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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 § § § § § § §
PUBLIC UTILITY COMMISSION OF TEXAS

COMMISSION STAFF'S RESPONSE TO ORDER NO. 33

I. INTRODUCTION

On November 8, 2021, Conroe Resort Utilities, LLC (Conroe) and Undine Development, LLC filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity rights in Montgomery County. On August 25, 2022, the application was amended to replace Undine Development, LLC with Undine Texas, LLC and Undine Texas Environmental, LLC (collectively, Undine) as the applicants.

On June 3, 2024, the administrative law judge filed Order No. 33, requiring Commission Staff to file a recommendation on the closing documents and the sufficiency of additional proof of notice, and a motion to have the recommendation admitted into the evidence of this proceeding by June 14, 2024. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON CLOSING DOCUMENTS

Staff contends that a recommendation on closing documents is not appropriate at this time, as the sale, transfer, merger (STM) transaction at issue in this proceeding has still not been completed. As referenced in Undine's pleading, Conroe and Undine have not yet closed on the STM transaction.¹ Although Undine did file notice that it intended to close the STM transaction² and subsequently filed notice that the transaction had indeed closed,³ as Undine states in its motion, it did not follow through with the STM transaction, since an order allowing the transaction to proceed has not been issued.⁴ Accordingly, on April 9, 2024, parties submitted a second proposed

¹ Applicants' Clarification at 2 (Jun. 12, 2024).

² Notice of Intention to Conclude Transaction (Dec. 20, 2022).

³ Notice of Close of Transaction (Feb. 1, 2023).

⁴ Applicants' Clarification at 2 (Jun. 12, 2024).

order for the sale and transfer to proceed,⁵ and Staff maintains that its final recommendation allowing the sale and transfer to proceed remains valid.⁶ Because of this, Staff respectfully requests that the ALJ issue an order allowing the STM transaction to proceed and set a new deadline for Staff to file its recommendation on closing documents.

III. RECOMMENDATION ON SUPPLEMENTAL NOTICE

The ALJ also required Staff to file a recommendation on the sufficiency of additional proof of notice filed on June 8, 2023. Staff reiterates the recommendation it made in a June 28, 2023 filing in which Staff examined Undine's June 8, 2023 proof of notice and recommended it be found sufficient.⁷ Specifically, Staff noted that Undine not only provided proof of notice to the only landowner of a tract of land of at least 25 acres that is wholly or partially included in the area proposed to be certificated but also provided a map indicating the location of the landowner's property.⁸ Staff accordingly recommends that Undine's supplemental notice is sufficient.

IV. MOTION TO ADMIT EVIDENCE

Staff respectfully requests that this pleading be admitted into the record.

V. CONCLUSION

For the reasons stated above, Staff respectfully requests that the ALJ issue an order allowing the transaction to proceed, set a new deadline for Staff to file its recommendation on closing documents, find that Undine's supplemental notice is sufficient, and admit this pleading into the record.

⁵ Second Joint Motion to Admit Supplemental Evidence and Proposed Order Approving the Sale and Transfer to Proceed (Apr. 9, 2024).

⁶ Commission Staff's Final Recommendation (May 12, 2023).

⁷ Commission Staff's Response to Order No. 27 at 2 and 5 (Jun. 28, 2023).

⁸ *Id.*

Dated: June 13, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on June 13, 2024, in accordance with the Order Suspending Rules, filed in Project No. 50664.

/s/ Ian Groetsch
Ian Groetsch