



Control Number: 50018



Item Number: 39

Addendum StartPage: 0

APPLICATION OF PURE UTILITIES, LC AND UNDINE TEXAS ENVIRONMENTAL, LLC FOR SALE, TRANSFER, OR MERGER OF SEWER FACILITIES AND CERTIFICATE RIGHTS AND TO DECERTIFY A PORTION OF PURE UTILITIES, LC'S CERTIFICATED AREA, AND TO AMEND UNCERTIFICATED SEWER SERVICE AREA IN POLK COUNTY	§ § § § § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Recommendation on Sufficiency of Closing Documents. In support, 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 Polk County. The Applicants seeks approval to transfer all of Pure's sewer service area held under certificate of convenience and necessity (CCN) No. 20557 to Undine, and to amend additional area and decertify a small area in order to clean up the service area boundaries. The total requested area includes approximately 597 acres and 184 connections. The area to be transferred is approximately 333 acres. The additional area to be amended is approximately 288 acres, and the area to be decertified is approximately 24 acres.

On May 29, 2020, the administrative law judge (ALJ) filed Order No. 10, approving the transaction to proceed and requiring the Applicants to submit documents evidencing that the transaction was consummated and that customer deposits were properly addressed. Order No. 10 also set a deadline of 15 days from the date the Applicants' filed proof of closing for Staff to file a recommendation regarding the sufficiency of the documents and to propose a procedural schedule. The Applicants filed closing documentation and customer deposit information on October 21, 2020. Therefore, Staff's filing is delayed. Staff apologizes for the delay to both the ALJ and the Applicants.

II. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents and customer deposit information filed by the Applicants on October 21, 2020. Based on its review, Staff has determined that the Applicants' filing meets the requirements of 16 Texas Administrative Code (TAC) § 24.239(a), which requires the filing of an STM application and the provision of public notice at least 120 days before the effective date of a proposed transaction. Under 16 TAC § 24.239(i), the proposed transaction may be completed at the end of the 120-day period or at any time after the transferee receives notice that a hearing will not be required.

The Applicants filed a bill of sale and assignment and assumption agreement, dated October 14, 2020 and signed by Linda B. Jackson III, member for Pure, and Carey A. Thomas, Senior Vice President of Undine. The document indicates that the transaction has been completed by the parties. October 14, 2020 is more than 120 days after notice was completed on January 30, 2020, and therefore, after the earliest possible effective date. Staff recommends a finding that the Applicants' closing documents are sufficient and satisfy 16 TAC § 24.239(a), (i), and (l).

As stated in the Applicants' notice of completed transaction, dated October 21, 2020, there are no customer deposits to transfer or to address. Staff therefore recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (l).

III. PROCEDURAL SCHEDULE

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

Events	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent	December 21, 2020
Deadline for applicant to file signed consent forms with the Commission	January 4, 2021
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	January 18, 2021

IV. CONCLUSION

For the reasons detailed above, Staff respectfully requests that an order be issued finding the closing documents filed by the Applicants sufficient. Staff further requests that the proposed procedural schedule be adopted for continued processing of this docket.

Dated: November 16, 2020

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ John Harrison

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DOCKET NO. 50018

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record on November 16, 2020 in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ John Harrison

John Harrison