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Item Number - 298

BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

Suffix: WS

APPLICATION OF CONROE RESORT UTILITIES, LLC AND UNDINE TEXAS, LLC AND UNDINE TEXAS ENVIRONMENTAL, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN MONTGOMERY COUNTY

SOAH ORDER NO. 8 REMANDING PROCEEDING

I. PROCEDURAL HISTORY SINCE REFERRAL

This matter was referred to the State Office of Administrative Hearings (SOAH) on July 20, 2023. Prior to referral, several parties were granted intervenor status by the Public Utility Commission (Commission) Administrative Law Judge (ALJ), including: the Office of Public Utility Counsel (OPUC); Richard Poole; Eugene Barrington; Jean Niland-McGrath; J.K. Harvill; Kyle Pryor; and Deborah

Grazian.¹ A prehearing conference was held on August 25, 2023 and Conroe Resort Utilities, LLC, Undine Texas, LLC, and Undine Texas Environmental, LLC, (together Applicants); Commission Staff (Staff); and OPUC appeared.

On September 18, 2023, Staff, Applicants, and OPUC (the Parties) filed a Joint Request for Certification of an issue to the Commission.² The Commission issued an Order on the certified issue on November 3, 2023. Amongst the Parties, they indicated there were no factual disputes regarding in any other referred issue in this proceeding and moved for remand. The motion for remand was denied on November 28, 2023 because the remaining intervenors did not join the motion and because the Parties did not include a settlement package with: a settlement agreement, list of any evidence to admit, or include a proposed order for Commission's review and adoption.

At the Parties' request, a mediation was held on February 12, 2024. A mediation report was issued on March 7, 2024 which indicated a resolution was reached and the matter was referred back to the Presiding SOAH ALJ. On April 9, 2024, Applicants, together with Staff filed a Second Joint Motion to Admit Supplemental Evidence and Proposed Order Approving the Sale and Transfer to Proceed (the Motion) (OPUC did not join the Motion). The Motion did not include a settlement agreement and did not indicate the position of the remaining intervenors. However, the Motion did request the admission of supplemental

¹ Commission Order Nos. 22 (Apr. 20, 2023), 26 (May 11, 2023).

² Specifically, "whether the Commission, as part of the approval of an STM application submitted pursuant to Texas Water Code § 13.3011, can authorize the implementation of a phase of a tariff that is different than the phase of the tariff in place at the time of the submittal of the application."

evidence and requested an attached Proposed Order Approving the Sale and Transfer to Proceed be adopted.

In SOAH Order No. 7, the ALJ: admitted the supplemental evidence;³ denied the request to adopt the Proposed Order on the basis that SOAH lacks jurisdiction to rule on such an order and because the positions of the remaining intervenors were unknown; interpreted the Motion's request for adoption of the Proposed Order as a Motion for Remand to the Commission for consideration of the Proposed Order; provided a Notice of Intent to Remand; and set a deadline for any persons to object to uncontested dismissal and remand and to submit a position statement. SOAH Order No. 7 explicitly stated that if no intervenor timely objected, then the settlement would be deemed unopposed, and the matter remanded for the Commission to consider adoption of the Proposed Order. No party filed an objection or position statement.

II. REMANDING MATTER

Because no party filed an objection to remanding this matter nor filed a position statement indicating any dispute with any of the referred issues, the settlement is deemed UNOPPOSED. The matter is REMANDED back to the Commission for consideration of the Proposed Order. The Applicants shall promptly submit an electronic version of the Proposed Order to the Commission via cadmorders@puc.texas.gov.

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³ The Commission ALIs previously admitted additional evidence.

Signed May 3, 2024.

ALJ Signature(s):

Ross Henderson

Presiding Administrative Law Judge