

Control Number: 49260



Item Number: 35

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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**

2019 SEP 13 PM 4:09

PUBLIC UTILITY COMMISSION
FILING CLERK

**UNDINE TEXAS, LLC'S RESPONSE TO
ORDER NO. 7**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

Undine Texas, LLC ("Undine") files this Response to Order No. 7. In support, Undine states the following:

On February 25, 2019, Undine and Texas Water Systems, Inc. (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 August 23, 2019, Commission Staff filed its Supplemental Recommendation on Administrative Completeness and Proposed Procedural Schedule. On August 26, 2019, the Administrative Law Judge issued Order No. 7 finding the Application incomplete and deficient for the reasons specified in the memorandum of Debbie Reyes, a Program Specialist in the Commission Water Utilities Regulation Division, and establishing an opportunity to cure.

On August 1, 2019, Undine filed its Supplemental Response to Order No. 3 (Docket No. 49260-29), providing mapping information. Having discovered that two of the maps submitted as part of that mapping information incorrectly identified certain areas for "decertification" instead of "dual certification," Undine hereby responds to Order No. 7 by providing the "Points

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of Service” map and “Detail” map for the Mt. Sylvan Smith County areas, attached as Exhibit A, in substitution for the same maps provided in Undine’s August 1, 2019 filing.

Undine further responds to Order No. 7 by providing, as Exhibit B, the revised written descriptions of the areas subject to the transaction. That document includes a summary of the total acreage, as follows:

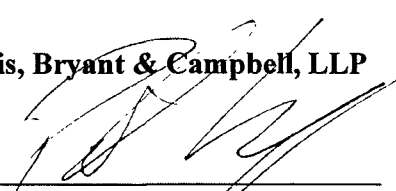
- Transferred areas – 5,245 acres; 811 customers (estimated)
- Amended/Add areas – 5,094 acres; 186 customers (estimated)
- Amend/Decertify areas – 12 acres; 0 customers
- Dual area w/ Pritchett WSC, CCN 10478 – 8 acres; 2 customers
- Dual area w/ Crystal Systems, CCN 10804 – 21 acres; 6 customers
- Total Customers - 997 (transfer 811 + amend 186) (estimated)

Finally, addressing Commission Staff’s request for confirmation of the agreement between Undine and Texas Water Systems, Inc. regarding the areas to be decertified, Undine provides the attached Exhibit C.

Respectfully Submitted,

DuBois, Bryant & Campbell, LLP

By: _____


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(512) 457-8008 (fax)

Attorneys for Undine Texas, LLC

CERTIFICATE OF SERVICE

I certify by my signature above that a true and correct copy of the foregoing document was served on the persons as indicated below on this the 12 day of September, 2019:

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

“DETAILED” AND “POINTS OF SERVICE” MAPS

Current Customers' "Point of Service" Correcting CCN to Include Existing Customers and Infrastructure

