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

OF TEXAS

APPLICANTS' CLARIFICATION

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

COME NOW Undine Texas, LLC, and Undine Texas Environmental, LLC (collectively, Undine, or Applicants) and file this Clarification in response to Order No. 33, in which the Administrative Law Judge (ALJ) directed Applicants and Commission Staff to file clarification on certain issues by June 14, 2024. Undine provides the following information in response to the Order.

In response to the ALJ's first clarification request, Undine hereby states that the agreement reached through SOAH mediation was unanimous as to all parties that participated in the mediation. As set forth in SOAH Order No. 8, attached as **Exhibit A**, the SOAH ALJ found the settlement to be unopposed, having provide all parties, including the intervenors that did not participate in the mediation, the opportunity to object to the settlement and finding that no party filed such an objection.

In response to the ALJ's second clarification request, Undine hereby states that it is charging customers the approved rate for Conroe Resort Utilities, LLC. Undine enacted a rate increase following the consummation of the transaction on January 24, 2023, as reported in the docket pursuant to Applicants' Notice of Completed Transaction (AIS Item No. 137). Undine enacted a temporary increase in both water and sewer service pursuant to the water tariff approved

in Docket No. 50017 and the sewer tariff approved in Docket No. 50018, which was effective with the March 2023 billing cycles. However, upon notice from Commission Staff of its position that it disagreed with the application of the increased rate, Undine immediately terminated the application of the increased rate and refunded the amount that had been collected from the customers. Following termination of the increased rate and subsequent refund, Undine has continued to charge customers the approved rate for Conroe Resort Utilities.

In response to the ALJ's third clarification request, Undine incorporates by reference its response to the ALJ's second clarification request provided immediately above.

Undine further notes that the transaction has not closed administratively, because no order has been issued allowing the transaction to proceed. Commission Staff will be submitting a separate pleading clarifying this issue and noting the proposed order submitted on April 9, 2024 (AIS Item No. 295) seeking that approval.

Undine has consulted with counsel for Commission Staff and OPUC and they have stated their agreement with the clarifications set forth herein.

Respectfully submitted,

GREGG LAW, P.C. 901 West Avenue, Suite #3 Austin, Texas 78702 (512) 522-0702 (512) 727-6070 (Facsimile)

Bv:

Peter T. Gregg, lead Counsel State Bar No. 00784174 pgregg@gregglawpc.com

ATTORNEY FOR APPLICANTS

CERTIFICATE OF SERVICE

I certify pursuant to the above signature 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 12, 2024, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

Peter T. Gregg

