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Filing Date - 2023-10-17 01:07:48 PM

Control Number - 53765

Item Number - 429

DOCKET NO. 53765

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

COMMISSION STAFF’S RESPONSE TO ORDER NO. 18

I. INTRODUCTION

On July 1, 2022, Crystal Systems Texas, LLC (Crystal Systems) and Undine Texas, LLC (Undine) (jointly, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Smith County. Applicants seek approval to sell and transfer Crystal System’s facilities and all of Crystal System’s certificated area under CCN No. 10804 to Undine.

On September 19, 2023, the administrative law judge (ALJ) filed Order No. 18, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to brief on the applicability of Texas Water Code (TWC) § 13.3011, if necessary, by October 17, 2023. Therefore, this pleading is timely filed.

II. RESPONSE TO ORDER NO. 18

In Order No. 18, the ALJ required Applicants to clarify, *inter alia*, “whether Undine seeks to change the rates of all customers to be transferred or only those outside the municipal limits of the City of Hideaway.”¹ Should Undine seek to change the rates of all customers in this application, including those inside the municipal limits of the City of Hideaway, the ALJ further required parties to submit briefing on how TWC § 13.3011 would apply in the situation where “there are two regulatory authorities with original jurisdiction over the rates of one public water system.”² In its response to Order No. 18, however, Applicants clarified that “[t]he rate changes being considered in this application apply exclusively to the area and customers outside of the City of Hideaway.”³ Since Applicants clarified that their application is not seeking to change rates for

¹ Order No. 18 – Requiring Clarification and Briefing at 1 (Sept. 19, 2023).

² *Id.* at 2.

³ Applicants’ Response to Order No. 18 Requiring Clarification and Briefing at 3 (Sept. 25, 2023).

customers within the City of Hideaway, the ALJ's question regarding how TWC § 13.3011 would apply when two regulatory authorities share original jurisdiction over the rates for one public water system is not applicable to this case. Accordingly, Staff is not submitting briefing on that issue in accordance with the ALJ's instructions.

III. CONCLUSION

Staff respectfully requests that the ALJ take the foregoing into consideration.

Dated: October 17, 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 on October 17, 2023, in accordance with the Second Order Suspending Rules filed in Project No. 50664.

/s/ Ian Groetsch
Ian Groetsch