



## Filing Receipt

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**DOCKET NO. 53827**

<b>APPLICATION OF UNDINE TEXAS,</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>LLC AND NITSCH AND SON UTILITY</b>	<b>§</b>	
<b>COMPANY, INC FOR SALE,</b>	<b>§</b>	<b>OF TEXAS</b>
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN HARRIS COUNTY</b>	<b>§</b>	

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

On July 14, 2022, Undine Texas, LLC (Undine) and Nitsch and Son Utility Company, Inc. (Nitsch & Son) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Harris County.

On July 15, 2022, the administrative law judge (ALJ) filed Order No. 1, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file comments on the administrative completeness of the application and proposed notice, and propose a procedural schedule by August 15, 2022. Therefore, this pleading is timely filed.

**I. ADMINISTRATIVE COMPLETENESS**

Staff has reviewed the application and, as detailed in the attached memoranda of Patricia Garcia of the Infrastructure Division and of Ethan Blanchard of the Rate Regulation Division, recommends that the application is administratively incomplete from a managerial, technical and financial perspective. Staff further recommends that the Applicants be ordered to cure the deficiencies identified in Ms. Garcia and Mr. Blanchard’s memorandum by September 15, 2022, and that Staff be given a deadline of October 14, 2022, to file a supplemental recommendation on the administrative completeness of the application.

**II. PROCEDURAL SCHEDULE**

In accordance with Staff’s deficiency recommendation, Staff does not propose a procedural schedule for further processing of the docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation that the application be found administratively complete. Staff notes that the Applicants should not issue notice until the application is deemed sufficient.

### III. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively incomplete, that the Applicants be ordered to file supplemental information to cure the deficiencies in the application by September 15, 2022, and that Staff be given a deadline of October 14, 2022, to file its supplemental recommendation. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: August 15, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Keith Rogas  
Division Director

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Managing Attorney

/s/ Ian Groetsch  
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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 via electronic mail on August 15, 2022 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Ian Groetsch  
Ian Groetsch

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Ian Groetsch, Attorney  
Legal Division

**FROM:** Patricia Garcia, Infrastructure Analysis Section Director  
Infrastructure Division

**DATE:** August 15, 2022

**RE:** Docket No. 53827 – *Application of Undine Texas, LLC and Nitsch and Son Utility Company, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County*

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Undine Texas, LLC (Undine) and Nitsch and Son Utility Company, Inc. (Nitsch & Son) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Harris 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, Certificate of Convenience and Necessity (CCN) No. 13260, seeks approval to acquire facilities and to transfer all of the water service area from Nitsch & Son under water CCN No. 13260 and to amend uncertificated area to CCN No. 13260.

Based on the mapping review and my technical and managerial review of the additional information filed by the Applicants on July 25, 2022, I recommend that the application be deemed administratively incomplete and not accepted for filing due to the deficiencies detailed below:

**Application Content:**

A portion of the uncertificated requested area is inside the City of Houston's city limits. Please provide a letter of consent from the City of Houston to allow Undine to provide service inside the city limits.

Note: Any confidential items should be submitted as confidential filings with the PUC. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Ian Groetsch  
Legal Division

**FROM:** Ethan Blanchard  
Kathryn Eiland  
Rate Regulation Division

**DATE:** August 15, 2022

**RE:** Docket No. 53827 – *Application of Undine Texas, LLC and Nitsch and Son Utility Company, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County*

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On July 14, 2022, Undine Texas, LLC (Undine), CCN No. 13260, and Nitsch and Son Utility Company, Inc. filed an application for the sale and transfer of facilities and certificate rights in Harris 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 recommend the application be deemed administratively incomplete, and that Undine be required to provide the following information to cure the deficiencies:

1. Provide Undine Group's unredacted financial statements ending December 31, 2021.
2. Provide a table which summarizes the purchase prices, planned capital improvements, and 5-year operating projections from each system in the following dockets: 53047; 53048; 53459; 53476; 53629; 53630; 53765; and 53827.
3. Or, in lieu of 5-year projections for each system, provide aggregated 5-year projections for Undine Group and its guaranteed affiliates in Texas.