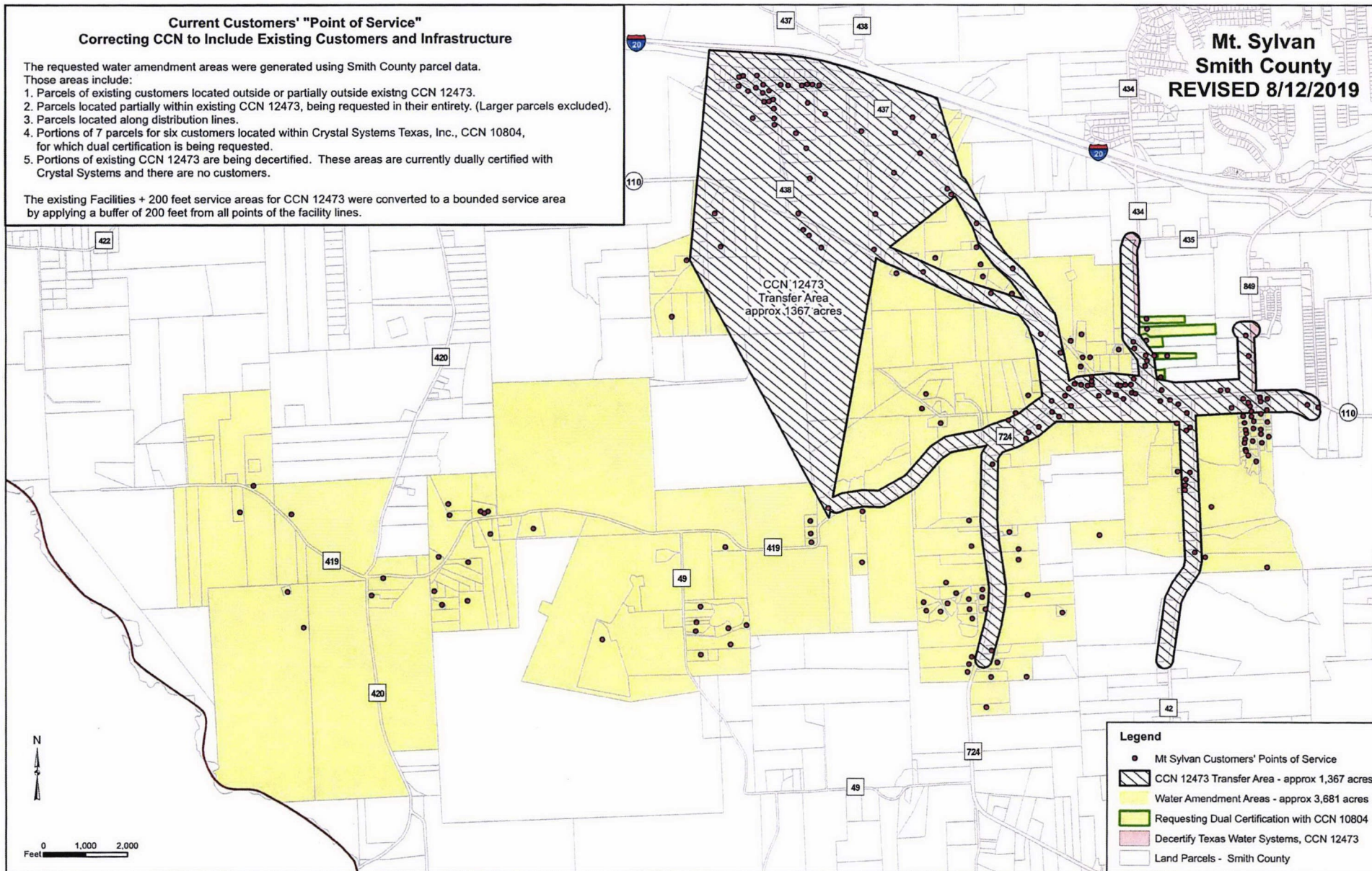
The requested water amendment areas were generated using Smith County parcel data.

