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DOCKET NO. 52797

APPLICATION OF CONROE RESORT UTILITIES, LLC AND UNDINE DEVELOPMENT, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN MONTGOMERY COUNTY	§ § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS, NOTICE, AND PROPOSED PROCEDURAL SCHEDULE

On November 8, 2021, Conroe Resort Utilities, LLC (Conroe) and Undine Development, LLC (Undine) (jointly, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and Certificate of Convenience and Necessity (CCN) rights in Montgomery County. Applicants seek approval to acquire facilities and to transfer all of Conroe’s water and sewer service area under water CCN No. 11942 and sewer CCN No. 20638 to Undine. The application reflects a requested area of 282 acres and 294 water customer connections and 289 sewer customer connections. Applicants filed supplemental information on November 9, 2021.

On November 12, 2021, the administrative law judge filed Order No. 1, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the administrative completeness of the application and propose a procedural schedule by December 8, 2021. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and, as detailed in the attached memoranda from Jolie Mathis of the Commission’s Infrastructure Division and Kathryn Eiland and Fred Bednarski of the Rate Regulation Division, recommends that the application be found administratively complete. Staff’s recommendation on administrative completeness is not a comment on the merits of the application.

II. NOTICE

At this time, Staff recommends that Applicants proceed with providing public notice to all current customers, neighboring utilities, political subdivisions, and other persons listed in Ms. Mathis' attached memorandum using the attached notice form. Along with each individual notice, Staff recommends that Applicants provide an accurate map delineating the requested service area.

Once notice has been provided, Staff recommends that Applicants file proof of notice as described in Ms. Mathis' attached memorandum, including an affidavit specifying the name and address of every person and entity to whom notice was provided, the date that the notice was provided, and a copy of the map provided with the notice. Finally, Staff recommends that Applicants use the attached notice and affidavit to meet these requirements.

III. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively complete; therefore, Staff proposes the following procedural schedule:

Event	Date
Deadline for Applicants to file with the Commission signed affidavits that the notice was given along with a copy of the notice and map sent to the affected parties	January 12, 2022
Deadline for Staff to file a recommendation on sufficiency of notice	January 26, 2022
Deadline to intervene	30 days after notice is issued

IV. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively complete, that Applicants be directed to provide notice as described in the attached memorandum, and that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: December 8, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Rustin Tawater
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/s/ Ian Groetsch
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CERTIFICATE OF SERVICE

I certify 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 December 8, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Ian Groetsch
Ian Groetsch

Public Utility Commission of Texas

Memorandum

TO: Ian Groetsch, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: December 6, 2021

RE: Docket No. 52797 – *Application of Conroe Resort Utilities, LLC and Undine Development, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County*

On November 8, 2021, Undine Development, LLC (Undine) and the Conroe Resort Utilities, LLC (Conroe Resort) (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Montgomery County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Undine, water certificate of convenience and necessity (CCN) No. 12407 and sewer CCN No. 20948, seeks approval to acquire facilities and to transfer all of the water and sewer service area from Conroe Resort under water certificate of convenience and necessity (CCN) No. 11942 and sewer CCN No. 20638.

The requested area includes 294 water customer connections, 289 sewer customer connections, and includes approximately 282 acres of transferred area from Conroe Resort Utilities, LLC (CCN Nos. 11942 and 20638) to Undine Development, LLC (CCN Nos. 12407 and 20948).

The application proposes the subtraction of approximately 282 acres from Conroe Resort Utilities, LLC (CCN Nos. 11942 and 20638). The application proposes the addition of approximately 282 acres to Undine Development, LLC (CCN Nos. 12407 and 20948).

