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Commissioner



Greg Abbott
Governor

Connie Corona
Executive Director

Public Utility Commission of Texas

TO: Shelah Cisneros
Commission Counsel

All Parties of Record

FROM: Katie Moore Marx *KMM*
Administrative Law Judge

RE: **Docket No. 52797** – *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*

DATE: September 13, 2024

Enclosed is the Proposed Order in the above-referenced case. By copy of this memo, the parties to this proceeding are being served with the Proposed Order.

Please place this docket on an open meeting agenda for the Commissioners' consideration. Please notify me and the parties of the open meeting date. The parties must file corrections or exceptions to the Proposed Order by September 27, 2024.

If a party proposes a correction or exception, the party must fully explain the correction or exception and must provide a citation to the record to support the correction or exception.

If there are no corrections or exceptions, no response is necessary.

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DOCKET NO. 52797

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
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PROPOSED ORDER

This Order addresses the application of Conroe Resort Utilities, LLC, Undine Texas, LLC, and Undine Texas Environmental, LLC for approval of the sale, transfer, or merger of facilities and certificate rights in Montgomery County. The applicants seek approval of: (1) the sale and transfer to Undine Texas of all facilities and service area held by Conroe Resort under certificate of convenience and necessity (CCN) number 11942; (2) the amendment of Undine Texas' CCN number 13260 to include all facilities and service area previously held by Conroe Resort under CCN number 11942; (3) the sale and transfer to Undine Texas Environmental of all facilities and service area held by Conroe Resort under CCN number 20638; (4) the amendment of Undine Texas Environmental's CCN number 20816 to include all facilities and service area previously held by Conroe Resort under CCN number 20638; and (5) the cancellation of Conroe Resort's CCN numbers 11942 and 20638. Additionally, the Commission determines the initial rates for the water and sewer systems at issue to be the phase one approved rates as reflected in Undine Texas and Undine Texas Environmental's tariffs.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Conroe Resort is a Texas limited liability company registered with the Texas secretary of state under file number 800827099.
2. Conroe Resort operates, maintains, and controls facilities for providing retail water service under CCN number 11942 in Montgomery County.

3. Conroe Resort owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 1700416.
4. Conroe Resort operates, maintains, and controls facilities for providing retail sewer service in its certificated area under CCN number 20638 in Montgomery County.
5. Conroe Resort owns and operates a sewer system that is permitted with the TCEQ under permit number WQ0012493001.
6. Undine Texas is a Delaware limited liability company registered with the Texas secretary of state under file number 802339329.
7. Undine Texas operates, maintains, and controls facilities for providing retail water service in its certificated areas under CCN number 13260 in multiple counties, including Montgomery County.
8. Undine Texas owns and operates multiple public water systems registered with the TCEQ.
9. Undine Texas Environmental is a Texas limited liability company registered with the Texas secretary of state under file number 801768069.
10. Undine Texas Environmental operates, maintains, and controls facilities for providing retail sewer service in its certificated areas under CCN number 20816 in Brazoria, Parker, and Tarrant counties.
11. Undine Texas Environmental owns and operates multiple sewer systems that are permitted with the TCEQ.

Application

12. On November 8, 2021, Conroe Resort and Undine Development, LLC filed the application at issue in this proceeding.
13. On June 14, July 22, and August 11 and 15, 2022, Conroe Resort and Undine Development supplemented the application.
14. On August 25, 2022, the applicants amended the application to replace Undine Development with Undine Texas and Undine Texas Environmental as applicants.
15. On August 26 and 30, and October 19, 2022, and February 21 and 22, March 3, April 12, and June 8, 13, 15, and 21, 2023, the applicants supplemented the application.

