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Filing Date - 2024-01-29 01:17:12 PM

Control Number - 53827

Item Number - 67

DOCKET NO. 53827

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

COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS AND PROPOSED PROCEDURAL SCHEDULE

On July 14, 2022, Undine Texas LLC and Nitsch and Son Utility Company, Inc. (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Rockwall County. Specifically, Applicants seeks approval to acquire facilities and to transfer water service area held under Certificate of Convenience and Necessity (CCN) No. 13260.

On November 7, 2023, the administrative law judge (ALJ) filed Order No. 18, approving the sale and transfer to proceed and requiring the Applicants to file proof that the transaction had been consummated and to address customer deposits, if any, no later than 30 days after the effective date of the transaction and required the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of Applicants' closing documents and to propose a schedule for continued processing of this docket within 15 days of Applicants filing. On December 26, 2023, the Applicants filed notice of the completed transaction and evidence of closing and on December 27, 2023 the Applicants filed a pleading regarding deposits. Staff respectfully apologizes for this untimely filing, which was inadvertently missed.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by Applicants on December 26 and 27, 2023, and recommends that they are sufficient and meet the requirements of 16 TAC § 24.239(a), (i), and (k)-(in). Specifically, 16 TAC § 24.239(a) requires the filing of an STM application and the provision of public notice at least 120 days before the effective date of a proposed transaction. Additionally, under 16 TAC § 24.239(i), the proposed transaction may be completed at the end of the 120-day period or at any time after the transferee receives notice that a hearing will not be required. Further, under 16 TAC § 24.239(in), the proposed transaction must be completed within

180 days following the date of the Commission order allowing the transaction to proceed. Lastly, under 16 TAC § 24.239(1), the closing documents for the transaction must include a signed contract, bill of sale, or other appropriate documents as evidence that the transaction has closed as proposed, be signed by both the transferor and transferee, and be filed within 30 days after the actual effective date of the transaction. Based on Staff's review of the closing documents, Staff recommends that the Applicants properly and timely filed notice of the completed transaction, which included a bill of sale signed by both the transferor and the transferee.

With regard to customer deposits, the Applicants included an affidavit confirming that the customer deposits held by Nitsch were transferred to Undine on December 15, 2023. 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 applicable closing requirements of 16 TAC § 24.239. Staff therefore recommends that the closing documents and customer deposit information be found sufficient.

II. PROPOSED PROCEDURAL SCHEDULE

In accordance with Staff's recommendation that the Applicants' closing documents be found sufficient, Staff proposes the following procedural schedule:

Event	Date
Deadline for Commission Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent	February 29, 2024
Deadline for applicants to file signed consent forms with the Commission	March 7, 2024
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	March 21, 2024

III. CONCLUSION

For the reasons discussed above, Staff respectfully requests that an order be issued finding Applicants' closing documents sufficient and adopting the proposed procedural schedule.

Dated: January 29, 2024

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 will be provided to all parties of record via electronic mail on January 29, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Kevin Pierce
Kevin Pierce