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**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 §**

**PUBLIC UTILITY COMMISSION 2: '16
OF TEXAS**

**COMMISSION STAFF'S RECOMMENDATION ON
SUFFICIENCY OF NOTICE AND PROPOSED PROCEDURAL SCHEDULE**

COMES NOW the Commission Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation of Sufficiency of Notice and Proposed Procedural Schedule. In support thereof, Staff shows the following:

I. BACKGROUND

On March 27, 2019, Nerro Supply Investors, LLC (Nerro Investors) and Undine Texas, LLC (Undine) (collectively, Applicants), filed an application for the Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris and Montgomery Counties, Texas. Specifically, the applicants seek to sell and transfer portions of Nerro Investors' facilities and service area under water Certificate of Convenience and Necessity (CCN) No. 10336 to Undine's CCN No. 13260. The requested transfer includes approximately 916 acres and 988 current customers.

On July 18, 2019, the ALJ issued Order No. 4, finding the application administratively complete and requiring Staff to file a recommendation on sufficiency of notice within ten days of Applicants' filing proof of completed notice.

On July 19, 2019, Undine requested that the requirement for published notice be waived. Commission Staff did not file an objection to Undine's request.

On August 8, 2019, Undine filed documentation of delivery of notice to affected parties and renewed its request for waiver of the notice publication requirement. On August 16, 2019, Staff filed a motion seeking an extension of time to file its recommendation on the sufficiency of notice to ten days from the date of the ALJ's ruling on Undine's waiver request.

On August 21, 2019 the ALJ issued Order No. 5, modifying Order No. 4 to reflect that publication of notice would not be required. Order No. 5 also established a deadline of September

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2, 2019, for Staff to file a recommendation on sufficiency of notice. Therefore, this pleading is timely filed.

II. NOTICE

Staff has reviewed the notice documentation filed by Undine on August 8, 2019. Undine filed an Affidavit of Notice to Current Customers, Neighboring Utilities and Affected Parties indicating that notice of application was mailed to the entities listed in an attachment to the affidavit on July 26, 2019.

Order No. 4 required Applicants to provide notice of application as described in Staff's Supplemental Recommendation on Administrative Completeness and Proposed Procedural Schedule filing submitted on July 16, 2019 (Supplemental Recommendation). Undine's notice was provided to all entities listed in Staff's Supplemental Recommendation. Order No. 5 permitted Undine to forego publication of notice, a requirement earlier recommended in Staff's Supplemental Recommendation.

Following its review of Undine's notice of application filing, and in consideration of Order No. 5 waiving publication of notice, Staff recommends that Undine's notice be deemed sufficient.

III. PROCEDURAL SCHEDULE

In accordance with Staff's recommendation that Applicants' notice be found sufficient, Staff proposes the following supplemental procedural schedule:

Event	Date
Notice completed	July 26, 2019
Deadline for intervention	August 26, 2019 ¹
Deadline for Staff to request a hearing or file a recommendation on the approval of the sale and on the CCN amendment	September 25, 2019

¹ Pursuant to 16 TAC § 24.239(b), the intervention period shall not be less than thirty (30) days unless good cause is shown. Notice was mailed on July 26, 2019. Therefore, thirty (30) days after July 26, 2019 was Sunday, August 25, 2019. Since the Commission was closed on August 25, 2019, the period ran until the end of the next day on which the Commission was open for business, Monday, August 26, 2019.

Deadline for parties to file a response to Staff's recommendation	November 8, 2019
120 day deadline for the Commission to approve the sale or require a hearing	November 23, 2019 ²

IV. CONCLUSION

For the reasons discussed above, Staff respectfully recommends that the Applicants proof of notice be found sufficient and that the procedural schedule proposed above be adopted.

² Pursuant to 16 TAC § 24.239(a) and (j), the deadline for Commission action is one hundred twenty (120) days after the mailing or publication of notice, whichever occurs later. One hundred and twenty days after July 26, 2019 is Saturday, November 23, 2019. Since the Commission is closed on November 23, 2019, the period runs until the end of the next day on which the Commission is open for business, Monday, November 25, 2019.

Dated: August 29, 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 29, 2019, in accordance with 16 TAC § 22.74.



Rustin Tawater