16. In the application, as supplemented, the applicants seek approval of the following:
 - a. the sale and transfer to Undine Texas of all facilities and service area held by Conroe Resort under CCN number 11942;
 - b. the amendment of Undine Texas' CCN number 13260 to include all facilities and service area previously held by Conroe Resort under CCN number 11942;
 - c. the sale and transfer to Undine Texas Environmental of all facilities and service area held by Conroe Resort under CCN number 20638;
 - d. the amendment of Undine Texas Environmental's CCN number 20816 to include all facilities and service area previously held by Conroe Resort under CCN number 20638; and
 - e. the cancellation of Conroe Resort's CCN numbers 11942 and 20638.
17. Additionally, in the application, the applicants seek the following:
 - a. authorization for Undine Texas to charge the customers served by the public water system being acquired the rates that are currently in force for its public water systems; and
 - b. authorization for Undine Texas Environmental to charge the customers served by the sewer system being acquired the rates that are currently in force for its sewer systems.
18. The requested water and sewer areas are identical in area and boundaries and include approximately 282 acres, 294 current water connections, and 289 current sewer connections.
19. The requested area is located approximately 2.7 miles northeast of downtown Montgomery, Texas and is generally bounded on the north by Walden Road; on the east by Fountainview Drive; on the south by Lake Conroe; and on the west by Walden Road and Lake Conroe.
20. In Order No. 11 filed on September 27, 2022, the ALJ found the application, as supplemented and amended, administratively complete.

Notice

21. On February 1, 2022, Undine Development filed the affidavit of Carey A. Thomas, senior vice president of Undine Development, attesting that notice was provided to all current customers, neighboring systems, and cities on January 28, 2022.
22. In Order No. 3 filed on February 23, 2022, the ALJ found the notice of the application sufficient.
23. On August 16, 2022, Undine Development filed the affidavit of Ms. Thomas attesting that notice was provided to all current customers, neighboring systems, and cities on August 15, 2022.
24. In Order No. 14 filed on December 20, 2022, the ALJ withdrew Order No. 3 and the finding that notice was sufficient.
25. On April 12, 2023, Undine Texas and Undine Texas Environmental filed the affidavit of Ms. Thomas, senior vice president of Undine Texas and Undine Texas Environmental, attesting that revised notice was provided to all current customers, landowners, neighboring utilities, and affected parties on April 6, 2023.
26. In Order No. 22 filed on April 20, 2023, the ALJ found the revised notice of the application sufficient.
27. On June 8, 2023, Undine Texas and Undine Environmental filed the affidavit of Vince Tillman, chief financial officer of Undine Texas and Undine Texas Environmental, attesting that notice was provided to the one owner of a tract of land of 25 acres or more that is wholly or partially located within the requested area.
28. In Order No. 34 filed on June 20, 2024, the ALJ found the supplemental notice sufficient.

Intervenors

29. In Order No. 7 filed on April 13, 2022, the ALJ granted the Office of Public Utility Counsel's (OPUC) motion to intervene.
30. In Order No. 22 filed on April 20, 2023, the ALJ granted Richard Poole's motion to intervene.

31. In Order No. 26 filed on May 11, 2023, the ALJ granted the motions to intervene of Eugene Barrington, Jean Niland-McGrath, J.K. Harvill, Kyle Pryor, and Deborah Grazian.

Referral to the State Office of Administrative Hearings

32. On July 2, 2023, the Commission referred this proceeding to the State Office of Administrative Hearings (SOAH).
33. On March 7, 2024, the SOAH mediators filed a report stating that the parties participated in a mediation on March 6, 2024, and that a resolution was reached.
34. In SOAH Order No. 7 filed on April 18, 2024, the SOAH ALJ noted that the mediators' report did not state which parties participated in the mediation and provided notice of his intent to remand the matter to the Commission.
35. No party filed an objection to the notice of intent to remand.
36. In SOAH Order No. 8 filed on May 3, 2024, this proceeding was remanded back to the Commission.

Evidentiary Record

37. In Order No. 13 filed on December 1, 2022, the ALJ admitted the following evidence into the record:
- a. The application and all attachments filed on November 8, 2021;
 - b. Confidential attachments to the application filed on November 9, 2021;
 - c. Commission Staff's recommendation on administrative completeness and notice and proposed procedural schedule filed on December 8, 2021;
 - d. Affidavits regarding notice filed on February 1, 2022;
 - e. Commission Staff's recommendation on sufficiency of notice filed on February 18, 2022;
 - f. Undine Development's response to Commission Staff's first requests for information filed on March 11, 12, and 14, 2022;
 - g. Undine Development's response to the Office of Public Utility Counsel's first request for information, filed on June 28 and 29, 2022;

