



Control Number: 49380



Item Number: 11

Addendum StartPage: 0

RECEIVED

APPLICATION OF NERRO SUPPLY, §  
 LLC AND UNDINE TEXAS, LLC FOR §  
 SALE, TRANSFER, OR MERGER OF §  
 FACILITIES AND CERTIFICATE §  
 RIGHTS IN BRAZOS, BURLESON, §  
 CHAMBERS, MONTGOMERY, §  
 ROBERTSON, AND WALKER §  
 COUNTIES AND TO DECERTIFY A §  
 PORTION OF NERRO SUPPLY, LLC'S §  
 CERTIFICATED AREA IN §  
 BURLESON COUNTY §

PUBLIC UTILITY COMMISSION

2019 APR 26 PM 1:26  
PUBLIC UTILITY COMMISSION  
OFFICE CLERK

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

COMES NOW the Commission Staff of the Public Utility Commission of Texas (Commission), representing the public interest, and in response to Order No. 1, files this Recommendation on Administrative Completeness and Proposed Procedural Schedule. Staff recommends that the application be deemed administratively complete. In support thereof, Staff shows the following:

**I. BACKGROUND**

On March 27, 2019, Nerro Supply, LLC (Nerro) and Undine Texas Environmental, LLC (Undine) (collectively, Applicants) filed an application for Sale, Transfer, or Merger of Facilities and Certificate Rights in Brazos, Burleson, Chambers, Montgomery, Robertson, and Walker Counties, Texas. Specifically, the applicants seek to sell and transfer portions of Nerro's facilities and service area under water Certificate of Convenience and Necessity (CCN) No. 12252 to Undine's CCN No. 13260. The requested transfer includes approximately 1,904 acres and 1,321 current customers. In addition to this sale and transfer, Undine requests to add approximately 399 acres in Burleson and Montgomery Counties to Nerro's CCN, and decertify approximately 85 acres in Burleson County from Nerro's CCN.

On April 1, 2019, Order No. 1 was issued establishing a deadline of April 26, 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 from Spencer English in the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that the application be found administratively complete.

## III. NOTICE

The Commission's notice requirement for sale, transfer, merger applications are provided by 16 Texas Administrative Code (TAC) § 24.239, formerly 16 TAC § 24.109. Specifically, Staff recommends that Applicants be ordered to provide notice according to the attached memorandum of Spencer English.

## IV. PROCEDURAL SCHEDULE

Staff recommends the application be found administratively complete. Staff further proposes the following procedural schedule:

<b>Event</b>	<b>Date</b>
Deadline for Applicants to file with the Commission signed affidavits that the notice was given, along with a copy of the notice sent to the affected parties	June 10, 2019
Deadline for Staff to file a recommendation on sufficiency of notice	Within 10 days of Applicant filing proof of completed notice with the Commission
Deadline for intervention; deadline for intervenors to request a hearing on the merits	30 days after notice is issued

## V. CONCLUSION

For the reasons discussed above, Staff respectfully recommends that the application be found administratively complete, that Applicants be directed to provide notice as detailed above and in the attached memorandum, and that the procedural schedule proposed above be adopted for further processing of this docket.

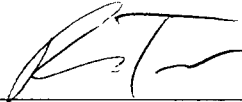
Dated: April 26, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney



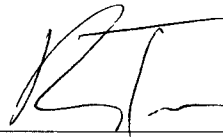
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**DOCKET NO. 49380**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on April 26, 2019, in accordance with 16 TAC § 22.74.



