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APPLICATION OF TERRA	§	PUBLIC UTILITY COMMISSION
SOUTHWEST, INC. AND UNDINE	§	
TEXAS, LLC FOR SALE, TRANSFER,	§	
OR MERGER OF FACILITIES AND	§	OF TEXAS
CERTIFICATE RIGHTS IN DENTON	§	
COUNTY	§	

**COMMISSION STAFF’S RECOMMENDATION ON CLOSING DOCUMENTS AND
PROPOSED PROCEDURAL SCHEDULE**

On November 16, 2021, Terra Southwest, Inc. and Undine Development, LLC (Undine) (collectively, the Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Denton County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. On August 26, 2022, the application was supplemented to replace Undine Development, LLC with Undine Texas, LLC (Undine).

On July 12, 2023, the administrative law judge (ALJ) filed Order No. 30, directing the Staff (Staff) of the Public Utility Commission of Texas to file a recommendation regarding the sufficiency of the Applicants' closing documents and to propose a procedural schedule within 15 days of the closing documents being filed. On August 4, 2023, the Applicants filed notice of the completed transaction and evidence of closing. Fifteen days from August 4, 2023, is August 21, 2023. Therefore, this pleading is timely filed.

**I. RECOMMENDATION ON THE SUFFICIENCY OF THE CLOSING
DOCUMENTS**

Staff has reviewed the closing documents and documentation regarding customer deposits filed by Applicants and recommends that Applicants have met the requirements of 16 TAC § 24.239.

Specifically, the sale and transfer was completed following the issuance of Order No. 30, wherein the transferee received notice from the Commission that a hearing would not be requested.¹ Further, the closing documents were filed within 30 days after the effective date of the transaction and were signed by both the transferor and the transferee.² Therefore, Staff

¹ 16 TAC § 24.239(i).

² *Id.*

recommends a finding that Applicants' closing documents are sufficient and satisfy 16 TAC § 24.239(a), (i), and (l).

Regarding customer deposits, both the original and supplemental application state that there are no customers with deposits held by the transferee in the transferred service area.³ Furthermore, in Applicants' closing documentation, the Applicants submitted a notarized affidavit stating that there are no outstanding customer deposits associated with this transaction.⁴ Therefore, Staff recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (l).

For these reasons, Staff recommends that the Applicants have complied with the requirements provided by 16 TAC § 24.239. Staff recommends a finding that the closing documents and documentation regarding customer deposits be found sufficient.

II. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively complete. Therefore, Staff proposes the following procedural schedule:

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to the Applicants for review and consent	September 21, 2023
Deadline for the Applicants to file signed consent forms with the Commission	September 29, 2023
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	October 12, 2023

³ Application of Terra Southwest, Inc. and Undine Development, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Denton County at 4 (Nov. 16, 2021) and Applicants' Application Amendment at 4 (Aug. 26, 2022).

⁴ Notice of Completed Transaction at 7 (Aug. 4, 2023).

III. CONCLUSION

For the reasons detailed above, Staff recommends that the closing documents and customer deposit information be found sufficient and that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with the foregoing recommendations.

Dated: August 21, 2023

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 was provided to all parties of record via electronic mail on August 21, 2023, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Ian Groetsch _____

Ian Groetsch