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DOCKET NO. 55378

APPLICATION OF GUADALUPE-	§	PUBLIC UTILITY COMMISSION
BLANCO RIVER AUTHORITY AND	§	
UNDINE TEXAS, LLC FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN CALHOUN COUNTY	§	

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND NOTICE**

On August 16, 2023, Guadalupe-Blanco River Authority (GBRA) and Undine Texas, LLC (Undine Texas) (collectively, Applicants) filed an application for the sale, transfer, or merger of facilities and certificate rights in Calhoun County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

On August 21, 2023, 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 both applicants and Commission Staff must file a recommendation regarding how to proceed with the application and propose a procedural schedule by September 18, 2023. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and, as detailed in the attached memorandum from Ethan Blanchard, Rate Regulation Division, recommends that the application is administratively incomplete from a financial perspective. Staff further recommends that the Applicants be ordered to cure the deficiencies identified in Mr. Blanchard’s memoranda by September 28, 2023 and that Staff be given a deadline of October 12, 2023 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 28, 2023 and that Staff be given a deadline of October 12, 2023, to file its supplemental recommendation. Staff respectfully requests the entry of an order consistent with these recommendations.

Date: September 18, 2023

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

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/s/ Bradley Reynolds
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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 September 18, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Bradley Reynolds
Bradley Reynolds

Public Utility Commission of Texas

Memorandum

TO: Bradley Reynolds
Legal Division

FROM: Ethan Blanchard
Rate Regulation Division

DATE: September 11, 2023

RE: Docket No. 55378 – *Application of Guadalupe-Blanco River Authority and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun County*

On August 16, 2023, Undine Texas Environmental, LLC (Undine), CCN No. 20816, and Guadalupe-Blanco River Authority filed an application for the sale and transfer of facilities and customers in Calhoun County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Undine has confidentially filed documentation concerning Undine's capitalization; however, these documents are dated February 2022 and are therefore stale.¹

I recommend that the application be deemed administratively incomplete from a financial perspective, and that the applicant be required to file the following information to cure the deficiencies:

1. Provide documentation demonstrating Undine's access to debt or equity financing (or both) from within the past six months.
2. Any documentation should specify the amount of funds that are unused and still available to Undine.

¹ Application, *Confidential – Attachment P*, item no. 9, at bates 6 (Aug. 16, 2023).