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Rustin Tawater

## PUC Interoffice Memorandum

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**To:** Rustin Tawater, Attorney  
Legal Division

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

**From:** Spencer English, Financial Analyst  
Water Utility Regulation Division

**Date:** April 25, 2019

**Subject:** **Docket 49380**, *Application of Nerro Supply, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Brazos, Burleson, Chambers, Montgomery, Robertson, and Walker Counties and to Decertify a Portion of Nerro Supply, LLC's Certified Area in Burleson County*

On March 27, 2019, Undine Texas, LLC (Undine or Purchaser) and Nerro Supply, LLC (Nerro or Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights with the Public Utility Commission of Texas (Commission) in Brazos, Burleson, Chambers, Montgomery, Robertson, and Walker Counties pursuant to Texas Water Code Ann. (TWC) §§ 13.242 to 13.250 and 13.301 and the 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237 and 24.239. Specifically, Undine, Certificate of Convenience and Necessity (CCN) No. 13260, seeks approval to acquire a portion of Nerro's CCN No. 12252, to decertify a portion of Deanville WSC's CCN No. 10177, and to incorporate uncertificated water service area into its CCN boundaries.

Staff has reviewed the information filed by the Applicants and recommends that the application be deemed sufficient for filing and administratively complete. Staff further recommends the Applicants be ordered to do the following:

- 1) Provide notice of the application to the following:
  - a) cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area;
  - b) the county judge of each county that is wholly or partially included in the requested area;
  - c) each groundwater conservation district that is wholly or partially included in the requested area;
  - d) landowners who own a tract of land that is at least 25 acres and is wholly or partly located in the requested area to be certified. The landowner information may be obtained from the county appraisal district tax rolls for the county or counties in which the requested area is located; and
  - e) any affected customers, and other affected parties in the requested area; and
  - f) publish notice once each week for two (2) consecutive weeks in a newspaper of general circulation in Brazos, Burleson, Chambers, Montgomery, Robertson, and Walker Counties.
  
- 2) Provide correct notice of the application to the following:
  - Aqua Texas Inc (CCN Nos. 11157 & 13203)
  - Baytown Area Water Authority (CCN No. 10872)
  - Bluebonnet GCD
  - Brazos County Judge
  - Brazos River Authority

- Brazos Valley GCD
- Burleson County Judge
- Burleson County MUD 1 (CCN No. 13144)
- C & R Water SUPPLY INC (CCN No. 13098)
- Cape Malibu WSC (CCN No. 11775)
- Chambers-Liberty Counties Navigation District
- Chambers County Improvement District 1
- Chambers County Judge
- City of Baytown
- City of Beach City
- City of Bryan (CCN No. 10187)
- City of Conroe (CCN No. 10339)
- City of Cove
- City of Houston
- City of Humble
- City of Mont Belvieu
- City of Old River-Winfree
- City of Somerville (CCN No. 10198)
- Clara Hills Civic Assoc (CCN No. 11738)
- Coastal Water Authority
- Conroe Bay Water-Sewer Supply (CCN No. 12604)
- Corinthian Point MUD 2
- Crystal Springs Water Co Inc (CCN No. 11373)
- Cypresswood Estates (CCN No. 12498)
- Deanville WSC (CCN No. 10177)
- East Montgomery County Improvement District
- Forest Cove MUD (CCN No. 11808)
- Gulf Coast Waste Disposal Authority
- Harris County FCD
- Harris Galveston Coastal Subsistence District
- HDU Services LLC (CCN No. 12254)
- J & S Water Co LLC (CCN No. 12085)
- Kings Manor MUD
- Krebs Utilities Inc (CCN No. 11984)
- Lake Forest Falls Inc (CCN No. 11443)
- Lone Star GCD
- Lost Pines GCD
- Lyons WSC (CCN No. 10189)
- Montgomery County FWSD 7
- Montgomery County Judge
- Montgomery County MUD 42
- Montgomery County MUD 83
- Montgomery County MUD 84
- Montgomery County MUD 92
- Montgomery County MUD 96
- Montgomery County MUD 98
- Montgomery County MUD 102
- Montgomery County MUD 103
- Montgomery County MUD 104