- h. Conroe Resort and Undine Development's supplement to the application filed on July 22, 2022;
 - i. Conroe Resort and Undine Development's supplemental mapping filed on August 11, 2022;
 - j. Conroe Resort and Undine Development's supplemental mapping filed on August 15, 2022;
 - k. Undine Development's confirmation of notice filed on August 16, 2022;
 - l. Applicants' amendment to the application filed on August 25, 2022;
 - m. Applicants' mapping correction filed on August 26, 2022;
 - n. Applicants' correction to application amendment filed on August 30, 2022;
 - o. Undine Texas' confirmation of supplemental notice filed on September 14, 2022;
 - p. Commission Staff's recommendation on administrative completeness and notice, and motion for a determination of applicable rates filed on September 20, 2022;
 - q. Undine Texas' brief regarding Texas Water Code § 13.3011 filed on October 7, 2022;
 - r. OPUC's brief in response to Order No. 11 filed on October 14, 2022;
 - s. Applicants' supplement to application filed on October 19, 2022; and
 - t. Commission Staff's final recommendation filed on October 21, 2022.
38. In Order No. 32 filed on July 19, 2023, the ALJ admitted the following evidence into the record:
- a. Undine's supplemental information, filed June 8, 13, 15, and 21, 2023; and
 - b. Commission Staff's response to Order No. 27 including confidential attachments filed on June 28, 2023.
39. In SOAH Order No. 7 filed on April 18, 2024, the SOAH ALJ admitted the following evidence into the record:
- a. Joint request for certification filed on September 18, 2023;

- b. Joint request for referral to mediation filed on January 25, 2024; and
 - c. SOAH mediation report filed on March 7, 2024.
40. In Order No. 34 filed on June 20, 2024, the ALJ admitted Commission Staff's June 13, 2024 response to Order No. 33 into the record of this proceeding.
41. In Order No. 40 filed on September 12, 2024, the ALJ admitted the following evidence into the record:
- a. Undine Development's supplemental information filed on June 14, 2022;
 - b. Commission Staff's confidential attachment to its final recommendation filed on October 24, 2022;
 - c. Undine Texas Environmental's financial assurance supplement filed on February 21, 2023;
 - d. Undine Texas' financial assurance supplement filed on February 21, 2023;
 - e. Commission Staff's clarification filed on February 21, 2023;
 - f. Undine Texas' clarification and confidential attachment filed on February 22, 2023;
 - g. Commission Staff's recommendation on revised notice filed on April 14, 2023;
 - h. Commission Staff's final recommendation filed on May 12, 2023;
 - i. Conroe Resort, Undine Texas, and Undine Texas Environmental's supplement to the application filed August 19, 2024;
 - j. Conroe Resort's consent form filed on August 27, 2024;
 - k. Undine Texas and Undine Texas Environmental's consent form filed on September 6, 2024; and
 - l. The final maps, certificates and tariffs as attached to the joint motion to admit evidence filed on September 11, 2024.

Sale

42. The 120-day deadline for the Commission to notify all known parties to the transaction and OPUC whether the Commission would hold a public hearing to determine if the transaction would serve the public interest was December 15, 2022.

43. No order making a determination to hold a hearing was filed by that deadline.
44. On December 20, 2023, Undine Texas and Undine Texas Environmental filed their notice of intent to close.
45. In Order No. 14 filed on December 20, 2022, the ALJ withdrew the finding that notice was sufficient and required the applicants to file proof of revised notice.
46. On February 1, 2023, Undine Texas and Undine Texas Environmental filed proof that the sale had closed on January 24, 2023, and that customer deposits were transferred from Conroe Resorts to Undine Texas and Undine Texas Environmental.
47. In Order No. 39 filed on September 10, 2024, the ALJ found the closing documentation sufficient.

Purchasers' Compliance History

48. The Commission's complaint records, which date back five years, show 100 informal complaints against Undine Texas. The Commission's Consumer Protection Division has evaluated and closed all of the complaints against Undine Texas.
49. Undine Texas has been subject to enforcement actions by the Commission and the TCEQ for non-compliance with rules, orders, or state statutes.
50. Undine Texas is actively working on resolving the violations that have been identified by the TCEQ at each of their water and sewer systems.
51. The Commission's complaint records, which date back five years, show no informal complaints against Undine Texas Environmental.
52. Undine Texas Environmental has not been under enforcement action by the Commission, TCEQ, Texas Health and Human Services, the Office of the Texas Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.
53. Neither Undine Texas nor Undine Texas Environmental have a history of continuing mismanagement or misuse of revenues as a utility service provider.
54. Undine Texas and Undine Texas Environmental demonstrated a compliance status that is adequate for approval of the transaction to proceed.