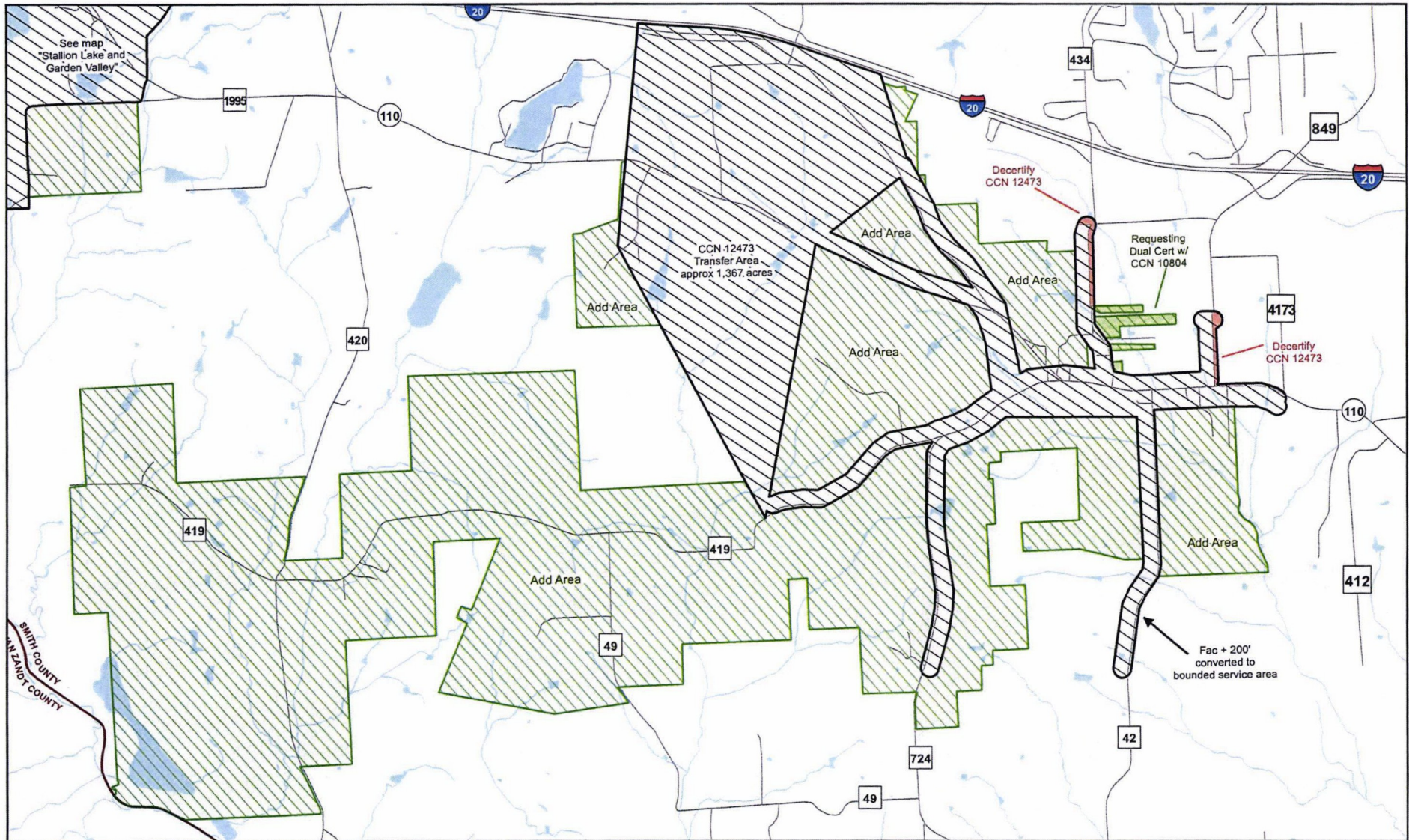
Those areas include:

1. Parcels of existing customers located outside or partially outside existing CCN 12473.
2. Parcels located partially within existing CCN 12473, being requested in their entirety. (Larger parcels excluded).
3. Parcels located along distribution lines.
4. Portions of 7 parcels for six customers located within Crystal Systems Texas, Inc., CCN 10804, for which dual certification is being requested.
5. Portions of existing CCN 12473 are being decertified. These areas are currently dually certified with Crystal Systems and there are no customers.

The existing Facilities + 200 feet service areas for CCN 12473 were converted to a bounded service area by applying a buffer of 200 feet from all points of the facility lines.

**Mt. Sylvan
Smith County
REVISED 8/12/2019**





Mt. Sylvan in Smith County - REVISED



Undine Texas, LLC

Application to Transfer a Portion of Texas Water Systems Inc., CCN No. 12473 to Undine Texas, LLC, CCN No. 13260
and to Amend Portions of CCN 12473 to be Transferred
in Gregg, Henderson, Smith and Upshur Counties



0 1,500 3,000
Feet



Water CCN Area to Amend

-  Water Amendment Areas - approx 3,640 acres
-  Requesting Dual Certification w/ Crystal Systems, CCN 10804 - approx 21 acres

Water CCN Area to Transfer

-  CCN 12473 - Texas Water Systems, Inc. - approx 1,367 acres
-  Decertify Texas Water Systems, CCN 12473 - approx 12 acres

Map by: S. Burt, ASBGI
Date: August 12, 2019
Base: StratMapTransv2

Project: Mt Sylvan_SmithCounty_REVISED.mxd

EXHIBIT B
WRITTEN DESCRIPTIONS OF AREAS

Written Descriptions

Cape Tranquility

The area subject to this transaction is located within approximately 2 miles north of downtown Coffee City, Texas, and is generally bounded on the north by Jamison Drive; on the east and south by Lake Palestine; and on the west by County Road 4202 in Henderson County.

