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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. 20

I. INTRODUCTION

On July 6, 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 November 14, 2023, the administrative law judge (ALJ) filed Order No. 20, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to provide a recommendation regarding Undine’s September 25, 2023 response to Order No. 18. Therefore, this pleading is timely filed.

II. RESPONSE TO ORDER NO. 20

In Order No. 20, the ALJ instructed Staff to provide a recommendation regarding Undine’s response to Order No. 18, and in particular, to indicate specifically whether there is any change to Staff’s March 8, 2023 Recommendation on the Transaction. In Undine’s response to Order No. 18, Undine clarified that the compliance history described in the joint proposed order filed on August 31, 2023 is incorrect, and instead, confidentially filed information on its compliance history.¹

Staff has reviewed the information and, as supported by the attached memorandum from Patricia Garcia of the Infrastructure Division, continues to recommend that the transaction proceed. As stated in Ms. Garcia’s memorandum, Staff has reviewed and accepts that the compliance history described by Undine is accurate. Nevertheless, this does not change Staff’s

¹ Confidential Exhibit A to Response to Order No. 18 (Sept. 25, 2023).

recommendation on the purchase of Crystal Systems. Accordingly, Staff continues to recommend that the transaction will serve the public interest and that Applicants should be allowed to proceed with the proposed transaction.

III. CONCLUSION

For the reasons detailed above, Staff respectfully requests the entry of an order permitting the transaction to proceed with the previous rates.

Dated: November 29, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagner
Division Director

/s/ Ian Groetsch
Ian Groetsch
State Bar No. 24078599
1701 N. Congress Ave.
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7465
(512) 936-7268 (Fax)
Ian.Groetsch@puc.texas.gov

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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 November 29, 2023 in accordance with the Second Order Suspending Rules filed 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 29, 2023

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*

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.

Staff has reviewed Undine Texas' compliance history and accepts that the compliance history provided by Undine is accurate. Their compliance history does not change Staff's recommendation on the purchase of Crystal Systems.