



Control Number: 49379



Item Number: 14

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DOCKET NO. 49379

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PUBLIC UTILITY COMMISSION  
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APPLICATION OF NERRO SUPPLY § PUBLIC UTILITY COMMISSION  
INVESTORS, LLC AND UNDINE §  
TEXAS, LLC FOR SALE, TRANSFER, § OF TEXAS  
OR MERGER OF FACILITIES AND §  
CERTIFICATE RIGHTS IN HARRIS §  
AND MONTGOMERY COUNTIES §

UNDINE TEXAS, LLC'S RESPONSES TO  
ORDER NO. 3

On May 30, 2019, the Administrative Law Judge issued Order No. 3 establishing a deadline of June 19, 2019 for Applicants to supplement the application to cure the deficiencies described in the April 25, 2019 memorandum by Emily Sears. Therefore, this response is timely filed.

Undine Texas, LLC ("Undine") provides the following requested information:

**1. Calculation of interest listed for customer deposits:**

Please see Attachment A – Deposits (submitted confidentially); can also be found in Attachment D of Docket No. 49379, Item #1.

Total Deposit Amount: \$16,050.00

Total Interest Accumulated: \$ 224.05

**2. Identify the entity to which the historical financials belong:**

The historical financials in Docket 49379 belong to Nerro Supply Investors, LLC formerly known and referenced as Northwest #1 (NW1) and Northwest #2 (NW2).

**3. Provide historical financials for 2018:**

Please see Attachment B – Nerro Supply Investors, LLC Financials (submitted confidentially).

**4. Reconcile \$0 developer contribution listed in this docket with Docket No. 44387 showing \$84,775 in developer contributions:**

Per the Northwest Water Systems, Inc. 2013 Balance Sheet, Northwest recorded a Contribution in Aid of Construction of \$84,775. On the Nerro Balance Sheet, CIAC is netted

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against fixed assets, therefore the \$84,775 of CIAC does not appear as a separately stated liability on the Balance Sheet.

Please see Attachment C -- Balance Sheet 2013 (submitted confidentially).

**5. Answer questions 26 and 27:**

Please see Attachment D.

Staff also requested that Applicants provide documentation which shows the transfer of the assets to Nerro Supply, LLC. Please see Attachment E – Executed Letter of Intent (submitted confidentially).

Respectfully submitted,

**DuBois, Bryant & Campbell, LLP**

By: 

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**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 19 day of June, 2019:

Rustin Tawater  
Public Utility Commission of Texas  
Legal Division  
1701 N. Congress Avenue  
P. O. Box 13326  
Austin, Texas 78711-3326  
[Rustin.tawater@puc.texas.gov](mailto:Rustin.tawater@puc.texas.gov)

ATTACHMENT A

DEPOSITS

CONFIDENTIAL

# CONFIDENTIAL

**DOCKET NO.:** 49379

**STYLE:** APPLICATION OF NERRO SUPPLY INVESTORS, LLC AND UNDINE TEXAS, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN HARRIS AND MONTGOMERY COUNTIES

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment A – Deposits

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 4 TO 19

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** June 19, 2019

**ATTACHMENT B**

**NERRO SUPPLY INVESTORS, LLC FINANCIALS**

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**DOCKET NO.:** 49379

**STYLE:** APPLICATION OF NERRO SUPPLY INVESTORS, LLC AND UNDINE TEXAS, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN HARRIS AND MONTGOMERY COUNTIES

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment B – Nerro Supply Investors, LLC Financials

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 21 TO 24

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** June 19, 2019

**ATTACHMENT C**  
**BALANCE SHEET 2013**  
**CONFIDENTIAL**



# CONFIDENTIAL

**DOCKET NO.:** 49379

**STYLE:** APPLICATION OF NERRO SUPPLY INVESTORS, LLC AND UNDINE TEXAS, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN HARRIS AND MONTGOMERY COUNTIES

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment C – Balance Sheet 2013

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 26 TO 36

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** June 19, 2019

**ATTACHMENT D**

**RESPONSE TO QUESTIONS 26 & 27**

**Part F: TCEQ Public Water System or Sewer (Wastewater) Information**

Complete Part F for **EACH** Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: TX1700013 (7 digit ID)

Name of PWS: Hazy Hollow East Estates

Date of last TCEQ compliance inspection: 02/18/2016 (attach TCEQ letter)

Subdivisions served: Hazy Hollow

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit *submitted* to TCEQ: \_\_\_\_\_

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
742	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			742	Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

No  Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

No  Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No  Yes: \_\_\_\_\_ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: \_\_\_\_\_ Sewer: \_\_\_\_\_

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

No  Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: \_\_\_\_\_

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

No  Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

No  Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

No  Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer

**Part G: Mapping & Affidavits**

**ALL applications require mapping information to be filed in conjunction with the STM application. Read question 29 A and B to determine what information is required for your application.**

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
  - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

**Part F: TCEQ Public Water System or Sewer (Wastewater) Information**

**Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.**

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: TX1700031 (7 digit ID)

Name of PWS: Shady Brook Acres

Date of last TCEQ compliance inspection: 5/01/2017 (attach TCEQ letter)

Subdivisions served: Shady Brook Acres

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit *submitted* to TCEQ: \_\_\_\_\_

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
57	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			57	Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

No  Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

No  Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No  Yes: \_\_\_\_\_ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: \_\_\_\_\_ Sewer: \_\_\_\_\_

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

No  Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: \_\_\_\_\_

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

No  Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

No  Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

No  Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer

**Part G: Mapping & Affidavits**

**ALL applications require mapping information to be filed in conjunction with the STM application.**  
*Read question 29 A and B to determine what information is required for your application.*

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
  - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

**Part F: TCEQ Public Water System or Sewer (Wastewater) Information**

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: TX1010213 (7 digit ID)

Name of PWS: Spring Creek Valley Estates

Date of last TCEQ compliance inspection: 02/16/2016 (attach TCEQ letter)

Subdivisions served: Spring Creek Valley

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit *submitted* to TCEQ: \_\_\_\_\_

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
189	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			189	Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

No  Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

No  Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No  Yes: \_\_\_\_\_ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: \_\_\_\_\_ Sewer: \_\_\_\_\_

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

No  Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: \_\_\_\_\_

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

No  Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

No  Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

No  Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer

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  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.



**ATTACHMENT E**  
**EXECUTED LETTER OF INTENT**  
**CONFIDENTIAL**

# CONFIDENTIAL

**DOCKET NO.:** 49379

**STYLE:** APPLICATION OF NERRO SUPPLY INVESTORS, LLC AND UNDINE TEXAS, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN HARRIS AND MONTGOMERY COUNTIES

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment E – Executed Letter of Intent

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 44 TO 49

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** June 19, 2019