- Montgomery County MUD 106
- Montgomery County MUD 111
- Montgomery County MUD 114
- Montgomery County MUD 117
- Montgomery County MUD 121
- Montgomery County WCID 3
- MSEC Enterprises Inc (CCN No. 12887)
- Nerro Supply LLC (CCN No. 12252)
- Olsen Estates POA (CCN No. 13160)
- Paradise Cover Water System (CCN No. 12872)
- Porter SUD (CCN No. 11473)
- Port of Houston Authority
- Porter MUD
- Porter SUD
- Post Oak Savannah GCD
- Quadvest LP (CCN No. 11612)
- Robertson County Judge
- San Jacinto River Authority
- Stone Hedge Utility Co Inc (CCN No. 12624)
- T & W Water Service (CCN No. 12892)
- The Lakeville POA (CCN No. 12518)
- Town of Cut and Shoot (CCN No. 11615)
- Trinity River Authority of Texas
- Walker County Judge
- Walnut Cove Inc (CCN No. 12605)
- Wellborn SUD (CCN No. 11340)
- Wickson Creek SUD (CCN No. 11544)
- Woodland Hills Water LLC (CCN No. 12388)
- Woodland Oaks Utility Co Inc (CCN No. 12947)
- Woodridge MUD

- 3) Provide an accurate map delineating the requested service area with each individual notice to neighboring utilities, other affected parties, landowners and customers. Information related to districts including addresses can be obtained by the Applicants from the TCEQ web site located at <http://www14.tceq.texas.gov/iwud/>.
- 4) File in the docket a map and copy of notice along with an affidavit specifying every person and entity to whom notice was provided, the date that the notice was provided, and the publisher's affidavit for proof of newspaper publication. It is recommended that the Applicant use the attached notices and affidavits to meet these requirements.

Please note, Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed Staff may send requests for information (RFI) to the Applicants. The Applicants will have 20 days from the receipt of the RFI to respond unless additional time is requested by the Applicants.





### Hillgreen Subdivision Water Co.

The requested area is located approximately 4 miles northeast of downtown Conroe, Texas, and is generally bounded on the north by a line approx. 1000' north of Hillgreen Drive; on the east by Jeffcote Road; on the south by a line approx. 600' south of Hillgreen Drive; and on the west by West Fork Crystal Creek. The requested area includes approximately 59 total acres and 46 current customers.

### Lakeview N Marshall Oaks & Somerville Place

The requested area is located approximately 4 miles west of downtown Somerville, Texas, and is generally bounded on the north by Big Creek; on the east by Recreational Road 4; on the south by CR 416; and on the west by Lakeview Drive. The requested area includes approximately 539\* total acres and 220 current customers. \*277 acres already certificated, 262 acres to be newly certificated

### Little Oak Forest Subdivision

The requested area is located approximately 8 miles west of downtown Somerville, Texas, and is generally bounded on the north by Birch Creek; on the east by Birch Creek; on the south by Giebel Lane; and on the west by Park Road 57. The requested area includes approximately 203 total acres and 36 current customers.

### Loch Ness Cove Subdivision Water System

The requested area is located approximately 7 miles northwest of downtown Willis, Texas, and is generally bounded on the north by Lake Paula Drive; on the east by Lake Conroe and Lake Paula; on the south by Coushatta; and on the west by Lake Conroe. The requested area includes approximately 66\* total acres and 80 current customers. \*46 acres already certificated, 20 acres to be newly certificated

### Lost Lakes

The requested area is located approximately 2 miles southeast of downtown Old River Winfree, Texas, and is generally bounded on the north by Old River; on the east by Old River; on the south by River Oaks Drive; and on the west by FM 565. The requested area includes approximately 49 total acres and 47 current customers.

### Oaks at Houston Point & Bayridge Water System

The requested area is located approximately 6 miles southwest of downtown Baytown, Texas, and is generally bounded on the north by Tri City Beach Road; on the east by Jordan Drive; on the south by Trinity Bay; and on the west by Cedar Point Road. The requested area includes approximately 143 total acres and 116 current customers.

