

Control Number: 45317



Item Number: 26

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RECEIVED

APPLICATION OF MONARCH §
UTILITIES I, L.P. AND ROMARK §
UTILITY COMPANY FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN POLK COUNTY §

2016 SEP 13 AM 10:56
PUBLIC UTILITY COMMISSION
OF TEXAS
FILED CLERK

COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Supplemental Recommendation on Sufficiency of Closing Documents. In support thereof, Staff shows the following:

I. BACKGROUND

On November 4, 2015, Monarch Utilities I, L.P. (Monarch) and Romark Utility Company (Romark) (jointly, Applicants) filed an application for approval of a sale, transfer, or merger (STM) of facilities and certificate rights in Polk County. Applicants seek approval to transfer, but also request amendment of uncertificated area and decertification of portions of the service area to be transferred. The application requests cancellation of Romark's water certificate of convenience and necessity (CCN) No. 10116 and amendment of Monarch's CCN No. 12983. This application affects approximately 387 acres and 125 current customers in the Oak Terrace Estates Subdivision.

Order No. 5, issued June 15, 2016, approved the sale/transfer to proceed with closing. Applicants filed closing documentation, including an affidavit attesting to customer deposits, on July 19, 2016. Applicants filed additional documentation evidencing the disposition of customer deposits on September 6, 2016. Order No. 6 gave Staff until September 13, 2016 to file a supplemental recommendation regarding the sufficiency of the applicant's documents and propose a schedule for the continued processing of this docket. This pleading is therefore timely filed.

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II. RECOMMENDATION

As supported in the memorandum (Attachment A) of Andrew Novak, Elizabeth English and Kristy Nguyen of the Water Utilities Division, Staff recommends that the closing documents be found sufficient. The additional documentation submitted on September 6, 2016 provided sufficient evidence of the disposition of customer deposits, and the closing documents demonstrate that the closing occurred within one year of the Commission's written approval of the sale.

III. PROCEDURAL SCHEDULE

Staff recommends the sale documents be found sufficient. Staff therefore proposes the following procedural schedule:

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to Applicant for review and consent	October 13, 2016
Deadline for Applicant to file signed consent forms with the Commission	October 27, 2016
Deadline for parties to file joint proposed findings of fact and conclusions of law	November 4, 2016

IV. CONCLUSION

Staff respectfully requests that the ALJ issue an order reflecting the above request.

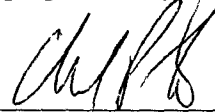
Dated: September 13, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

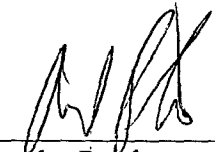
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**DOCKET NO. 45317
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on September 13, 2016 in accordance with 16 TAC § 22.74.



Alexander Petak

PUC Interoffice Memorandum

To: Alexander Petak, Attorney
Legal Division

Through: Heidi Graham, Manager
Lisa Fuentes, Manager
Water Utilities Division

From: Andrew Novak, Financial Analyst
Elizabeth English, Engineering Specialist
Kristy Nguyen, GIS Specialist
Water Utilities Division

Date: September 13, 2016

Subject: **Docket No. 45317**, *Application of Monarch Utilities I, L.P. and Romark Utility Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Polk County*

On November 5, 2015, Monarch Utilities I, L.P. (Monarch) and Romark Utility Company (Romark) (collectively, Applicants) filed an application with the Public Utility Commission of Texas (Commission) for approval of a sale, transfer, or merger of facilities and certificate rights in Polk County. The parties seek approval to transfer, but also request amendment and decertification of portions of the service area to be transferred. The application requests cancellation of Romark's water certificate of convenience and necessity (CCN) No. 10116 and amendment of Monarch's CCN No. 12983. This application affects approximately 387 acres and 125 current customers in the Oak Terrace Estates Subdivision.

Staff previously considered Monarch's ability to provide continuous and adequate service pursuant to the CCN criteria as outlined in 16 Tex. Admin. Code § 24.102(d) (TAC). Pursuant to 16 TAC § 24.109(f), Staff recommended that the transaction proceed as proposed and Order No. 5, issued June 15, 2016, requested that the Applicants file proof that the sale and transfer transaction have been consummated and that customer deposits have been addressed.

On July 19, 2016, the Applicants filed a bill of sale and an affidavit attesting to the disposition of the applicable deposits. However, the closing documentation was insufficient to satisfy the requirements of 16 TAC § 24.112. On September 6, 2016, Monarch filed additional documentation pertaining to deposit refunds.

Staff has reviewed the closing documents and finds that they meet the requirements of 16 TAC § 24.112. Specifically, the closing documents demonstrate that closing occurred within one year of the Commission's written approval of the sale.