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DOCKET NO. 53765

APPLICATION OF CRYSTAL	§	PUBLIC UTILITY COMMISSION
SYSTEMS TEXAS, LLC AND UNDINE	§	
TEXAS, LLC FOR SALE, TRANSFER,	§	
OR MERGER OF FACILITIES AND	§	OF TEXAS
CERTIFICATE RIGHTS IN SMITH	§	
COUNTY	§	

**COMMISSION STAFF’S SUPPLEMENTAL RECOMMENDATION ON
ADMINISTRATIVE COMPLETENESS AND NOTICE AND PROPOSED
PROCEDURAL SCHEDULE**

I. INTRODUCTION

On July 1, 2022, Undine Texas, LLC (Undine Texas) and the Crystal Systems Texas, Inc. (Crystal Systems) (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Smith County. The Applicants filed supplemental information on September 12, 14, 16, 21, and 22; October 6 and 31; and November 9, 2022.

On November 7, 2022, the administrative law judge (ALJ) filed Order No. 6, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation regarding the administrative completeness of the application and notice, along with a proposed procedural schedule, by November 18, 2022. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information and, as detailed in the attached memoranda from Patricia Garcia of the Infrastructure Division and Ethan Blanchard, Rate of the Regulation Division, recommends that the application is administratively complete. Staff’s recommendation on administrative completeness is not a comment on the merits of the application.

III. 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. Because the requested area includes an uncertificated area, Staff further recommends

that the Applicants publish notice of the application for two consecutive weeks in a newspaper of general circulation in Smith County.

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. The Applicants should also provide a completed publisher’s affidavit and a copy of the newspaper tear sheets demonstrating publication. Finally, Staff recommends that the Applicants use the attached notices and affidavits to meet these requirements.

IV. 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 and published in a newspaper of general circulation	January 3, 2023
Deadline for Staff to file a recommendation on sufficiency of notice	January 13, 2023
Deadline to intervene	30 days after notice is issued

V. 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: November 16, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

John Harrison
Managing Attorney

/s/ Ian Groetsch
Ian Groetsch
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DOCKET NO. 53765

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 November 16, 2022 in accordance with the Second 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: Patricia Garcia, Infrastructure Analysis Section Director
Infrastructure Division

DATE: November 16, 2022

RE: Docket No. 53765 – *Application of Crystal Systems Texas, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Smith County*

On July 1, 2022, Undine Texas, LLC (Undine Texas) and the Crystal Systems Texas, Inc. (Crystal Systems) (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Smith County, Texas, under Texas Water Code (TWC) §§ 13.242 through 13.250 and § 13.301 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237 and § 24.239.

Specifically, Undine Texas, Certificate of Convenience and Necessity (CCN) No. 13260, seeks approval to acquire facilities and to transfer all of the water service area from Crystal Systems under water CCN No. 10804.

Based on the mapping review by Tracy Montes, Infrastructure Division, the maps submitted with Item 26 on October 6, 2022, and digital mapping data submitted with Item 30 on October 31, 2022, are sufficient.

- The requested area includes 2,234 customer connections and approximately 10,528 acres, comprised of:
288 acres of uncertificated area;
10,240 acres of transferred area from CCN No. 10804.
- The application proposes the subtraction of approximately 10,240 acres from CCN No. 10804 and the addition of approximately 10,528 acres to CCN No. 13260.

Based on the mapping review and my technical and managerial review of the additional information filed on October 6, 2022 and October 31, 2022, 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:
 - *Carroll Water Supply Corporation (WSC) (CCN No. 10765)*
 - *City of Hideaway*
 - *City of Lindale (CCN No. 12795)*
 - *City of Tyler (CCN No. 10772)*
 - *Lindale Rural WSC (CCN No. 10758)*
 - *Sabine River Authority*
 - *Southern Utilities Company (CCN No. 10762)*
 - *Texas Water Systems Inc. (CCN No. 12473), pending Docket No. 52502*
 - *Upper Sabine Valley SWMD*
 - b. The county judge of each county that is wholly or partially included in the requested area:
 - *Smith County Judge*
 - c. Each groundwater conservation district that is wholly or partially included in the requested area:
 - *None*
 - 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) Publish notice once each week for two consecutive weeks in a newspaper having general circulation in the county where the requested area is located. Proof in the form of a publisher's affidavit must be filed within 30 days of the publication date. The affidavit must state with specificity each county in which the newspaper is of general circulation. Within 30 days of the date the notice was mailed, CSWR-Texas must file an affidavit specifying the notice that was provided to every person and entity to whom notice was provided and the date the notice was mailed.
- 3) Provide notice using the attached notice forms.

- 4) Provide a copy of the maps deemed sufficient during administrative review delineating the requested area with each individual notice to neighboring utilities, other affected parties, landowners and customers.
- 5) File in the docket copy of notice and the maps deemed sufficient during administrative review along with the signed affidavit specifying every person and entity to whom notice was provided, the date that the notice was provided, and the publisher's affidavit and tear sheets for proof of newspaper publication.

