



## Filing Receipt

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**DOCKET NO. 52502**

<b>APPLICATION OF TEXAS WATER</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SYSTEMS, INC. AND UNDINE</b>	<b>§</b>	
<b>DEVELOPMENT, LLC FOR SALE,</b>	<b>§</b>	<b>OF TEXAS</b>
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN GREGG, HENDERSON,</b>	<b>§</b>	
<b>SMITH, AND UPSHUR COUNTIES</b>	<b>§</b>	

**ORDER NO. 15**

**FINDING APPLICATION, AS SUPPLEMENTED, ADMINISTRATIVELY  
COMPLETE, REGARDING NOTICE AND RATES, AND ESTABLISHING SCHEDULE**

This Order addresses the completeness of the September 2, 2021 application filed by Texas Water Systems, Inc. and Undine Development, LLC. On August 26, 29, and 31, and September 7, 16, and 23, 2022, applicants filed amendments, supplements, or confidential supplements to the application.

On September 29, 2022, Commission Staff filed recommendations regarding completeness, notice, rates, and proposed a procedural schedule for further processing.

The administrative law judge (ALJ) finds the application, as supplemented and amended, administratively complete. The ALJ also finds the notice remains sufficient as determined in Order No. 7 filed on March 25, 2022.

As a result of negotiations between Undine and Commission Staff in this case, Undine agrees to amend the application and apply the water rates and tariff currently approved in Docket No. 50200<sup>1</sup> for use in this proceeding, including a phase-in of water rates, which are lower, over three years. Under Texas Water Code (TWC) § 13.3011, a person who files a sale, transfer, or merger application to request authorization to charge initial rates that are different from the rates the system-to-be-acquired is currently using must be shown in a tariff filed with the regulatory authority by the person making the request and must already be in force on the date the application is filed. Although the above-described requirements do not specifically preclude the use of phase-in rates as in this case, the agreed-upon rates and tariffs in force in dozens of subdivisions

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<sup>1</sup> *Application of Undine Texas, LLC and Undine Texas Environmental, LLC for Authority to Change Rates*, Docket No. 50200, Order (Nov. 5, 2020).

and systems throughout the Houston area were previously approved for use by Undine in Docket No. 50200.

The following procedural schedule applies for continued processing:

Event	Date
Deadline for Commission Staff to request for a hearing or file a recommendation on approval of the sale and on the CCN amendment	October 31, 2022
Deadline for applicants to file a response to Commission Staff's recommendation on the approval of the sale	November 3, 2022
Deadline for parties to file a joint motion to admit evidence and file a proposed order approving the sale and allowing the transaction to proceed	November 8, 2022

**Signed at Austin, Texas the 3rd day of October 2022.**

**PUBLIC UTILITY COMMISSION OF TEXAS**



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**JEFFREY J. HUHN**  
**ADMINISTRATIVE LAW JUDGE**