Fort Bend County MUD 141
- Sedona Lake MUD 1 of Brazoria County
- West Brazoria County Drainage District

Spring Crossing Subdivision

- Brazoria County Drainage District 5
- Brazoria County Groundwater Conservation District
- Brazoria County Judge
- Brazoria County MUD 31
- Brazoria County MUD 32
- Brazoria County MUD 55
- Brazoria County MUD 56
- City of Iowa Colony
- City of Manvel
- Fort Bend County Drainage District
- Port Freeport
- West Brazoria County Drainage District

Area to be decertified

- City of Palacios (CCN No. 10709)
- Coastal Plains Groundwater Conservation District
- Lower Colorado River Authority
- Matagorda County Drainage District 3
- Matagorda County Judge
- Matagorda County Navigation District 1

- 3) File in the docket an affidavit specifying every person and entity to whom notice was provided and the date that the notice was provided within 30 days of the date of the notice. It is recommended that the Applicants use the attached notice and affidavit to meet these requirements.

IV. PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule:

Event	Date
Deadline for Applicants to file with the Commission signed affidavits that the notice was given along with a copy of the notice sent to the affected parties and published in a newspaper of general circulation	December 7, 2017
Deadline for Staff to file a recommendation on sufficiency of notice	Within 10 days of Applicants filing proof of completed notice with the Commission
Deadline to intervene	30 days after notice is issued

V. CONCLUSION

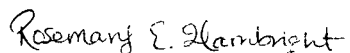
For the reasons detailed above, Staff recommends that the application be found administratively complete, that Applicants be directed to provide notice as detailed above and in the attached memorandum, and that the procedural schedule proposed above be adopted.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney



Rosemary E. Hambright
State Bar No. 24101856
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7230
(512) 936-7268 (facsimile)
Rosemary.Hambright@puc.texas.gov

DOCKET NO. 47640

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 23, 2017, in accordance with 16 Tex. Admin. Code § 22.74.

Rosemary E. Hambright
Rosemary E. Hambright

PUC Interoffice Memorandum

To: Rosemary Hambright
Legal Division

Thru: Lisa Fuentes, Manager
Water Utility Regulation Division

From: Fred Bednarski, Financial Examiner
Water Utility Regulation Division

Date: October 23, 2017

Subject: **Docket No. 47640**, *Application of Undine Texas, LLC and Gulf Coast Utility Company, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Brazoria and Matagorda Counties*

On September 22, 2017, Undine Texas, LLC (Undine or Buyer) and the Gulf Coast Utility Company, Inc. (Gulf Coast or Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Brazoria and Matagorda Counties, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and the 16 Tex. Admin Code (TAC) § 24.109. Specifically, Undine seeks approval to acquire all facilities and cancel Gulf Coast Utility Company, Inc.'s water Certificate of Convenience and Necessity (CCN) No. 12094. The requested area includes approximately 715 acres and 583 connections.

Based on Staff's review of the above referenced application, Staff recommends that the application be deemed sufficient for filing and be found administratively complete. Staff also recommends the Applicants do the following:

- 1) Provide notice of the application to the following:
 - a) cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area;
 - b) the county judge of each county that is wholly or partially included in the requested area;
 - c) each groundwater conservation district that is wholly or partially included in the requested area; and
- 2) Provide correct notice to the following entities:
 - Kucera Farms aka Magnolia Bend Subdivision
 - Brazoria County Ground Conservation District
 - Brazoria County Judge
 - Brazoria County Drainage District 5
 - Brazoria County MUD 32
 - Brazoria County MUD 55
 - Brazoria County MUD 56
 - City of Iowa Colony
 - City of Manvel
 - Port Freeport
 - West Brazoria County Drainage District

Southwood Estates Subdivision

- Aqua Texas Inc (CCN No. 13203)
- Brazoria County Drainage District 5
- Brazoria County Groundwater Conservation District
- Brazoria County Judge
- Brazoria County MUD 21 (CCN No. 13042)
- Brazoria County MUD 22 (CCN No. 13231)
- Brazoria County MUD 25
- Brazoria County MUD 29
- Brazoria County MUD 30
- Brazoria County MUD 31
- Brazoria County MUD 39
- Brazoria County MUD 40
- Brazoria County MUD 42
- Brazoria County MUD 43
- City of Arcola
- City of Iowa Colony
- City of Pearland (CCN No. 11008)
- City of Manvel
- Fort Bend County Drainage District
- Fort Bend County FWSD 1
- Fort Bend County MUD 141
- Sedona Lake MUD 1 of Brazoria County
- West Brazoria County Drainage District

