

Control Number: 49260



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**DOCKET NO. 49260**

**APPLICATION OF TEXAS WATER §  
SYSTEMS, INC. AND UNDINE TEXAS, §  
LLC FOR SALE, TRANSFER, OR §  
MERGER OF FACILITIES AND §  
CERTIFICATE RIGHTS IN GREGG, §  
HENDERSON, LIMESTONE, SMITH, §  
AND UPSHUR COUNTIES §**

**PUBLIC UTILITY COMMISSION**

**OF TEXAS**

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**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON  
ADMINISTRATIVE COMPLETENESS AND PROPOSED PROCEDURAL SCHEDULE**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and in response to Order No. 6, files this Recommendation on Administrative Completeness and Proposed Procedural Schedule. Staff recommends that the application be deemed administratively incomplete and that the applicants be ordered to address the identified deficiencies. In support thereof, Staff shows the following:

**I. BACKGROUND**

On February 25, 2019, Undine Texas, LLC (Undine) and Texas Water Systems, Inc. (TWS) (collectively, Applicants) filed an application for sale, transfer, or merger of facilities and certificate rights in Gregg, Henderson, Limestone, Smith, and Upshur Counties, Texas. On March 11, 2019, Applicants filed an amended application. Specifically, Undine seeks approval to acquire facilities and to transfer a portion of water service area currently owned by TWS under Certificate of Convenience and Necessity (CCN) No. 12473. The requested transfer includes approximately 6,478 acres and 997 connections.

On August 12, 2019, Order No. 6 was issued, establishing a deadline of August 23, 2019 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 of Debbie Reyes in the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that it be found

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administratively incomplete. Specifically, Staff has identified deficiencies in the mapping information supplied with the application and requests additional clarification of the dual certification area. Staff recommends that Applicants submit additional information to resolve the deficiencies, as further detailed in the attached memorandum.

### **III. PROCEDURAL SCHEDULE**

Staff recommends that the application be found administratively incomplete. Therefore, Staff recommends that a deadline of September 23, 2019 be established for Applicants to supplement the application. Staff further recommends that a deadline of October 23, 2019 be established for Staff to review Applicants' supplemental information and make a supplemental recommendation on the administrative completeness of the application. Staff notes that Applicants should not issue notice until the application is found administratively complete.

### **IV. CONCLUSION**

For the reasons discussed above, Staff respectfully recommends that the application be found administratively incomplete. Staff further recommends that the procedural schedule proposed above be adopted for further processing of this docket.

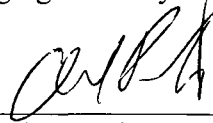
Dated: August 23, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on August 23, 2019, in accordance with 16 TAC § 22.74.



Alexander Petak

## PUC Interoffice Memorandum

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**To:** Alexander Petak, Attorney  
Legal Division

**Thru:** Lisa Fuentes, Manager  
Water Utility Regulation Division

**From:** Debbie Reyes, Program Specialist  
Water Utilities Regulation Division

**Date:** August 20, 2019

**Re:** **Docket No. 49260**, *Application of Texas Water Systems, Inc. and Undine Texas, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Gregg, Henderson, Limestone, Smith, and Upshur Counties*

On February 25, 2019, Undine Texas, LLC (Undine or Buyer) and the Texas Water Systems, Inc., (Texas Water Systems or Seller), (collectively, Applicants), filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Gregg, Henderson, Limestone, Smith and Upshur Counties, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and the 16 Texas Administrative Code (TAC) § 24.239. On March 11, 2019, Applicants filed an amended application. Specifically, the Buyer seeks approval to acquire facilities and to transfer a portion of water service area from Texas Water Systems under Certificate of Convenience and Necessity (CCN) No. 12473. The requested area includes approximately 6478 acres and 997 connections.

Staff has reviewed the information filed by the Applicants on August 1, and August 8, 2019, and finds them deficient. Staff recommends the application be deemed administratively incomplete and not accepted for filing.

### **Mapping and Application Deficiencies**

The maps filed on August 1, 2019, indicate the Applicants are requesting to decertify portions of Crystal Systems Texas, Inc. (Crystal Systems) CCN No. 10804 and Texas Water Systems' CCN No. 12473. However, the maps and agreements filed on August 8, 2019, indicate the Applicants may be requesting dual certification between Crystal Systems and Undine. Also, the filing on August 8, 2019, does not include a decertification agreement with Texas Water Systems.

Staff requests the Applicants clearly state the revised intent of the application which may result in the restyling of this application. Furthermore, the Applicants must file revised maps with supporting dual or decertification agreements, where appropriate between each CCN holder.

Due to the complexity of the requested areas, Staff requests the Applicant state the approximate total acreage and customer counts needed for each of the following:

- Requested areas to be transferred
- Requested areas to be added to Undine
- CCN service areas to be decertified from each CCN holder
- Requested areas to be dually certificated with Pritchett WSC and Crystal Systems

Staff recommends the Applicant continue to work with PUC Staff to resolve these deficiencies.