Adequacy of Existing Service

55. There are currently 294 current water connections and 289 current sewer connections in the requested area being served by Conroe Resort through its public water system and sewer system, and such service has been continuous and adequate.
56. The last TCEQ compliance investigation of Conroe Resort's water and sewer systems was June 8, 2021.
57. Conroe Resort has no unresolved violations listed in the TCEQ database.
58. Capital improvements are necessary for Undine Texas and Undine Texas Environmental to continue providing continuous and adequate service to the requested area.

Need for Additional Service

59. There are 294 current water connections and 289 current sewer connections in the requested area that are receiving service from Conroe Resort and have an ongoing need for service.
60. This is an application to transfer only existing facilities, customers, and service area.
61. There is no evidence in the record indicating a need for additional service.

Effect of Approving the Transactions and Granting the Amendments

62. Undine Texas will be required to provide continuous and adequate water service to current and future customers in the requested area.
63. Undine Texas Environmental will be required to provide continuous and adequate sewer service to current and future customers in the requested area.
64. Landowners in the requested area will be able to obtain water service from Undine Texas and sewer service from Undine Texas Environmental.
65. All retail public utilities in the proximate area were provided notice of the application and no protests or adverse comments were filed.
66. There will be no effect on any retail public utility providing service in the proximate area.

Initial Rates

67. Undine Texas and Undine Texas Environmental requested approval to charge acquired customers initial rates and service charges that are shown in the water and sewer tariffs

issued to Undine Texas and Undine Texas Environmental, respectively, at the time the application was filed.

68. The application was considered filed on September 27, 2022, when it was deemed administratively complete.
69. On the date the application was filed, Undine Texas's tariff in force for its other public water systems was the tariff approved in Docket No. 50017.¹
70. The phase one rates requested by Undine Texas, which were approved in Docket No. 50017, are as follows:

Meter Size (includes 0 gallons)	Monthly Base Rate
5/8"	\$37.81

Gallage Tier	Charge Per 1,000 Gallons
0 – 6,000 gallons	\$2.02
6,001 – 15,000 gallons	\$2.94
15,001 – 25,000 gallons	\$5.25
25,001+ gallons	\$7.79

71. Undine Texas's phase one water tariff rates approved in Docket No. 50017 are just and reasonable initial rates for Undine Texas to charge to customers served by Conroe Resort's public water system, identification number 1700416.
72. On the date the application was filed, Undine Texas Environmental's tariff in force for its other public sewer systems was the tariff approved in Docket No. 50018.²

¹ *Application of Pure Utilities, LC and Undine Texas, LLC for Sale, Transfer, or Merger of Water Facilities and Certificate Rights in Liberty, Polk, San Jacinto, and Tyler Counties, and to Decertify a Portion of Pure Utilities, LC's Certificated Area and to Amend Uncertificated Water Service Area in Liberty and Polk Counties*, Docket No. 50017, Notice of Approval (Mar. 4, 2021).

² *Application of Pure Utilities, LC and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Sewer Facilities and Certificate Rights and to Decertify a Portion of Pure Utilities, LC's Certificated Area, and to Amend Uncertificated Sewer Service Area in Polk County*, Docket No. 50018, Notice of Approval (Mar. 12, 2021).

73. The phase one rates requested by Undine Texas Environmental, which were approved in Docket No. 50018, is a flat rate for all meter sizes of \$75.00.
74. Undine Texas Environmental's phase one water tariff rates approved in Docket No. 50018 are just and reasonable initial rates for Undine Texas Environmental to charge to customers served by Conroe Resort's public sewer system, TCEQ permit number WQ0012493001.

Ability to Serve: Managerial and Technical

75. Undine Texas owns and operates numerous TCEQ-registered public water systems in Texas.
76. Undine Texas Environmental owns and operates numerous TCEQ-permitted sewer systems in Texas.
77. Undine Texas and Undine Texas Environmental both employ or contract with licensed operators who will be responsible for the operation of the public water system and sewer system being transferred.
78. Undine Texas and Undine Texas Environmental each have the managerial and technical capability to provide adequate and continuous service to the requested service area.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

79. Conroe Resort is currently serving customers throughout the requested area, and such service has been continuous and adequate.
80. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed; at a minimum, an interconnect would need to be installed to connect to a neighboring retail public utility.
81. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

82. It will not be necessary for Undine Texas to construct a physically separate water system to serve the requested area.
83. It will not be necessary for Undine Texas Environmental to construct a physically separate sewer system to serve the requested area.