### Oak Forest Lakeway Manor

The requested area is located approximately 10 miles northwest of downtown Bryan, Texas, and is generally bounded on the north by Noble Oaks Lane; on the east by Anyway Drive; on the south by Lakeway Drive; and on the west by US 190. The requested area includes approximately 86 total acres and 49 current customers.

### River Club Water

The requested area is located approximately 4 miles north of downtown Humble, Texas, and is generally bounded on the north by a line approx. 170' north of Russell Drive; on the east by Sorters McLellan Road; on the south by a line approx. 400' south of Lake Drive; and on the west by West Fork San Jacinto River. The requested area includes approximately 153 total acres and 75 current customers.

### Smetana Forest

The requested area is located approximately 6 miles west of downtown Bryan, Texas, and is generally bounded on the north by Smetana Road; on the east by Smetana Road; on the south by Nonie Drive; and on the west by Luza Lane. The requested area includes approximately 70 total acres and 50 current customers.

### Whispering Woods

The requested area is located approximately 7 miles northwest of downtown Somerville, Texas, and is generally bounded on the north by CR 410; on the east by CR 410; on the south by FM 60; and on the west by CR 405. The requested area includes approximately 190\* total acres and 15 current customers. \*85 acres to be decertified, 98 acres to be newly certificated (including 31 acres previously certificated to Deanville WSC), 106 total acres to ultimately be certificated to Undine Texas LLC.

### Wildwood Shores

The requested area is located approximately 8 miles west of downtown New Waverly, Texas, and is generally bounded on the north by Pipken Road; on the east by Forest Service Road 222; on the south by Lake Conroe; and on the west by Lake Conroe. The requested area includes approximately 276 total acres and 173 current customers.

### Woodhaven Estates

The requested area is located approximately 5 miles west of downtown Conroe, Texas, and is generally bounded on the north by Woodhaven; on the east by Elizabeth Ridge; on the south by FM 2854; and on the west by Old TX 105 West. The requested area includes approximately 44\* total acres and 56 current customers. \*25 acres already certificated, 19 acres to be newly certificated

A copy of the map showing the affected area is available at: 17681 Telge Rd, Houston, Texas 77429

This transaction will have the following effect on the current customers' rates and services:  
All of the customers will be charged the same rates they were charged before the transaction.

*Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date.*

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the requested area, may file a written request with the Commission to be excluded from the requested area ("opt out") within (30) days from the date that notice was provided by the Utility. All opt out requests must include a large scale map and a metes and bounds description of the landowner's tract of land.

Persons who wish to request this option should file the required documents with the:  
Public Utility Commission of Texas  
Central Records  
1701 N. Congress, P. O. Box 13326  
Austin, TX 78711-3326

In addition, the landowner must also send a copy of the opt out request to the Utility. Staff may request additional information regarding your request.

Si desea información en español, puede llamar al 1-888-782-8477.

\_\_\_\_\_  
Utility Representative

\_\_\_\_\_  
Utility Name

# PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING  
UTILITIES AND AFFECTED PARTIES  
DOCKET NO. 49380

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

\_\_\_\_\_ has  
provided individual notice to the following entities and customers:

	DATE OF NOTICE
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

### OATH

I, \_\_\_\_\_, being duly sworn, file this form as \_\_\_\_\_ (indicate relationship to applicant, that is, owner, member of partnership, title of officer of corporation, or other authorized representative of applicant); that in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the notices given with this application, and have complied with all notice requirements in the application and application acceptance letter; and that all such statements made and matters set for therein are true and correct.

\_\_\_\_\_  
Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant, or its' attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, to certify which witness my hand and seal of office.

\_\_\_\_\_  
Notary Public in and for the State of Texas

\_\_\_\_\_  
Print or Type Name of Notary Public

Commission Expires \_\_\_\_\_