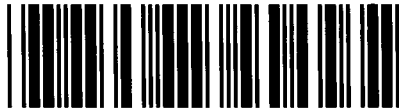


Control Number: 50017



Item Number: 9

Addendum StartPage: 0

APPLICATION OF PURE UTILITIES, §
 LC AND UNDINE TEXAS, LLC FOR §
 SALE, TRANSFER, OR MERGER OF §
 WATER FACILITIES AND §
 CERTIFICATE RIGHTS IN LIBERTY, §
 POLK, SAN JACINTO, AND TYLER §
 COUNTIES §

PUBLIC UTILITY COMMISSION

OF TEXAS

SEP 17 AM 10:58
 PUBLIC UTILITY COMMISSION
 FILING CLERK

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

COMES NOW the Staff (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, Proposed Notice and Proposed Procedural Schedule. Staff recommends that the application be deemed insufficient for further review. In support thereof, Staff shows the following:

I. BACKGROUND

On September 17, 2019, Pure Utilities, LC (Pure) and Undine Texas Environmental, LLC (Undine) (collectively Applicants), filed an application for the sale, transfer, or merger of facilities and certificate rights in Liberty, Polk, San Jacinto, and Tyler Counties. The Applicants seek to transfer Pure's water systems and transfer the related portion of the water service area held under certificate of convenience and necessity (CCN) No. 12072 to Undine's CCN No. 13260. The requested transfer includes approximately 602 acres and 184 current customers. Applicants filed supplemental information on October 8, 2019.

On September 20, 2019, Order No. 1 was issued establishing a deadline of October 17, 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 Roshan Pokhrel, in the Commission's Infrastructure Division, Staff has reviewed the application and recommends that it be found administratively incomplete. Specifically, Staff has identified deficiencies in the mapping and

application content. Staff recommends that Applicants submit additional mapping and application content, as further detailed in the attached memorandum.

III. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively incomplete. Therefore, Staff recommends that a deadline of November 18, 2019 be established for Applicants to supplement the application. Staff further recommends that a deadline of December 18, 2019 be established for Staff to review Applicants' supplemental information and make a supplemental recommendation on the administrative completeness of the application. Staff notes that Applicants should not issue notice until the application is found administratively complete.

IV. CONCLUSION

For the reasons discussed above, Staff respectfully recommends that the application be found administratively incomplete. Staff further recommends that the procedural schedule proposed above be adopted for further processing of this docket.

Dated: October 17, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Rachelle Nicolette Robles
Managing Attorney

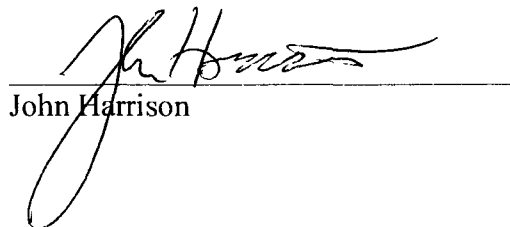


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DOCKET NO. 50017

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 17, 2019, in accordance with 16 Texas Administrative Code § 22.74.



John Harrison

PUC Interoffice Memorandum

To: John Harrison, Attorney
Legal Division

Thru: Heidi Graham, Manager
Infrastructure Division

From: Roshan Pokhrel, Engineering Specialist
Infrastructure Division

Date: October 17, 2019

Subject: **Docket No. 50017**, *Application of Pure Utilities, LC and Undine Texas, LLC for Sale, Transfer, or Merger of Water Facilities and Certificate Rights in Liberty, Polk, San Jacinto, and Tyler Counties*

On Sep 17, 2019, Undine Texas, LLC (Purchaser) and Pure Utilities, LC (Seller) (collectively, Applicants), filed with the Public Utility Commission of Texas an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Liberty, Polk, San Jacinto, and Tyler Counties, Texas, pursuant to Texas Water Code Ann. § 13.301 and the 16 Texas Administrative Code § 24.239.

Staff notes that the current style of this docket considers only a portion of the application regarding Applicants' STM application, not the request to add uncertificated area and the request for decertification of a portion of the Seller's CCN area. Consequently, Staff requests that the style of the docket be changed to "*Application of Pure Utilities, LC and Undine Texas, LLC for Sale, Transfer, or Merger of Water Facilities and Certificate Rights and to Decertify a Portion of Pure Utilities, LC's Certificated Area, and to Amend Uncertificated Water Service Area in Liberty, Polk, San Jacinto, and Tyler Counties.*"

The Purchaser seeks approval to transfer all of the Seller's water CCN No. 12072.

Staff has reviewed the information provided in the application and recommends that the application be deemed administratively incomplete and not accepted for filing due to the following deficiencies in the application:

- 1) The digital data for the requested area to be decertified in the Six Lakes Subdivision in Liberty and Polk County does not match the map submitted. The Applicants must file updated digital data for the Six Lakes Subdivision and the following information:
 - a) A detailed map identifying only the requested area, in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads;
 - b) Digital mapping data for the requested area, as a single polygon record, in shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet); and
 - c) Please remove approximate acreage from all detailed maps.
- 2) The Applicants must file an agreement letter for the decertification of a portion of Pure Utilities, LC's CCN No. 12072.
- 3) The Purchaser has several active violations in the Texas Commission on Environmental Quality's Central Registry database for some of their public water systems. The Purchaser must provide documentation showing the violations have been resolved or a plan to resolve the following violations:

- a) Failure to provide contaminant facilities for the polyphosphate storage tank, with a notice of violation date of Sep 6, 2019 for Angle Acres Water System.
 - b) Failure to properly install all water system electrical wiring, with a notice of violation date of Sep 6, 2019 for Angle Acres Water System.
 - c) Failure to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions, with a notice of violation date of Oct 11, 2017 for Crowley II Acre Subdivision.
 - d) Failure to provide the minimum water system capacity requirements for pressure storage, with a notice of violation date of Apr 5, 2018 for Colony Cove Subdivision Water System.
 - e) Failure to provide a minimum total well capacity of 0.6 gallons per minute per connection, with a notice of violation date of Aug 31, 2015 for Spring Forest Subdivision.
 - f) Failure to design and maintain a water distribution system to provide at all points within the distribution network a minimum pressure of 35 psi all the times, with a notice of violation date of June 4, 2019 for Mark V Estates.
 - g) Failure to provide all pressure tanks with a pressure release device and an easily readable pressure gauge, with a notice of violation date of Jan 11, 2019 for Lee Ridge Subdivision.
- 4) The Purchaser must provide a need for service for the tracts of land included in the uncertificated portion of the requested area.

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 Applicant. The Applicant will have 20 days from the receipt of the RFI to respond unless additional time is requested by the Applicant.