

Filing Receipt

Filing Date - 2023-04-14 02:05:06 PM

Control Number - 53828

Item Number - 41

DOCKET NO. 53828

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

OF TEXAS

COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON NOTICE AND PROPOSED PROCEDURAL SCHEDULE

I. INTRODUCTION

On July 14, 2022, Undine Texas Environmental, LLC (Undine) 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 Harris County.

On March 31, 2023, the administrative law judge (ALJ) filed Order No. 10, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation on notice by April 14, 2023, along with a proposed procedural schedule for further processing of the docket. Therefore, this pleading is timely filed.

II. SUPPLEMENTAL RECOMMENDATION ON NOTICE

Staff has reviewed Undine's April 6, 2023 clarification and the proof of notice provided by Undine on January 4, 2023 and March 16, 2023 and recommends that Undine's notice is sufficient. Specifically, Undine provided an affidavit of notice signed by Carey Thomas, Senior Vice President of Undine, on January 4, 2023, showing that Undine provided notice on December 21, 2022, to its current customers, landowners, neighboring utilities, and affected parties. In its January 4, 2023 filing, however, Undine had included maps that incorrectly identified Undine Development, LLC, instead of Undine, as the applicant. In its clarification pleading filed on April 6, 2023, Undine explained that Undine had included an incorrect version of the maps in its notice affidavit on January 4, 2023 and that the maps included as part of its March 16, 2023 Supplemental Response were the maps that were included in the December 21, 2022 notice it mailed to current customers, landowners, neighboring utility, and affected parties. Staff also noted that Undine's December 21, 2022 notice failed to include Texas Water Utility, Inc. (formerly, Monarch Utilities I LP), as required by Patricia Garcia's November 21, 2022 memorandum. To remedy this, Undine provided a new affidavit dated March 15, 2023, and signed by Vance Tillman, Chief Financial Officer of Undine, showing that Undine provided notice to Texas Water Utilities, LP on March 14, 2023, as well as the correct maps that were attached to the provided notice. Therefore, Staff recommends that Undine's mailed notice be deemed sufficient.

Undine also provided copies of its publication and publisher's affidavit, showing that notice was published in the *Houston Business Journal*, a newspaper of general circulation in Harris, Chambers, Liberty, Montgomery, Waller, Fort Bend, Brazoria, and Galveston Counties, on December 2 and 9, 2022. Therefore, Staff recommends that Undine's published notice be deemed sufficient.

Event	Date
Notice completed	March 14, 2023
Deadline for intervention	April 13, 2023 ¹
Deadline for Staff to request a hearing or file a recommendation on the approval of the sale	May 15, 2023
Deadline for parties to file a response to Staff's recommendation on approval of sale	May 29, 2023
120-day deadline for the Commission to approve the sale or require a hearing	July 12, 2023 ²

III. PROPOSED PROCEDURAL SCHEDULE

IV. CONCLUSION

For the reasons detailed above, Staff respectfully recommends that the notice provided by Undine be deemed sufficient and that the proposed procedural schedule be adopted. Staff respectfully requests an order consistent with these recommendations.

¹ Under 16 TAC § 24.239(b), the intervention period shall not be less than 30 days unless good cause is shown. Notice was mailed on March 14, 2023 and published on December 2 and 9, 2022. Therefore, 30 days after March 14, 2023 is April 13, 2023.

 $^{^2}$ Under 16 TAC § 24.239(a) and (i), the deadline for Commission action is 120 days after the mailing or publication of notice, whichever occurs later. One hundred and twenty days after March 14, 2023 is July 12, 2023.

Dated: April 14, 2023

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Marisa Lopez Wagley Interim Division Director

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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 April 14, 2023, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Ian Groetsch Ian Groetsch