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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 RECOMMENDATION ON
SUFFICIENCY OF CLOSING DOCUMENTS**

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 December 21, 2023, the administrative law judge filed Order No. 23, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of closing documents and propose a procedural schedule for continued processing of this docket within 15 days following the filing of the applicants’ proof that the transaction has been completed and customer deposits have been addressed. On February 7, 2024, Undine filed proof that the transaction has been completed and customer deposits have been addressed. Fifteen days from February 7, 2024 is February 22, 2024. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents and documentation regarding customer deposits filed by Applicants on February 7, 2024. Based on its review, Staff has determined that Applicants’ filing meets the requirements of 16 Texas Administrative Code (TAC) § 24.239.

Specifically, the sale and transfer was completed following the issuance of Order No. 23, wherein the transferee received notice from the Commission that a hearing would not be requested.¹ Further, the closing documents were filed within 30 days after the effective date of the

¹ See 16 TAC § 24.239(i).

transaction and were signed by both the transferor and transferee.² Therefore, Staff recommends a finding that Applicants' closing documents are sufficient and satisfy 16 TAC § 24.239(a), (i), and (l).

Regarding customer deposits, the Applicants specified in their application that there were no customers with deposits held by the transferee in the transferred service area.³ Furthermore, Applicants submitted a notarized affidavit within 30 days of the effective date of the transaction stating that "there were no customer deposits held by Crystal Systems Texas, Inc. to be transferred to Undine Texas, LLC on the date of closing, January 9, 2024."⁴ Therefore, Staff recommends a finding that customer deposits have been adequately addressed as required by 16 TAC § 24.239(k) and (l).

For these reasons, Staff recommends that the Applicants have complied with the requirements provided by 16 TAC § 24.239. Staff recommends a finding that the closing documents and documentation regarding customer deposits be found sufficient.

II. PROCEDURAL SCHEDULE

Staff recommends the closing documents be deemed sufficient. Staff therefore proposes the following procedural schedule:

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent.	March 22, 2024
Deadline for Applicants to file signed consent forms with the Commission.	April 1, 2024
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs.	April 15, 2024

² See 16 TAC § 24.239(l).

³ Application of Crystal Systems Texas, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Smith County at 4 (July 1, 2022).

⁴ Notice of Close of Transaction at 9 (Feb. 7, 2024).

III. CONCLUSION

For the reasons detailed above, Staff respectfully recommends that the closing documents be found sufficient and that the proposed procedural schedule be adopted.

Dated: February 22, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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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 will be provided to all parties of record on February 22, 2024, in accordance with the Second Order Suspending Rules filed in Project No. 50664.

/s/ Ian Groetsch
Ian Groetsch