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DOCKET NO. 53209

**APPLICATION OF UNDINE TEXAS,
LLC FOR A PASS-THROUGH RATE
CHANGE**

**§ PUBLIC UTILITY COMMISSION
§
§ OF TEXAS**

**UNDINE TEXAS, LLC'S RESPONSE TO COMMISSION
STAFF'S FIRST REQUEST FOR INFORMATION,
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

Undine Texas, LLC (Undine) files this Response to the First Request for Information (RFI) filed by Commission Staff (Staff). The discovery request was received by Undine on May 24, 2022; therefore these responses are timely filed. Pursuant to 16 Tex. Admin. Code (TAC) § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

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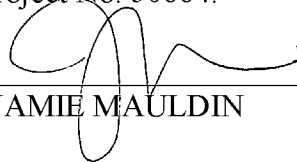
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ATTORNEYS FOR UNDINE TEXAS, LLC

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 June 1, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.



JAMIE MAULDIN

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UNDINE TEXAS, LLC'S RESPONSE TO STAFF'S FIRST RFI

STAFF 1-1: Please explain Undine's process for determining whether to replace pressure tanks before repairing and replacing leaking water lines.

RESPONSE: It is a fact that aged pressure tanks can be dangerous. Replacing pressure tanks improves both safety and reliability of the water system. Undine would not increase the pressure on the already failing pressure/hydro tank. Thus, Undine would begin the Capital Improvements by replacing the unreliable hydro tank, prior to it failing that may cause harm to operations personnel, customers, and damage to the property in the near vicinity of the water plant. Undine's next improvements would be to repair the leaking infrastructure and underground distribution lines, repairing or replacing the leaking water lines ensures the lines will hold the pressure in the system. If the leaking water lines were fixed first, subsequently increasing pressure would cause additional and/or re-emerging leaks.

Prepared by: Benny Wilkinson, VP Financial Due Diligence
Sponsored by: William A. "Andy" Thomas, Senior VP of Operations

UNDINE TEXAS, LLC'S RESPONSE TO STAFF'S FIRST RFI

STAFF 1-2: Please explain whether replacing items that lead to better pressure increases the water loss in leaking lines. Please provide a detailed explanation in your answer.

RESPONSE: Increasing the pressure for a water line will most likely increase the water loss in existing leaking lines, as well as potentially cause more leaks due to the added pressure. The TCEQ minimum standard for pressure is 35 psi. In order to remain above that pressure throughout the system, the pressure has to be maintained at a pressure higher than 35 psi.

Prepared by: Benny Wilkinson, VP Financial Due Diligence
Sponsored by: William A. "Andy" Thomas, Senior VP of Operations

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UNDINE TEXAS, LLC'S RESPONSE TO STAFF'S FIRST RFI

STAFF 1-3: Has Undine applied for a system improvement charge that includes the plant improvements and replacements described in this application for the Spring Creek Valley Estates Subdivision, the Hazy Hollow East Estates Subdivision, and the River Club Water Company? If your answer is yes, please describe each plant improvement and replacement type and organize your answers by division.

RESPONSE: Undine has not applied for a system improvement charge that includes the plant improvements and replacements described in this application for the Spring Creek Valley Estates Subdivision, the Hazy Hollow East Estates Subdivision, and the River Club Water Company.

Prepared by: Benny Wilkinson, VP Financial Due Diligence
Sponsored by: Edward R. Wallace, Sr., President and CEO

UNDINE TEXAS, LLC'S RESPONSE TO STAFF'S FIRST RFI

STAFF 1-4: Please describe Undine's plans and policies for reducing line losses at the Spring Creek Valley Estates Subdivision, the Hazy Hollow East Estates Subdivision, and the River Club Water Company.

RESPONSE: Undine will do three main things to reduce water line losses: 1) replace water meters which are known to lose accuracy as they age, 2) institute a leak detection program, and 3) fix/repair all leaks found within the water distribution system. Doing all these things will reduce water line losses. Doing all this work will be expensive and take years to do for the number of water systems that Undine owns in Nerro and other systems.

Prepared by: Benny Wilkinson, VP Financial Due Diligence
Sponsored by: William A. "Andy" Thomas, Senior VP of Operations