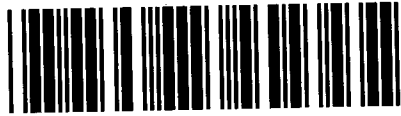




Control Number: 43093



Item Number: 1

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Coker, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*

43093

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

RECEIVED
2014 SEP 11 PM 2:43
PUBLIC UTILITY COMMISSION
FILING CLERK

July 21, 2014

Mr. Lambeth Townsend, Attorney
Lloyd, Gosselink, Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, TX 78701

Re: TCEQ Docket No. 2014-0596-UCR; SOAH Docket No. 582-14-3859;
Petition filed by Monarch Utilities I, LP from the Ratemaking Actions and
Motion for Immediate Interim Water Rate Relief and Consolidation of the
City of Blue Mound in Tarrant County, Application No. 37841-A

TCEQ Docket No. 2014-0596-UCR; SOAH Docket No. 582-14-3859;
Petition filed by Monarch Utilities I, LP from the Ratemaking Actions and
Motion for Immediate Interim Sewer Rate Relief and Consolidation of the
City of Blue Mound in Tarrant County, Application No. 37844-A

CN: 602740706; RN: 102904596 (water) 102904620 (sewer)

Dear Mr. Townsend:

On January 29, 2014, Monarch Utilities I, L P (Monarch) filed petitions with the Texas Commission on Environmental Quality (TCEQ) appealing the ratemaking action of the City of Blue Mound. The petitions were assigned TCEQ Docket No. 2014-0596-UCR and Application Nos. 37841-A and 37844-A respectively. On May 13, 2014, TCEQ referred the petitions to the State Office of Administrative Hearings (SOAH).

Prior to the preliminary hearing Monarch and the City of Blue Mound entered into a settlement agreement. On June 24, 2014, Monarch filed a motion to dismiss its appeal and remand the matter to the TCEQ Executive Director (ED) for an order dismissing the appeal. At the preliminary hearing on June 25, 2014, jurisdiction was established. In response to Monarch's motion to dismiss and remand the matter, Administrative Law Judges, Elizabeth Drews and Kerrie Qualtrough, issued an order dismissing the case from SOAH's docket and remanding it to the ED on June 26, 2014.

Mr. Lambeth Townsend, Attorney
Page 2
July 21, 2014

This letter is to notify you that this case has been administratively closed and that the Water Supply Division will take no further action in this matter. If you have any questions, feel free to contact Mr. Fred Bednarski at (512) 239-4758 or Ms. Heidi Graham at (512) 239-0844 or by mail using Mail Code 153 in the address listed below.

Sincerely,

A handwritten signature in black ink, appearing to read "Cari-Michel La Caille". The signature is fluid and cursive, with the first name "Cari" and last name "La Caille" clearly distinguishable.

Cari-Michel La Caille, Assistant Director
Water Supply Division
Texas Commission on Environmental Quality

CML/FB/mmg

Mailing List for
Monarch Utilities I, L.P.
SOAH Docket No. 582-14-3859
TCEQ Docket No. 2011-2200-UCR
Application No. 37841-A and 37844-A

Mr. Mark Zeppa, Attorney
Law Office of Mark H. Zeppa, P.C.
4833 Spicewood Springs Rd., Ste. 202
Austin, Texas 78759-8436
markzeppa@austin.rr.com

Representing: Monarch Utilities I, L.P

Mr. Lambeth Townsend, Attorney
Lloyd Gosselink Rochelle & Townsend, P.C.
816 Congress Ave., Suite 1900
Austin, Texas 78701
ltownsend@lglawfirm.com

Mr. George Freitag, Rate/Regulatory Manager
Monarch Utilities I, LP
12535 Reed Road
Sugar Land, Texas 77478

Mr. Jim Boyle
Herrera & Boyle, PLLC
816 Congress Avenue, Suite 1250
Austin, Texas 78701
jboyle@hereraboylelaw.com

Representing: City of Blue Mound

Mayor Alan Hooks
City of Blue Mound
PO Box 164129
Fort Worth, Texas 76161

Ms. Kathryn Sanchez, City Secretary
City of Blue Mound
PO Box 164129
Fort Worth, Texas 76161

TCEQ Interoffice Memorandum

To: Business Support Section

Thru: Cari-Michel La Caille, Assistant Director
Water Supply Division

LM
Lisa Fuentes, Work Leader
Utilities Financial Review Team
Water Supply Division

VP
Vera Poe, P.E., Team Leader
Utilities Technical Review Team
Water Supply Division

From: Elizabeth Flores
Business Support Section
Water Supply Division

HG
Heidi Graham
Utilities Financial Review Team
Water Supply Division

FB
Fred Bednarski III, CGAP
Utilities Financial Review Team
Water Supply Division

Date: July 21, 2014

Subject: Monarch Utilities I, LP
CCN Number/Registration Nos.: 12983 and 20899
Application/Docket Numbers: 37841-A & 37744-A
SOAH Docket No. 582-14-3859
TCEQ Docket No. 2014-0596-UCR

On September 3, 2013, Monarch Utilities I, L.P. (Monarch) filed a rate change application for a water and sewer rate/tariff change with the Texas Commission on Environmental Quality (TCEQ) to increase rates in areas over which the TCEQ has original jurisdiction. The application was assigned Application Nos. 37714-R and 37715-R. Monarch also filed applications in cities with original jurisdiction over Monarch's rates within their city limits, including the City of Blue Mound (City). On October 28, 2013, Monarch received notice from the City denying water and sewer rate change inside the City. In result Monarch filed petitions for ratemaking actions and motion for immediate interim water and sewer rate relief and consolidation of the City in Tarrant County with TCEQ that were received on January 29, 2014. These petitions were assigned application numbers 37841-A and 37744-A, and referred to the State Office of Administrative Hearing (SOAH) on May 13, 2014.

Prior to the preliminary hearing, Monarch and the City entered into a settlement agreement. On June 24, 2014 Monarch filed a motion with the State Office of Administrative Hearing (SOAH) to dismiss its appeal regarding the City and for remand to the TCEQ's Executive Director (ED). On June 25, 2014, the Honorable

Kerrie Jo Qualtrough and Elizabeth Drews, administrative law judges (ALJ) of SOAH, conducted a preliminary hearing on in Austin, Texas where jurisdiction was proven and the following parties were designated: the Applicant, represented by Lambeth Townsend, Attorney, Mark Zeppa, Attorney, and Melissa Long, Attorney; the Executive Director (ED) of the TCEQ, represented by Christiaan Siano and Jessica Gray; the Office of Public Interest Counsel (OPIC) of the TCEQ, represented by Eli Martinez; and the City of Blue Mound, represented by Jim Boyle, Attorney. No parties opposed Monarch's motion and the case was dismissed from the SOAH's docket, was remanded to the ED, and signed for approval on 06/26/2014 in Order No. 1.

In order to complete the closure of these applications, please do the following:

- Forward the enclosed applications to central records,
- Forward the attached letter and enclosures to the applicant,
- Update the database to reflect the completion and closure of the application as of the date of the signed order.

Case Status: C