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DOCKET NO. 52852

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

COMMISSION STAFF’S SUFFICIENCY RECOMMENDATION

On November 16, 2021, Terra Southwest, Inc. (Terra) and Undine Development, LLC (Undine), (collectively, Applicants), filed an application for the sale, transfer, or merger of facilities and certificate rights in Denton County. Applicants filed supplemental information on November 17, 19, 22 and December 13, 2021.

On December 15, 2021, Order No. 1 was filed establishing a deadline of January 14, 2021, for the Staff (Staff) of the Public Utility Commission of Texas (Commission), to file comments on the administrative completeness of the application and proposed notice and propose a procedural schedule. Staff previously filed this pleading erroneously labeled as a request for extension. This filing is intended to correct the erroneous caption.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information and, as detailed in the attached memorandum from Patricia Garcia, Infrastructure 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 the Applicants proceed with providing public notice to all current customers, neighboring utilities, political subdivisions, and other persons listed in the attached memorandum using the notice form provided by Ms. Garcia. Along with each individual notice, Staff recommends that the Applicants provide an accurate map delineating the requested service area.

Once notice has been provided, Staff recommends that the Applicants file proof of notice as described in the 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 the 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 the 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	February 14, 2022
Deadline for Staff to file a recommendation on sufficiency of notice	February 28, 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 the 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: January 18, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
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Managing Attorney

/s/ John Harrison
John Harrison
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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 January 18, 2022 in accordance with the Order Suspending Rules, filed in Project No. 50664.

/s/ John Harrison
John Harrison

Public Utility Commission of Texas

Memorandum

TO: John Harrison, Attorney
Legal Division

FROM: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

DATE: January 14, 2022

RE: Docket No. 52852 – *Application of Terra Southwest, Inc. and Undine Development, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Denton County*

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

Specifically, Undine, certificate of convenience and necessity (CCN) No. 12407, seeks approval to acquire facilities and to transfer all of the water service area from Terra Southwest under water CCN No. 11608. The requested area includes 867 current customers and approximately 1,339.4 acres, comprised of:

- 0.4 acres of uncertificated area;
- 1,321 acres of transferred area from CCN No. 11608; and
- 18 acres of dual certificated area with CCN No. 11202.

The result of the application will be the addition of approximately 1,339.4 acres to Undine, CCN No. 12407, and the subtraction of approximately 1,321 acres from Terra Southwest, CCN No. 11608.

Approximately 1,321.4 acres will be single certification with Undine, CCN No. 12407; and 18 acres will be dually certificated between Undine, CCN No. 12407, and the Town of Little Elm, CCN No. 11202.

The application indicates that the total acreage being requested is approximately 1,326 acres. Based on the mapping review by Tracy Montes, Infrastructure Division, it was determined the requested area is approximately 1,339.4 acres.

Based on the mapping review by Tracy Montes, Infrastructure Division, maps submitted on November 16, 2021 and the revised maps and digital data submitted on December 13, 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:
 - *Aqua Texas Inc (CCN No. 13201)*
 - *City of Denton (CCN No. 10195)*
 - *City of Lake Dallas*
 - *City of Lakewood Village (CCN No. 10201)*
 - *City of Oak Point*
 - *City of Shady Shores*
 - *Cole Ranch Improvement District 1*
 - *Denton County Fresh Water Supply District (FWSD) 8A (CCN No. 13018)*
 - *Denton County FWSD 11-B*
 - *Denton County Municipal Utility District (MUD) 4*
 - *Denton County MUD 5*
 - *Denton County MUD 8*
 - *Knob Hill Water System (CCN No. 11414)*
 - *Lake Cities Municipal Utility Authority (CCN No. 10166)*
 - *Last Resort Properties (CCN No. 12503)*
 - *Lone Star Water Company (CCN No. 13279)*
 - *Mustang Special Utility District (CCN No. 11856)*
 - *Northlake Municipal Management District 2*
 - *Oak Point Water Control Improvement District (WCID) 1*
 - *Oak Point WCID 2*
 - *Oak Point WCID 3*
 - *Oak Point WCID 4*
 - *Patterson Water Supply LLC (CCN No. 13248)*
 - *Town of Dish*
 - *Town of Hackberry (CCN No. 12015)*
 - *Town of Little Elm (CCN No. 11202)*
 - *Town of Northlake (CCN No. 12915)*
 - *Town of Ponder (CCN No. 12951)*
 - *Undine Development LLC (CCN No. 12407), Pending Docket 52852*
 - *Upper Trinity Regional Water District*
 - *Valencia on the Lake WCID*

- b. The county judge of each county that is wholly or partially included in the requested area:
 - *Denton County Judge*
- c. Each groundwater conservation district that is wholly or partially included in the requested area:
 - *North Texas Groundwater Conservation District*
- d. Each owner of a tract of land that is at least 25 acres and is wholly or partly located in the requested area. Notice must be mailed to the owner of the tract of land according to the most current tax appraisal rolls of the applicable central appraisal district at the time the application was filed.
- e. 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, landowners 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 Terra Southwest. Undine and Terra Southwest will have 20 days from the receipt of the RFI to respond.

