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DOCKET NO. 52502

APPLICATION OF TEXAS WATER	§	PUBLIC UTILITY COMMISSION
SYSTEMS, INC. AND UNDINE TEXAS,	§	
LLC FOR SALE, TRANSFER, OR	§	OF TEXAS
MERGER OFF ACILITIES AND	§	
CERTIFICATE RIGHTS IN GREGG,	§	
HENDERSON, SMITH, AND UPSHUR	§	
COUNTIES	§	

**APPLICANTS' RESPONSE TO ORDER NO. 24 MAKING A DETERMINATION TO
HOLD A HEARING AND REQUIRING SUPPLEMENTAL INFORMATION,
COMMENDATION FROM COMMISSION STAFF, AND MOTION TO ADMIT THE
ADDITIONAL INFORMATION**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

COME NOW Texas Water Systems, Inc., and Undine Texas, LLC (collectively, the Applicants), and file their response to Order No. 24 Making a Determination to Hold a Hearing and Requiring Supplemental Information, Commendation from Commission Staff, and Motion to Admit the Additional Information. In support thereof the Applicants show the following:

I.

BACKGROUND

On May 30, 2023, the administrative law judge (ALJ) issued Order No. 24, addressing the need for Texas Water Systems, Inc. and Undine Texas, LLC to supplement the application, for Commission Staff to file a supplemental recommendation, and for the parties to move to admit the additional information into the record. The order also requires Applicants to file additional evidence regarding the capital improvements plan, notice, and mapping, among other issues. Specifically, the Applicants were ordered to:

- file a capital improvements plan conforming with the Commission's discussions in Docket Nos. 51646 and 52391 and the requirements in TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6);

- provide loan documentation in accordance with 16 TAC § 24.11(e)(5)(A) or request a good cause exception under 16 TAC § 24.2(b); and
- file an affidavit that notice has been mailed by first-class mail to each owner of a tract of land that is at least 25 acres and is wholly or partially included in the area proposed to be certified.

II.

CAPITAL IMPROVEMENTS PLAN

On June 14, 2022, Applicant Undine filed Supplemental Information and Confidential Attachment A at Dkt. Nos. 41 and 42 respectively in this matter setting forth a Capital Improvements Plan pursuant to the requirements of Order No. 24. Undine clarifies that the year references in Dkt. No. 42 represent the years following closing, for example “Year 1” would be the first year after closing.

III.

LOAN DOCUMENTATION

In further response to Order No. 24, Undine hereby provides, as Confidential Exhibit “A,” Undine’s Loan Documentation. Exhibit “A” is **submitted as highly sensitive subject to the protective order issued in this matter pursuant to Order No. 1.**

Undine asserts that the information contained in Exhibit “A” is exempt from disclosure pursuant to the Public Information Act based on Section 552.110(c) of the Act because disclosure of the information, comprising sensitive commercial and financial information, would cause substantial competitive harm to Undine. The attorneys for Undine Texas, LLC have reviewed the information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials designation under the

Protective Order issued in Docket No. 52502. Undine further asserts that this material is of such a highly sensitive nature that making copies of such documents or information or providing access to such documents to employees of the Reviewing Party (as defined in the Protective Order) would expose a producing party to unreasonable risk of harm.

IV.

NOTICE

Undine also notifies the ALJ that, pursuant to the affidavit of Vance Tillman, attached hereto as Exhibit "B," there are no owners of a tract of land that is at least 25 acres and is wholly or partially included in the area proposed to be certified. Accordingly, there was no owner to which to provide notice and therefore no such notice was provided.

V.

CONCLUSION

Applicants hereby request the ALJ consider this supplemental information in satisfaction of Order No. 24.

Respectfully submitted,

Gregg Law PC



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Attorneys for Undine Texas, LLC

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on June 15, 2023 in accordance with the Order Suspending Rules issued in Project No. 50664.

A handwritten signature in black ink, appearing to read 'Peter T. Gregg', is written over a horizontal line.

Peter T. Gregg

EXHIBIT B

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LLC FOR SALE, TRANSFER, OR	§	OF TEXAS
MERGER OFF ACILITIES AND	§	
CERTIFICATE RIGHTS IN GREGG,	§	
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COUNTIES	§	

**AFFIDAVIT OF VANCE TILLMAN IN RESPONSE TO ORDER NO. 24 MAKING A
DETERMINATION TO HOLD A HEARING AND REQUIRING SUPPLEMENTAL
INFORMATION, RECOMMENDATION FROM COMMISSION STAFF, AND
MOTION TO ADMIT THE ADDITIONAL INFORMATION**

STATE OF TEXAS §
 §
COUNTY OF Harris §

BEFORE ME, the undersigned notary, personally appeared Vance Tillman, the affiant, a person who is known to me. After administering an oath, the affiant testified that:

“My name is Vance Tillman. I am over the age of eighteen years, of sound mind, and am capable of making this affidavit. The facts stated in the affidavit are within my personal knowledge and are true and correct.

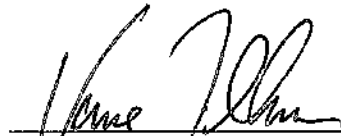
I am the Chief Financial Officer of Undine Texas, LLC (Undine), the Applicant in the above-captioned matter.

Pursuant to Order No. 24 issued by ALJ in this matter, by May 30, 2023, applicants must file an affidavit that notice has been mailed by first-class mail to each owner of a tract of land that is at least 25 acres and is wholly or partially included in the area proposed to be certified according to the most current tax appraisal rolls of the applicable central appraisal district at the time the Commission received the application for the sale, transfer, or merger application. Further, applicants must supplement their proof of notice by providing a copy of applicable appraisal

district maps overlaid with the requested area, a list of the landowners with properties wholly or partially in the requested area, and the acreage owned by each listed owner. If there are no landowners with a tract of land that is at least 25 acres and is wholly or partially included in the requested area, applicants must file an affidavit confirming the same.

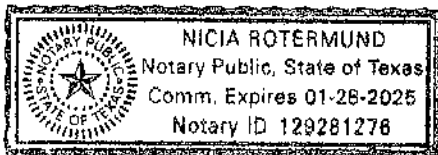
There are no owners of a tract of land that is at least 25 acres and is wholly or partially included in the area proposed to be certified. Accordingly, there was no owner to which to provide notice and therefore no such notice was provided."

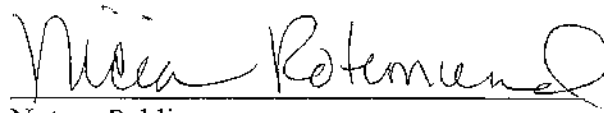
FURTHER AFFIANT SAYETH NOT.



Vance Tillman

SWORN AND SUBSCRIBED TO BEFORE ME by Vance Tillman, Chief Financial Officer of Undine Texas, LLC, on this 13th day of June, 2023.





Nicia Rotermund
Notary Public
State of Texas