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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 §  
MONTGOMERY COUNTY §

BEFORE THE PUBLIC UTILITY COMMISSION  
FILING CLERK  
PUBLIC UTILITY COMMISSION  
OF TEXAS

RESPONSE TO  
COMMISSION STAFF'S RECOMMENDATION ON THE TRANSACTION

COMES NOW, the San Jacinto River Authority ("SJRA") and files this Response to Commission Staff's Recommendation on the Transaction filed on December 28, 2020 (the "Staff's Recommendation").

1. On November 30, 2020, the Administrative Law Judge issued Order No. 5 establishing a deadline of January 6, 2021 for the parties to respond to the Staff's Recommendation. Therefore, this response is timely filed.

2. On December 2, 2020, the Administrative Law Judge granted SJRA's Motion to Intervene in Order No. 6.

3. Paragraph III of the Staff's Recommendation provides that the subject sale and transfer transaction, if approved, will result in an assignment of the GRP Contract<sup>1</sup> by operation of law for purposes of Section 13.06 of the GRP Contract and, therefore, Nerro Supply Investors, LLC ("Nerro") does not need SJRA's approval of the sale and assignment to Undine Texas, LLC ("Undine").

4. SJRA hereby respectfully requests that, if the subject sale and transfer transaction is approved by the Public Utility Commission of Texas (the "PUC"), the order entered by the PUC approving the transaction specifically state that the sale and transfer, once completed, will result

<sup>1</sup> SJRA Motion to Intervene (Nov. 12, 2020) at ¶ 2, Attachment A, § 13.06.

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in an assignment of the GRP Contract by operation of law for purposes of Section 13.06 of the GRP Contract.

5. The undersigned counsel for SJRA conferred with counsel for Undine and counsel for Nerro regarding this response. Undine and Nerro do not oppose the relief requested by SJRA in paragraph 4 above.

WHEREFORE PREMISES CONSIDERED, SJRA respectfully requests that the relief requested by it in paragraph 4 above be granted. SJRA requests such other and further relief as it is justly entitled.

Respectfully submitted,

**SCHWARTZ, PAGE & HARDING, L.L.P.**  
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*/s/ Matthew R. Reed*

By: \_\_\_\_\_  
MATTHEW R. REED  
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**ATTORNEYS FOR SAN JACINTO RIVER  
AUTHORITY**

## 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 6th day of January, 2021:

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