

Control Number: 49380



Item Number: 15

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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  
FILING CLERK  
OF TEXAS

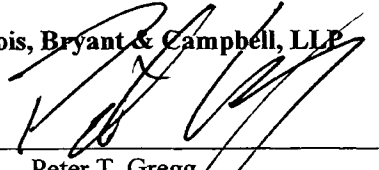
**UNDINE TEXAS, LLC'S RESPONSES TO COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

Pursuant to 16 TAC § 22.144 of the Commission's Procedural Rules, Undine Texas, LLC ("Undine") provide these responses to Staff's First Request for Information ("RFI"), submitted as Exhibit A to this filing. Undine received the RFI on May 15, 2019, therefore these responses are timely filed. Pursuant to 16 TAC § 22.144(c)(2)(F), Undine stipulates that these responses may be treated as if they were filed under oath.

Respectfully submitted,

DuBois, Bryant & Campbell, LLP

By: \_\_\_\_\_

  
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**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 21<sup>st</sup> 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)

**EXHIBIT A**

**UNDINE'S RESPONSES TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**TO UNDINE TEXAS, LLC**  
**QUESTION NO. STAFF 1-1 THROUGH STAFF 1-2**

**Staff 1-1**

Please provide the historical expense detail for Annual Debt Service.

*Response:*

Seller does not maintain an amortization schedule because each loan is charged interest using variable rates. See Attachment 1 (Confidential) for the most recent loan statements.

**Staff 1-2**

Please provide Historical Sources and Uses of Cash Statements.

*Response:*

Please see Attachment 2 - Confidential

**Staff 1-3**

Please provide the status of the following allegations that are listed as active in the TCEQ database of Public Water System/Supply Registration 1010111 for CASTLEWOOD SUBDIVISION

- Failure to provide a minimum pressure of 35 psi throughout the distribution system under normal operation conditions, with a Notice of Violation date of March 31, 2017.

*Response:*

Undine did not take over as temporary manager of Castlewood subdivision until September 22, 2017. After that time as a stipulation to purchase the system, Undine Texas, LLC entered into a compliance agreement for this system. Undine Texas, LLC is currently in compliance with the approved compliance agreement. Please see Attachment 3: Castlewood Compliance Agreement (Confidential).

**Staff 1-4**

Please provide the status of the following allegations that are listed as active in the TCEQ database of Public Water System/Supply Registration 0260010 for DEMI JOHN PLACE WATER SYSTEM

- Failure to equip the pressure tank with a capacity greater than 1000 gallons with some sanitary means of determining the air to water ratio, with a Notice of Violation date of May 3, 2019.

Response:

The pressure tank in question is only 900 gallons. Pressure tanks less than 1,000 gallons do not require water level sight glasses. The two pressure tanks for Demi John Place combined allow for compliance of pressure tank capacity.

- Failure to properly screen the well casing vent with 16-mesh or finer corrosion resistant screening material, with a Notice of Violation date of May 3, 2019.

Response:

Undine operators will resolve and forward photographic documentation of the well casing vent with the appropriate screening material installed before June 7, 2019.

- Failure to seal the wellhead with the use of gaskets or a pliable crack resistant caulking compound (Plant 1), with a Notice of Violation date of May 3, 2019.

Response:

Undine operators will resolve and forward photographic documentation of the fully sealed wellhead before June 7, 2019.

**ATTACHMENT 1**

**RECENT LOAN STATEMENTS**

**CONFIDENTIAL**

# CONFIDENTIAL

**DOCKET NO.:** 49380

**STYLE:** 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

**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment 1 – Recent Loan Statements

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 7 TO 9

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** June 4, 2019



**ATTACHMENT 2**

**NERRO SUPPLY LLC FINANCIAL STATEMENTS**

**CONFIDENTIAL**

# CONFIDENTIAL

**DOCKET NO.:** 49380

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**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment 2 – Nerro Supply LLC Financial Statements

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 11 TO 11

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** June 4, 2019

**ATTACHMENT 3**  
**CASTLEWOOD COMPLIANCE AGREEMENT**

**CONFIDENTIAL**

# CONFIDENTIAL

**DOCKET NO.:** 49380

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**SUBMITTING PARTY:** Undine Texas, LLC

**BRIEF DESCRIPTION OF CONTENTS:** Attachment 3 – Castlewood Compliance Agreement

**BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE:** 13 TO 20

**ENVELOPE #:** 1 OF 1

**ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:**

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**DATE SUBMITTED TO COMMISSION:** June 4, 2019