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**APPLICATION OF TEXAS WATER
SYSTEMS, INC. AND UNDINE TEXAS,
LLC FOR SALE, TRANSFER, OR
MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN GREGG,
HENDERSON, SMITH, AND UPSHUR
COUNTIES**

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**PUBLIC UTILITY COMMISSION

OF TEXAS**

**COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY
OF CLOSING DOCUMENTS**

On September 2, 2021, Texas Water Systems, Inc. (Texas Water Systems) and Undine Development, LLC (jointly, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity rights and dual certification with Pritchett Water Supply Corporation in Gregg, Henderson, Smith, and Upshur Counties. On August 26, 2022, the application was amended to replace Undine Development, LLC with Undine Texas, LLC (Undine) as the applicant.

On September 12, 2023, the ALJ filed Order No. 28, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation on the sufficiency of the closing documentation and customer deposit information within 15 days following the filing of applicant’s proof that the transaction has been consummated. Applicants filed notice of completed transaction on October 11, 2023. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents and documentation regarding customer deposits filed by Applicants and recommends that Applicants have met the requirements of 16 TAC § 24.239.

Specifically, the sale and transfer was completed following the issuance of Order No. 27, wherein the transferee received notice from the Commission that a hearing would not be requested.¹ Further, the closing documents were filed within 30 days after the effective date of the

¹ 16 TAC § 24.239(i).

transaction and were signed by both the transferor and the transferee.² Therefore, Staff recommends a finding that Applicants' closing documents are sufficient and satisfy 16 TAC § 24.239(a), (i), and (J). Additionally, Applicants submitted a confidential attachment with the names and addresses of all the customers who have deposits on record, the date such deposits were made, and the amount of each deposit, in accordance with 16 TAC § 24.239(k).³ Applicants also filed an affidavit on November 2, 2023, stating that the deposit amounts listed in the confidential attachment represent the entire deposit amounts and that Texas Water Systems has refunded any deposits and accrued interest held by Texas Water Systems.⁴ Accordingly, Staff also recommends that the Applicants have complied with the applicable requirements of 16 TAC § 24.239(k).

For these reasons, Staff recommends that Applicants have complied with the requirements in 16 TAC § 24.239 and respectfully recommends finding the closing documents sufficient.

II. PROCEDURAL SCHEDULE

Staff recommends that the closing documents be deemed sufficient. Staff therefore proposes the following procedural schedule:

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent.	November 27, 2023
Deadline for Applicants to file signed consent forms with the Commission.	December 4, 2023
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs.	December 18, 2023

² Undine's Notice of Completed Transaction at 6-7 (Oct. 11, 2023).

³ Confidential Exhibit B (Oct. 11, 2023).

⁴ Confidential Exhibit A (Nov. 2, 2023).

III. CONCLUSION

Staff respectfully recommends that the closing documents be found sufficient and that the proposed procedural schedule be adopted.

Dated: November 2, 2023

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

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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 via electronic mail on November 2, 2023, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Ian Groetsch
Ian Groetsch