84. Because the requested area will not require construction of a physically separate water or sewer system, consideration of regionalization or consolidation with another retail public utility is not required.

Ability to Serve: Financial Ability and Stability

85. Undine Texas and Undine Texas Environmental's parent, Undine Group, LLC, is capable, available, and willing to cover temporary cash shortages, and has a debt-to-equity ratio that is less than one. Therefore, Undine Texas and Undine Texas Environmental satisfy the leverage test.
86. Undine Group provided a written guarantee of coverage of temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages during the first five years after the completion of the proposed transactions. Therefore, Undine Texas and Undine Texas Environmental satisfy the operations test.
87. The cost of Undine Texas proposed capital improvements for the water system being transferred exceeds \$100,000.
88. The cost of Undine Texas Environmental's proposed capital improvements for the sewer system being transferred exceeds \$100,000.
89. Undine Texas and Undine Texas Environmental submitted loan approval documents indicating they possess the funds necessary for the purchase of Conroe Resort's water system, the purchase of Conroe Resort's sewer system, and for the construction of the capital improvements necessary for Undine Texas and Undine Texas Environmental to continue providing continuous and adequate service to existing customers.
90. Undine Texas and Undine Texas Environmental each demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance

91. There is no need to require Undine Texas and Undine Texas Environmental to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land

92. The effect on environmental integrity and the land will be temporary as capital improvements are made to enable Undine Texas and Undine Texas Environmental to provide continuous and adequate service to the requested area.

Improvement of Service or Lowering Cost to Consumers

93. Undine Texas and Undine Texas Environmental will continue to provide water service to Conroe Resort's existing water customers in the requested area.

94. Reliability and quality of water service is expected to improve under Undine Texas' management.

95. Undine Texas requested authorization to charge the customers served by the public water system being acquired the rates that were in force for their customers at the time the application was filed, as shown on page nine of the version of its water tariff that was approved in Docket No. 50017.

96. Undine Texas Environmental will continue to provide sewer service to Conroe Resort's existing sewer customers in the requested area.

97. Reliability and quality of water service is expected to improve under Undine Texas Environmental's management.

98. Undine Texas Environmental requested authorization to charge the customers served by the sewer system being acquired the rates that were in force for their customers at the time the application was filed, as shown on page three of the version of its sewer tariff that was approved in Docket No. 50018.

99. If authorization is granted, rates for customers in the requested area will be higher than the rates currently charged by Conroe Resort because Undine Texas and Undine Texas Environmental will charge its current water and sewer tariffs' rates.

Maps, Certificates, and Tariff Pages

100. On August 26, 2024, Commission Staff emailed Conroe Resort the final proposed map related to this docket.

101. On August 27, 2024, Conroe Resort filed a consent form concurring with the proposed final maps.

102. On August 26, 2024, Commission Staff emailed Undine Texas and Undine Texas Environmental the final proposed maps and tariff pages related to this docket.
103. On September 4, 2024, Commission Staff emailed Undine Texas and Undine Texas Environmental the final proposed certificates related to this docket.
104. On September 6, 2024, Undine Texas and Undine Texas Environmental filed a consent form concurring with the proposed final map.
105. On September 11, 2024, Undine Texas, Undine Texas Environmental, and Commission Staff filed a joint motion to admit evidence and attached the final maps, certificates, and applicable tariff pages.

Informal Disposition

106. More than 15 days have passed since the completion of notice provided in this docket.
107. Conroe Resort, Undine Texas, Undine Texas Environmental, OPUC, Richard Poole, Eugene Barrington, Jean Niland-McGrath, J.K. Harvill, Kyle Pryor, Deborah Grazian and Commission Staff are the only parties to this proceeding.
108. Commission Staff recommended approval of the application.
109. All disputed issues were addressed in the agreement between the parties, so no hearing is needed.
110. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this proceeding under Texas Water Code (TWC) §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. Conroe Resort, Undine Texas, and Undine Texas Environmental are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).