The total area being requested includes approximately 81 acres and serves 70 current customers.

Country Club

The area subject to this transaction is located within approximately 2 miles south of downtown Gilmer, Texas, and is generally bounded on the north by State Highway 155; on the east by US Highway 271 S; on the south by Sugar Creek; and on the west by FM 2685 in Upshur County.

The total area being requested includes approximately 23 acres and serves 34 current customers.

Friendship

The area subject to this transaction is located within approximately 1.3 miles west of downtown Gilmer, Texas, and is generally bounded on the north by Lake Gilmer and Kelsy Creek; on the east by Brooks Creek; on the south by State Highway 154; and on the west by Kelsey Creek in Upshur County.

The total area being requested includes approximately 1090 acres and serves 92 current customers.

Garden Acres

The area subject to this transaction is located within approximately 4.5 miles west of downtown Longview, Texas, and is generally bounded on the north by Mistletoe Street; on the east by Swinging Bridge Road; on the south by Sabine River; and on the west by Hawkins Creek in Gregg County.

The total area being requested includes approximately 256 acres and serves 79 current customers.

Harmony and Rosewood

The area subject to this transaction is located within approximately 6.2 miles west of downtown Gilmer, Texas, and is generally bounded on the north by FM 852; on the east by FM 1795 and Rocky Branch; on the south by State Highway 154; and on the west by Beck Branch and Kelsey Creek in Upshur County.

The total area being requested includes approximately 1804 acres and serves 199 current customers.

Mt. Sylvan

The area subject to this transaction is located within approximately 4.6 miles southwest of downtown Lindale, Texas, and is generally bounded on the north by IH 20; on the east by County Road 4173 and County Road 412; on the south by Neches River & County Road 49; and on the west by Mill Break Creek & Neches River in Smith County.

The total area being requested includes approximately 5006 acres and serves 312 current customers.

Stallion Lake and Garden Valley

The area subject to this transaction is located within approximately 3.5 miles east/southeast of downtown Van, Texas, and is generally bounded on the north and east by State Highway 110; on the south by Neches River and Mill Break Creek; and on the west by County Road 426 in Smith County.

The total area being requested includes approximately 2081 acres and serves 211 current customers.

Approximate total acreages overall:

Transferred areas – 5,245 acres; 811 customers (estimated)

Amended/Add areas – 5,094 acres; 186 customers (estimated)

Amend/Decertify areas – 12 acres; 0 customers

Dual area w/ Pritchett WSC, CCN 10478 – 8 acres; 2 customers

Dual area w/ Crystal Systems, CCN 10804 – 21 acres; 6 customers

EXHIBIT C

AGREEMENT ON AREAS TO BE DECERTIFIED



August 15, 2019

James K. Brown
Texas Water Systems, Inc.
7891 Highway 271
Tyler, Texas 75708

Re: Application of Texas Water Systems, Inc. (TWS) and Undine Texas, LLC (Undine) for Sale, Transfer, or Merger (STM) of Facilities and Certificate Rights in Gregg, Henderson, Limestone, Smith and Upshur Counties

Dear Mr. Brown:

As part of processing the referenced application, Commission Staff requested Undine and TWS confirm its agreement on the areas to be decertified. Attached to this letter are the maps for the service areas being transferred from TWS to Undine. These maps also identify the areas designated to be decertified within the STM. By signature below, please confirm your agreement the maps reflect the areas to be decertified within the parties joint STM.

You and Undine are not under any legal obligation of any kind whatsoever by virtue of this letter except for the matters specifically contained herein. We appreciate your ongoing cooperation.

Agreed and accepted this 13th day of September, 2019.

Texas Water Systems, Inc.

UNDINE, LLC

By: [Signature]

[Signature]

Name: Heiden White

Name: Carey Thomas

Title: Director

Title: Senior Vice President