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APPLICATION OF BOLIVER §
UTILITY SERVICES, LLC AND §
UNDINE TEXAS ENVIRONMENTAL, §
LLC FOR SALE, TRANSFER, OR §
MERGER OF FACILITIES AND §
CERTIFICATES RIGHTS IN §
GALVESTON COUNTY §

PUBLIC UTILITY COMMISSION
OF TEXAS

**COMMISSION STAFF'S CLOSING DOCUMENTS SUFFICIENCY
RECOMMENDATION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and in response to Order No. 11, files this Closing Documents Sufficiency Recommendation. In support thereof, Staff shows the following:

I. BACKGROUND

On March 8, 2018, Bolivar Utility Services, LLC (Bolivar), and Undine Texas Environmental, LLC (Undine) (collectively Applicants), filed an application for a sale, transfer, or merger of facilities and Certificate of Convenience and Necessity (CCN) rights in Galveston County, Texas. Specifically, Bolivar seeks to sell its sewer system and transfer the service area under CCN No. 21026 to Undine. The total area being requested includes approximately 37,468 acres and serves 702 current customers.¹

On January 25, 2019, the Commission administrative law judge (ALJ) issued Order No. 8, authorizing Applicants to proceed with the proposed transaction. The order required that Applicants file an update regarding the status of the efforts to conclude the transaction and submit documents evidencing the transaction was consummated, and demonstrate that customer deposits were properly addressed, beginning on February 25, 2019, and continuing monthly thereafter. On February 20, 2019, Undine filed the first update regarding efforts to conclude the transaction. Undine filed subsequent updates regarding the same on March 25, 2019, April 25, 2019, May 28, 2019, and June 25, 2019.

¹ Applicants' application identified 668 current customers at the time of filing. Application at 20 (March 8, 2018). The copy of notice included in the proof of notice filing identified 702 current customers. Undine's Response to Order No. 3 at 5 (September 28, 2018).

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On July 18, 2019, and July 19, 2019, Undine filed a Request for Extension and a Supplement to the Request for Extension respectively. Undine stated that Applicants identified an impediment to closing related to the provision of title insurance. Therefore, Undine sought a sixty-day extension to complete the transaction. On July 22, 2019, the Commission ALJ issued Order No. 9, granting the request for an extension of time and requiring Applicants to complete the transaction by September 22, 2019.

On July 25, 2019, and August 23, 2019, Undine filed further status updates regarding Applicants' efforts to close the transaction.

On September 19, 2019, Undine filed a Request for Extension, stating that Applicants identified title issues that would require additional time to resolve. Therefore, Undine sought an additional two-week extension to complete the transaction. On September 23, 2019, the Commission ALJ issued Order No. 10, granting the request for an extension of time and requiring Applicants to complete the transaction by October 6, 2019.

On September 26, 2019, Applicants' closing documents were filed with the Commission.

On October 9, 2019, the Commission ALJ issued Order No. 11, requiring Staff to file a recommendation on the sufficiency of Applicants' closing documents and to propose a procedural schedule for continued processing of the application by October 22, 2019. Therefore, this pleading is timely filed.

II. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by Applicants on September 26, 2019. Based on its review, Staff has determined that Applicants' filing meets the requirements of 16 Tex. Admin. Code (TAC) §§ 24.239(k)-(n). Specifically, the sale and transfer was completed following the issuance of Order No. 8, wherein the transferee received notice from the Commission that a hearing would not be requested.² Additionally, within thirty (30) days of the ALJ issuing Order No. 8, Undine provided a written update on the status of the transaction, and did so approximately every thirty (30) days thereafter, until the transaction was completed.³ Further, the closing

² See 16 Tex. Admin Code § 24.239(k)(2).

³ See 16 Tex. Admin Code § 24.239(l).

documents were filed within thirty (30) days after the effective date of the transaction.⁴ The closing documents were also signed by both the transferor and the transferee.⁵

Applicants also stated that there were no customer deposits held by Bolivar. As such, no customer deposits were transferred pursuant to the current transaction.

Accordingly, based upon Applicant's completion of the requirements, as stated in the Commission rules, Staff recommends a finding that the closing documents be found sufficient and that there are no customer deposits to address as a result of the transaction.

III. PROPOSED PROCEDURAL SCHEDULE

In accordance with Staff's recommendation that Applicants' closing documents be found sufficient, Staff proposes the following procedural schedule for continued processing of the docket:

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable) to Applicants for review and consent	October 28, 2019
Deadline for Applicants to file signed consent forms with the Commission	November 11, 2019
Deadline for parties to jointly file a proposed Notice of Approval, including proposed findings of fact, conclusions of law and ordering paragraphs	November 18, 2019

IV. CONCLUSION

For the reasons detailed above, Staff respectfully requests that an order be issued finding that the closing documents filed by Applicants are sufficient and that there are no customer deposits to address as a result of the transaction. Staff further requests that the procedural schedule proposed above be adopted for continued processing of this docket.

⁴ See 16 Tex. Admin Code § 24.239(n).

⁵ *Id.*

Dated: October 10, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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DOCKET NO. 48151

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 10, 2019, in accordance with 16 TAC § 22.74.



Richard Nemer