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 Texas and Crystal Systems. Undine Texas and Crystal Systems will have 20 days from the receipt of the RFI to respond.

Public Utility Commission of Texas

Memorandum

TO: Ian Groetsch
Legal Division

FROM: Ethan Blanchard
Kathryn Eiland
Rate Regulation Division

DATE: November 16, 2022

RE: Docket No. 53765 – *Application of Crystal Systems Texas, Inc. and Undine Texas, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Smith County*

On July 1, 2022, Undine Texas, LLC (Undine), CCN No. 13260, and Crystal Systems Texas, Inc. filed an application for the sale and transfer of facilities and certificate rights in Smith 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.

Notice to Current Customers, Landowners, Neighboring Systems, and Cities
UNDINE TEXAS, LLC, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 13260, NOTICE OF INTENT TO AMEND UNCERTIFICATED AREA AND PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 10804 FROM CRYSTAL SYSTEMS TEXAS, INC. IN SMITH COUNTY, TEXAS

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

(Address)

(City State Zip)

Undine Texas, 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 amend uncertificated area to CCN No. 13260 and to purchase all of the water facilities and to transfer water certificated service area under CCN No. 10804, in Smith County, TX from:

Crystal Systems Texas, Inc. P.O. Box 1084 Tyler, TX 75710
(Seller's Name) (Address) (City), (State) (Zip Code)

The requested area overlaps the district boundaries of Sabine River Authority and Upper Sabine Valley SWMD. If these districts do not request a public hearing, the Commission shall determine that the district is consenting to the Undine Texas, LLC's request to provide retail water utility service in the requested area.

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:

The requested area includes 2,234 customer connections, is located within and surrounding downtown City of Hideaway, Texas, and is generally bounded on the north by County Road 477 (John R. Bowdoin Road); on the east by County Road 411; on the south by County Road 46 (Old New Harmony Road); and on the west by County Road 411.

The requested area includes approximately 10,528 acres, comprised of:

- 288 acres of uncertificated area;
- 10,240 acres of transferred area from CCN No. 10804.

The application proposes the subtraction of approximately 10,240 acres from CCN No. 10804 and the addition of approximately 10,528 acres to CCN No. 13260.

See enclosed maps showing the requested area.

The proposed transaction may change the current customers' rates and services to the current approved rates and services of Undine Texas, LLC, which are higher than the current rate for a 5/8" meter for Crystal Systems Texas, 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 uncertificated 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

Notice for Publication

UNDINE TEXAS, LLC, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 13260, NOTICE OF INTENT TO AMEND UNCERTIFICATED AREA AND PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 10804 FROM CRYSTAL SYSTEMS TEXAS, INC. IN SMITH COUNTY, TEXAS

<u>Undine Texas, LLC</u>	<u>17681 Telge Road</u>	<u>Cypress, TX</u>	<u>77429</u>
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to amend uncertificated area to CCN No. 13260 and to purchase all of the water facilities and to transfer water certificated service area under CCN No. 10804, in Smith County, TX from:

<u>Crystal Systems Texas, Inc.</u>	<u>P.O. Box 1084</u>	<u>Tyler, TX</u>	<u>75710</u>
(Seller's Name)	(Address)	(City), (State)	(Zip Code)

The requested area overlaps the district boundaries of Sabine River Authority and Upper Sabine Valley SWMD. If these districts do not request a public hearing, the Commission shall determine that the district is consenting to the Undine Texas, LLC's request to provide retail water utility service in the requested area.

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:

The requested area includes 2,234 customer connections, is located within and surrounding downtown City of Hideaway, Texas, and is generally bounded on the north by County Road 477 (John R. Bowdoin Road); on the east by County Road 411; on the south by County Road 46 (Old New Harmony Road); and on the west by County Road 411.

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The application proposes the subtraction of approximately 10,240 acres from CCN No. 10804 and the addition of approximately 10,528 acres to CCN No. 13260.

A copy of the maps showing the requested area are available at: 17681 Telge Road, Cypress, Texas 77429

The proposed transaction may change the current customers' rates and services to the current approved rates and services of Undine Texas, LLC, which are higher than the current rate for a 5/8" meter for Crystal Systems Texas, 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.

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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.

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Austin, TX 78711-3326

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

PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, LANDOWNERS, NEIGHBORING UTILITIES, AND AFFECTED PARTIES
DOCKET NO. 53765

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 _____

PUBLIC UTILITY COMMISSION OF TEXAS



PUBLISHER'S AFFIDAVIT DOCKET NO. 53765

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____,
who being by me duly sworn, deposes and that (s)he is the

_____ of the _____
(TITLE) (NAME OF NEWSPAPER)

that said newspaper is regularly published in _____
(COUNTY/COUNTIES)

and generally circulated in _____, Texas;
(COUNTY/COUNTIES)

and that the attached notice was published in said newspaper on the following dates, to wit:

(DATES)

(SIGNATURE OF NEWSPAPER REPRESENTATIVE)

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 _____

The following files are not convertible:

53765 - Undine and Crystal Systems -
Rate Comparison (2, 5 & 10).xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.