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DOCKET NO. 52852

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

ORDER NO. 17
FINDING APPLICATION ADMINISTRATIVELY COMPLETE, FINDING NOTICE
REMAINS SUFFICIENT, AND SUSPENDING PROCEDURAL SCHEDULE

This Order addresses the August 26, 2022 amended application of Terra Southwest, Inc. and Undine Texas, LLC. The applicants filed supplemental information to the amended application on August 29 and September 7, 8, 15, 17, and 23, 2022.

On September 28, 2022, Commission Staff filed a recommendation of the administrative completeness of the amended application, rates, and notice.

The administrative law judge (ALJ) finds the amended application, as supplemented, administratively complete. Further the ALJ finds that notice of the application remains sufficient.

Commission Staff further requested that the ALJ approve a tariff in this proceeding, under Texas Water Code (TWC) § 13.3011, using the phased-in tariff rates approved by the Commission in Docket No. 50200.¹

TWC § 13.3011(a) states:

A person who files an application described by Section 13.301(a) for the purchase or acquisition of a water or sewer system may request that the regulatory authority with original jurisdiction over the rates for water or sewer service provided by the person to the customers of the system authorize the person to charge initial rates for the service that are:

- (1) shown in a tariff filed with a regulatory authority by the person for another water or sewer system; and
- (2) in force for the other water or sewer system on the date the application described by Section 13.301(a) is filed.

The ALJ is of the opinion that the Rate Year 1 (phase one) and Rate Year 2 (phase two) rates from Docket No. 50200 may be considered historical rather than being “in force” as required by TWC

¹ *Application of Undine Texas, LLC and Undine Texas Environmental, LLC for Authority to Change Rates*, Docket No. 50200, Order (Nov. 5, 2020).

§ 13.3011(a)(2). Specifically, when the application in this docket was filed on November 16, 2021, the phase two rates were in effect; when the applicants filed the amended application on August 26, 2022, the phase three rates were in effect. Accordingly, the ALJ is of the opinion that under TWC § 13.3011, the rates that can be approved by this proceeding are either the phase two rates or the phase three rates, rather than the phase-in rate structure.

The ALJ suspends the procedural schedule adopted in Order No. 16 filed on September 1, 2022. The ALJ will adopt a procedural schedule following review of the briefs filed in response to Order No. 11 in Docket No. 52797.²

Signed at Austin, Texas the 29th day of September 2022.

PUBLIC UTILITY COMMISSION OF TEXAS



ISAAC TA
ADMINISTRATIVE LAW JUDGE

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² *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, Docket No. 52797, Order No. 11 (Sep. 27, 2022).*