3. Notice of the application was provided in compliance with TWC §§ 13.246 and 13.301(a)(2), and 16 TAC § 24.239(c).³
4. The application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.
5. The Commission processed this application in accordance with the requirements of the TWC, the Administrative Procedure Act,⁴ and Commission rules.
6. Conroe Resort, Undine Texas, and Undine Texas Environmental completed the sale and transfer under TWC § 13.301(f) and 16 TAC § 24.239(i).
7. Conroe Resort, Undine Texas, and Undine Texas Environmental complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
8. After consideration of the factors in TWC § 13.246(c), Undine Texas and Undine Texas Environmental demonstrated that they are capable of rendering continuous and adequate water and sewer service to every customer in the requested area, as required by TWC §§ 13.241(a) and 13.301(b).
9. Undine Texas and Undine Texas Environmental demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service, as required by TWC § 13.251.
10. Undine Texas and Undine Texas Environmental demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area as required by TWC §§ 13.241(a) and 13.301(b).
11. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of physically separate water and sewer systems is not required.
12. It is not necessary for Undine Texas or Undine Texas Environmental to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).

³ After this application was filed, 16 TAC § 24.239 was amended, effective March 29, 2023. Accordingly, all references and citations to 16 TAC § 24.239 in this Order are made to the version in effect at the time the application was filed.

⁴ Tex. Gov't Code §§ 2001.001–.903.

13. The extension of Undine Texas's water utility rates and tariff to customers served by Conroe Resort's public water system, identification number 1700416, complies with TWC §§ 13.182 and 13.3011.
14. The extension of Undine Texas Environmental sewer utility rates and tariff to customers served by Conroe Resort's public sewer system, TCEQ permit number WQ0012493001, complies with TWC §§ 13.182 and 13.3011.
15. Undine Texas, Undine Texas Environmental, and Conroe Resort demonstrated that the sale and transfer of Conroe Resort's facilities and certificated service area under CCN numbers 11942 to Undine Texas and under CCN number 20638 to Undine Texas Environmental will serve the public interest and is necessary for the continued service, accommodation, convenience, or safety of the public as required by TWC §§ 13.246(b) and 13.301(d) and (e).
16. Under TWC § 13.257(r) and (s), Undine Texas and Undine Texas Environmental must each record a certified copy of the certificate and the map approved by this Order, along with a boundary description of the service area, in the real property records of Montgomery County within 31 days of receiving this Order and submit to the Commission evidence of the recording.
17. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the sale and transfer of all facilities and service area held by Conroe Resort under CCN number 11942 to Undine Texas.
2. The Commission amends Undine Texas's CCN number 13260 to include all facilities and service area previously held by Conroe Resort under CCN number 11942.
3. The Commission approves the sale and transfer of all facilities and service area held by Conroe Resort under CCN number 20638 to Undine Texas Environmental.

4. The Commission amends Undine Texas Environmental's CCN number 20816 to include all facilities and service area previously held by Conroe Resort under CCN number 20638.
5. The Commission cancels Conroe Resort's CCN numbers 11441 and 20638.
6. The Commission approves the maps, certificates, and tariff pages attached to this Order.
7. The Commission issues the certificates attached to this Order.
8. Undine Texas must provide service to every customer or qualified applicant for service within the approved area under CCN number 13260 that requests water service and meets the terms of Undine Texas's water service policies, and such service must be continuous and adequate.
9. Undine Texas Environmental must provide service to every customer or qualified applicant for service within the approved area under CCN number 20816 that requests sewer service and meets the terms of Undine Texas Environmental's sewer service policies, and such service must be continuous and adequate.
10. Within ten days of the date this Order is filed, Undine Texas, Undine Texas Environmental, and Commission Staff must provide to the Commission clean copies of Undine Texas and Undine Texas Environmental's most current, comprehensive water and sewer tariffs, including the tariff pages approved by this Order, to be stamped *Approved* and retained by Central Records.
11. The Commission denies all other motions and any other requests for general or specific relief that have not be expressly granted.

Signed at Austin, Texas the _____ day of _____ 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

THOMAS J. GLEESON, CHAIRMAN

LORI COBOS, COMMISSIONER

JIMMY GLOTFELTY, COMMISSIONER

KATHLEEN JACKSON, COMMISSIONER

COURTNEY K. HJALTMAN, COMMISSIONER