



Control Number: 48388



Item Number: 14

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APPLICATION OF CHUCK BELL §
DBA CHUCK BELL WATER §
SYSTEMS, LLC AND UNDINE §
TEXAS, LLC FOR SALE, TRANSFER, §
OR MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS IN §
JOHNSON AND TARRANT §
COUNTIES §

PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

UNDINE TEXAS, LLC'S RESPONSE TO
ORDER NO. 2

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

Undine Texas, LLC ("Undine") files this response to Order No. 2. In support thereof, Undine states the following:

I. BACKGROUND

On May 24, 2018, Undine filed with the Public Utility Commission of Texas ("Commission") an application for sale, transfer, or merger of a retail public utility in Johnson and Tarrant Counties ("Application"). On May 30, 2018, the Administrative Law Judge ("ALJ") filed Order No. 1 requiring Commission Staff's Recommendation and directing Undine to provide information and supporting documentation on or before June 4, 2018.

On June 20, 2018, Commission Staff filed their Recommendation on Sufficiency of Application. On June 22, 2018, the ALJ issued Order No. 2 finding that the Application was deficient and incomplete for the reasons specified in the pleading and memorandum of Emily Sears and Gary Horton, Jr. in the Commission's Water Utility Regulation Division. Undine was given until July 20, 2018 to cure the identified deficiencies in the Application. Accordingly, this response is timely filed.

II.

SUPPLEMENTAL APPLICATION INFORMATION PROVIDED

In response to Order No. 2, Undine hereby files the following information:

Deficiency Items to Resolve

1. Asset Purchase Agreement
The Applicant filed a signed, undated Asset Purchase Agreement. Please submit a signed and dated Asset Purchase Agreement.

Response:

Attached as Exhibit A, submitted confidentially, is the signed and dated Asset Purchase Agreement.

2. Dual Certification
Staff identified several areas in which the requested area overlaps an existing CCN. Please submit agreements with the following entities showing consent for dual certification:
 - a. *City of Cleburne (CCN No. 10917)*
 - b. *Johnson County SUD (CCN No. 10081)*
 - c. *Monarch Utilities I, LP (CCN No. 12983)**In the alternative, the Applicant may submit updated mapping data to eliminate these overlaps.*

Response:

Attached as Exhibit B is the dual certification agreement between the parties and Johnson County SUD. Undine continues to diligently pursue the decertification agreements with the City of Cleburne and Monarch Utilities I, LP. Based on recent discussions with those two entities, we anticipate receiving the executed agreement with them within the next ten to fourteen days, and will supplement this response upon receipt.

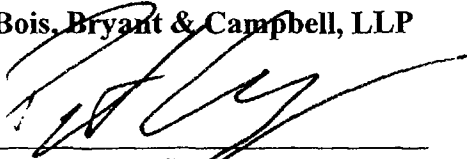
3. Violations
Upon review of the Texas Commission on Environmental Quality's (TCEQ) Central Registry database there appears to be an unresolved violation of the public water systems (PWS), Crowley II Acre Subdivision, associated with Chuck Bell Water Systems for "Failure to provide a minimum pressure of 35 psi throughout the distribution system under normal operations conditions". Please submit a statement detailing how the TCEQ violations will be addressed or a letter from the TCEQ indicating that the violations have been resolved.

Response:

Undine continues to evaluate this matter and will supplement this response as soon as it has concluded that evaluation.

Respectfully submitted,

DuBois, Bryant & Campbell, LLP

By: 

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(512) 457-8000
(512) 457-8008 (fax)

Attorneys for Undine Texas, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on the persons as indicated below on this the 28th day of July, 2018:

Alexander Petak
Public Utility Commission of Texas
Legal Division
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326
alexander.petak@puc.texas.gov

EXHIBIT A

Signed and Dated Asset Purchase Agreement

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DOCKET NO. 48388

STYLE: Application of Chuck Bell DBA Chuck Bell Water Systems, LLC and Undine Texas, LLC for Sale, Transfer or Merger of Facilities and Certificate Rights in Johnson and Tarrant Counties

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Exhibit A

Signed and Dated Asset Purchase Agreement

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:

6 TO 54

ENVELOPE # 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: July 20, 2018

EXHIBIT B

**DUAL CERTIFICATION AGREEMENT BETWEEN THE PARTIES AND
JOHNSON COUNTY SUD**

6/12/2017

Johnson County Special Utility District
2849 S Hwy 171
Cleburne, TX 76033

Re: Application of Chuck Bell dba Chuck Bell Water System, LLC ("CBWS") and Undine Texas, LLC ("Undine") for Sale, Transfer or Merger of Facilities and Certificate Rights in Johnson and Tarrant Counties (OPD Docket No. 48388).

Dear Johnson County Special Utility District Representative:

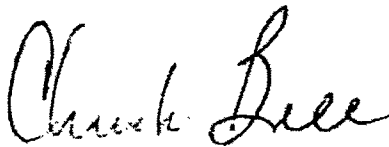
On May 24, 2018, CBWS and Undine submitted an application to the Public Utility Commission of Texas ("PUC") for the sale of certain facility and certificate rights from CBWS to Undine (the "Application"). Based on our review, the Application includes an area of overlap with Johnson County Special Utility District's ("JC SUD") CCN No. 10081. The attached maps specify the area of overlap.

This letter requests that JC SUD agree to dual certification of the area identified on the attached maps for its CCN 10081 so that CBWS and Undine may incorporate those areas into the service areas that are otherwise the subject of the Application. We note that JC SUD does not now, nor has it ever, supplied drinking water service to customers within the area highlighted on the attached maps. Undine and CBWS seek JC SUD's dual certification of the area for no compensation under Texas Water Code §13.254.

If approved, the dual certification will allow Undine to exercise its authority to provide retail, public water utility service under Undine's STM Application to the portion of JC SUD's CCN No. 10081 requested for dual certification.

If you agree to dual certification of the identified area pursuant to the terms of this letter, please so indicate by signing in the area indicated below. We appreciate your consideration in this matter.

Sincerely,



Chuck Bell

By the signature below, Johnson County Special Utility District agrees to dual certification of the areas identified in this letter according to the terms of this letter.

Signature: Terry D. Kelley

Name: Terry D. Kelley

Title: General Manager

Date: 7/20/18