Spring Crossing Subdivision

- Brazoria County Drainage District 5
- Brazoria County Groundwater Conservation District
- Brazoria County Judge
- Brazoria County MUD 31
- Brazoria County MUD 32
- Brazoria County MUD 55
- Brazoria County MUD 56
- City of Iowa Colony
- City of Manvel
- Fort Bend County Drainage District
- Port Freeport
- West Brazoria County Drainage District

Area to be decertified

- City of Palacios (CCN No. 10709)
- Coastal Plains Groundwater Conservation District
- Lower Colorado River Authority
- Matagorda County Drainage District 3
- Matagorda County Judge
- Matagorda County Navigation District 1

- 3) File in the docket an affidavit specifying every person and entity to whom notice was provided and the date that the notice was provided within 30 days of the date of the notice. It is recommended that the Applicant use the attached notice and affidavit to meet these requirements.

Notice to Current Customers, Neighboring Systems, and Cities
UNDINE TEXAS, LLC, SEEKS APPROVAL TO PURCHASE FACILITIES
AND CANCEL GULF COAST UTILITY COMPANY INC.'S CERTIFICATE
OF CONVENIENCE AND NECESSITY (CCN) NO. 12094 IN BRAZORIA
AND MATAGORDA COUNTIES, TEXAS

To: _____ Date Notice Mailed: _____, 2017
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

Undine Texas, LLC 10913 Metronome Dr. Houston, TX 77043
(Purchaser's or Transferee's Name) (Address) (City)(State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase Gulf Coast Utility Company, Inc. water facilities and to transfer water service area under CCN No. 12094, in Brazoria and Matagorda Counties, TX from:

Gulf Coast Utility Company, Inc. P.O. Box 2067 Alvin, TX 77512-2067
(Seller's or Transferor's Name) (Address) (City)(State)(Zip Code)

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code § 13.301). The transaction and the transfer of the CCN includes the following subdivision:

Kucera Farms aka Magnolia Bend

- The requested area is located approximately 5 miles south-southwest of downtown Manvel, TX, and is generally bounded on the north by Airline Rd No. 2; on the east by Manvel-Sandy Point Rd; on the south by a line 1300' south of Airline Rd No. 2; and on the west by CR 65. The requested area includes approximately 153 total acres and 51 current customers.

Southwood Estates

- The requested area is located approximately 2 miles east of downtown Arcola, TX, and is generally bounded on the north by Croix Rd; on the east by Old Airline Rd; on the south by SH 6; and on the west by Savannah Pkwy. The requested area includes approximately 245 total acres and 531 current customers.

Spring Crossing

- The requested area is located approximately 6 miles south-southeast of downtown Arcola, TX, and is generally bounded on the north by CR 1125; on the east by SH 288; on the south by CR 5346; and on the west by Airline Rd S. The requested area includes approximately 286 total acres and 1 current customers.

Area to be decertified

- The requested area is located approximately 2 miles northeast of downtown Palacios, TX, and is generally bounded on the north by South St; on the east by Oyster Lake Rd; on the south by Tres Palacios Bay; and on the west by Tres Palacios Bay. The requested area includes approximately 31 total acres and 0 current customers.

This transaction will have the following effect on the current customers' rates and services:
Rates will remain the same.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date.

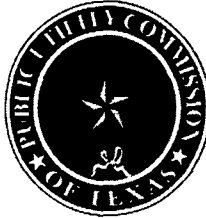
If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

Si desea información en español, puede llamar al 1-888-782-8477.

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES AND AFFECTED PARTIES DOCKET NO. **47640**

STATE OF TEXAS
COUNTY OF _____

_____ has provided individual
notice to the following entities and customers:

DATE OF NOTICE

OATH

I, _____, being duly sworn, file this form as
_____ (indicate relationship to applicant, that is,
owner, member of partnership, title of officer of corporation, or other authorized representative of
applicant); that in such capacity, I am qualified and authorized to file and verify such form, am
personally familiar with the notices given with this application, and have complied with all notice
requirements in the application and application acceptance letter; and that all such statements made
and matters set for therein are true and correct.

Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant,
or its' attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this _____ day of _____, 20____,
to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____