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Filing Date - 2025-03-25 02:46:33 PM

Control Number - 56354

Item Number - 3560

**SOAH DOCKET NO. 473-25-14207
PUC DOCKET NO. 56354**

APPLICATION OF UNDINE, LLC FOR AUTHORITY TO CHANGE RATES	§ § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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**UNDINE, LLC’S RESPONSE TO COMMISSION STAFF’S
SECOND SUPPLEMENTAL RECOMMENDATION ON SUFFICIENCY OF NOTICE**

COMES NOW, Undine, LLC (Undine or Company) and files this Response to Commission Staff’s Second Supplemental Recommendation on Sufficiency of Notice. In support thereof, Undine respectfully shows the following:

I. INTRODUCTION

On December 19, 2024, Undine filed an Amended Application for Authority to Change Rates (Amended Application). On January 24, 2025, the Public Utility Commission of Texas (Commission) issued Order No. 13 finding the Application administratively complete and finding proposed notice sufficient.¹ Undine filed Proof of Notice on January 27, 2025,² and Supplemental Proof of Notice on March 11, 2025.³ On March 21, 2025, Commission Staff filed its Second Supplemental Recommendation on Sufficiency of Notice (Second Supplemental Recommendation) recommending that Undine’s proof of notice be deemed deficient.⁴

In its Supplemental Proof of Notice, Undine explained that certain water customers in Tejas Landing and sewer customers in Cold River Ranch were inadvertently left off the mailed notices when the Amended Application was initially filed.⁵ This was a clerical error that Undine resolved as soon as it was identified. Based on this error, Commission Staff asserts that the effective date and the intervention deadlines should be redetermined based on the date Undine most recently provided notice.⁶ While Undine is agreeable to modifying the intervention deadline for the specific

¹ Order No. 13 – Finding Application, as Amended, Administratively Complete and Finding Proposed Notice Sufficient (Jan. 24, 2025).

² Proof of Notice (Jan. 27, 2025).

³ Undine, LLC’s Supplemental Proof of Notice and Clarification (Mar. 11, 2025) (Supplemental Proof of Notice).

⁴ Commission Staff’s Second Supplemental Recommendation on Sufficiency of Notice (Mar. 21, 2025) (Supplemental Recommendation).

⁵ Supplemental Proof of Notice at 2.

⁶ Supplemental Recommendation at 2.

customers who did not receive timely notice, Undine otherwise disagrees with Commission Staff's argument that the effective date in this proceeding should be further delayed.

II. RESPONSE TO COMMISSION STAFF

Undine respectfully asks the Administrative Law Judge (ALJ) to weigh the interests at stake in determining whether to reset the effective date in this proceeding.⁷ While Undine acknowledges its mistake regarding timely notice to a discrete set of customers, Undine rectified the issue by sending notice to the impacted customers well in advance of the effective date, as suspended.⁸ Ratepayers are not harmed by Undine's notice error because the originally proposed effective date in this proceeding has been suspended to June 22, 2025. Therefore, the impacted customers in Tejas Landing and Cold River Ranch did receive notice 35 days before the effective date pursuant to Texas Water Code § 13.187(a-1) and 16 Tex. Admin. Code § 24.27(c)(1). The customers that received late notice now have ample opportunity to intervene and participate. Any remaining harm to these customers can be fully remedied by extending the intervention deadline. Doing so would ensure the customers have their rightful opportunity to engage in this proceeding and represent their interests.

Conversely, redetermining the effective date would prevent Undine from obtaining the necessary rate relief it has been seeking for over three years. Undine originally prepared a rate case for its newly acquired Nerro and Pure systems in 2022. Undine was unable to file the case because Undine Development, LLC's System Improvement Charge (SIC)⁹ spanned over two years with no resolution. Undine ultimately withdrew that proceeding in order to file a comprehensive rate case in December 2023. Mere weeks before filing that case, Undine's progress towards rate relief was further hindered when Commission Staff directed Undine to include the systems that were subject to the SIC proceeding. Undine finally filed this case in March 2024 and was delayed again due to a dispute over the appropriate test year. Finally, Undine filed the Amended

⁷ 16 Tex. Admin. Code § 22.202(c) gives the presiding officer "broad discretion in conducting the course, conduct, and scope of the hearing. The presiding officer's authority includes, but is not limited to, the power to...issue...procedural, and scheduling orders...and take any other action not prohibited by law or by commission rule which is necessary for an efficient and fair hearing."

⁸ Concurrently with this filing, Undine is filing its Second Supplemental Proof of Notice that attests to service dates of February 26, 2025 for 33 water customers in the Tejas Landing system and March 7, 2025 for sewer customers in the Cold River Ranch system.

⁹ *Application of Undine Development, LLC for System Improvement Charges*, Docket No. 53109 (Jan. 27, 2022).

Application in December 2024. This case was not referred to the State Office of Administrative Hearings until nearly three months after the Amended Application was filed. Undine raises this history to illustrate the urgency of implementing new rates. If the current June 22, 2025, effective date is changed, Undine would be unable to implement its requested rates until early September, almost 18 months after it originally filed this case in March 2024. Because the original proposed effective date in this case has already been suspended, ratepayer interests are appropriately protected and Undine's need for rate relief should be weighed heavily in evaluating whether to modify the effective date.

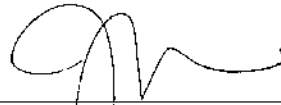
III. CONCLUSION

Undine respectfully requests that the ALJ order the current effective date of June 22, 2025, to remain in effect. Additionally, Undine requests that its proof of notice be found sufficient. Undine further requests any other relief to which it has shown itself entitled.

Respectfully submitted,

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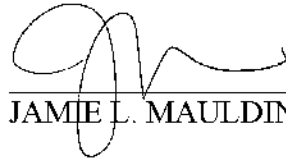
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CERTIFICATE OF SERVICE

I certify that notice of the filing of this document was provided to all parties of record via electronic mail on March 25, 2025, in accordance with the Order Suspending Rules, issued in Project No. 50664.


JAMIE L. MAULDIN