Notice to Current Customers, Landowners, Neighboring Systems, and Cities
UNDINE DEVELOPMENT, LLC, CERTIFICATE OF CONVENIENCE AND NECESSITY
(CCN) NO. 12407, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO
TRANSFER WATER SERVICE AREA UNDER CCN NO. 11608 FROM TERRA
SOUTHWEST, INC. IN DENTON COUNTY, TEXAS

To: _____ Date Notice Mailed: _____, 20__
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

Undine Development, LLC 17681 Telge Road Cypress, TX 77429
(Purchaser's Name) (Address) (City), (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase all of the water facilities and to transfer water certificated service area under CCN No. 11608 in Denton County, TX from:

Terra Southwest, Inc. P.O. Box 140 Alvord, TX 76225
(Seller's Name) (Address) (City), (State) (Zip Code)

The sale is scheduled to take place if approved by the Commission (Texas Water Code § 13.301). The transaction and the transfer of the CCN includes the following subdivisions:
East Ponder Estates and Hilltown Addition.

The requested area overlaps the district boundaries of the Upper Trinity Regional Water District. If Upper Trinity Regional Water District does not request a public hearing, the Commission shall determine that the district is consenting to the Undine Development, LLC's request to provide retail water utility service in the requested area.

East Ponder Estates:

The requested area includes 109 current customers, is located approximately 8 mile(s) southwest of downtown Denton, Texas, and is generally bounded on the north by H Lively Road; on the east by Ed Robson Boulevard; on the south by a line approximately .25 mile south of Seaborn Road; and on the west by Florance Road.

The requested area includes approximately 453 acres, comprised of 453 acres of transferred area from Terra Southwest Inc. (CCN No. 11608).

Hilltown Addition:

The requested area includes 758 current customers, is located approximately 9 mile(s) east-southeast of downtown Denton, Texas, and is generally bounded on the north by Martingale Trail and Shahan Prairie Road; on the east by Shahan Prairie Road and Lewisville Lake; on the south by Lewisville Lake and FM 710 and on the west by Lewisville Lake and Yacht Club Road.

The requested area includes approximately 886.4 acres, comprised of:

0.4 acres of uncertificated area;

868 acres of transferred area from Terra Southwest Inc. (CCN No. 11608); and

18 acres of dual certificated area with Town of Little Elm (CCN No. 11202).

The result of the application will be the addition of approximately 1,339.4 acres to Undine Development LLC (CCN No. 12407) and the subtraction of approximately 1,321 acres from Terra Southwest Inc. (CCN No. 11608).

Approximately 1,321.4 acres will be single certification with Undine Development LLC (CCN No. 12407); and 18 acres will be dual certification between Undine Development LLC (CCN No. 12407) and the Town of Little Elm (CCN No. 11202).

See enclosed map showing the requested area.

The proposed transaction may change the current customers' rates and services to the current approved rates and services of Undine Development, LLC, which are higher than the current rate for a 5/8" meter for Terra Southwest, Inc. To view a copy of the current approved tariff, go to: <https://undinellc.com/Tariff/Undine%20Development%20Water%20Tariff.pdf>

OR email info@undinellc.com or call (713) 574-5953 to request a copy.

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.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the requested area, may file a written request with the Commission to be excluded from the requested area ("opt out") within (30) days from the date that notice was provided by the Utility. All opt out requests must include a large-scale map, a metes and bounds description of the landowner's tract of land, landowner's name, address, email address and fax number, if applicable.

Persons who wish to request this option should file the required documents with the:

Public Utility Commission of Texas
Central Records
1701 N. Congress, P. O. Box 13326
Austin, TX 78711-3326

In addition, the landowner must also send a copy of the opt out request to the Utility. Staff may request additional information regarding your request.

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, LANDOWNERS, NEIGHBORING UTILITIES, AND AFFECTED PARTIES
DOCKET NO. 52852

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: October 22, 2021