Based on the mapping review by Tracy Montes, Infrastructure Division, maps submitted with Item 1 on November 8, 2021 are sufficient. Based on my technical and managerial review of the information filed, I recommend that the application be deemed administratively complete. I further recommend that the Applicants be ordered to do the following:

- 1) Provide notice of the application by first-class mail to the following:

- a. Cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area:
- *City of Conroe*
 - *City of Montgomery*
 - *Aqua Texas Inc. (CCN Nos. 13203, 21065)*
 - *Del Lago Estates Water Supply Corporation (WSC) (CCN Nos. 12103, 20691)*
 - *Havenshire Subdivision Water System (CCN No. 12769)*
 - *Lake Lorraine Civic Organization (CCN No. 11357)*
 - *Pine Lake WSC Inc. (CCN No. 12941)*
 - *Simply Aquatics Inc. (CCN No. 13259)*
 - *Stanley Lake Municipal Utility District (MUD) (CCN Nos. 11222, 20483)*
 - *T & W Water Service Company (CCN No. 12892)*
 - *UA Holdings 1994-5 LP (CCN No. 20586)*
 - *Martin Creek MUD*
 - *Montgomery County MUD 8*
 - *Montgomery County MUD 9*
 - *Montgomery County MUD 18*
 - *Montgomery County MUD 166*
 - *Montgomery County Utility District 3*
 - *San Jacinto River Authority*
 - *Smith Ridge MUD*
- b. The county judge of each county that is wholly or partially included in the requested area:
- *Montgomery County Judge*
- c. Each groundwater conservation district that is wholly or partially included in the requested area:
- *Lone Star Groundwater Conservation District List*
- d. Any affected customers, and other affected parties in the requested area.

Addresses can be obtained from the Water Utility Database at <http://www.puc.texas.gov/watersearch>. District information and addresses can be obtained from the Texas Commission on Environmental Quality's (TCEQ) web site located at <https://www14.tceq.texas.gov/iwud/index.cfm>.

- 2) Provide notice using the attached notice form(s).
- 3) Provide a copy of the map(s) deemed sufficient during administrative review delineating the requested area with each individual notice to neighboring utilities, other affected parties, and customers.

- 4) File in the docket copy of notice and the map(s) deemed sufficient during administrative review along with the signed affidavit specifying every person and entity to whom notice was provided, and the date that the notice was provided.

Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed, Staff may send requests for information (RFI) to Undine and Conroe Resort. Undine and Conroe Resort will have 20 days from the receipt of the RFI to respond.

Public Utility Commission of Texas

Memorandum

TO: Ian Grotesch, Attorney
Legal Division

FROM: Kathryn Eiland, Financial Analyst
Fred Bednarski III, Financial Analyst
Rate Regulation Division

DATE: December 8, 2021

RE: Docket No. 52797 - *Application of Conroe Resort Utilities, LLC and Undine Development, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County*

On November 8, 2021, Conroe Resort Utilities, LLC and Undine Development, LLC filed an application for the sale and transfer of facilities and certificate rights in Montgomery County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

We reviewed the answers provided to questions 4, 10, 11, 12, and 14 of the application. We did not identify any deficiencies in those answers for purposes of determining whether the application is administratively complete. Therefore, we recommend that the Commission deem the application administratively complete from a financial perspective.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date. The letter must include the person's name, address, email address and fax number if applicable.

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

Si desea información en español, puede llamar al 1-888-782-8477.

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND
AFFECTED PARTIES
DOCKET NO. 52797

STATE OF TEXAS
COUNTY OF _____

_____ has provided individual
notice to the following entities and customers:

DATE OF NOTICE

OATH

I, _____, being duly sworn, file this form as
_____ (indicate relationship to applicant, that is,
owner, member of partnership, title of officer of corporation, or other authorized representative of
applicant); that in such capacity, I am qualified and authorized to file and verify such form, am
personally familiar with the notices given with this application, and have complied with all notice
requirements in the application and application acceptance letter; and that all such statements made
and matters set for therein are true and correct.

Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant,
or its attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this _____ day of _____, 20____,
to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____

Notice Form Updated: April 8, 2021