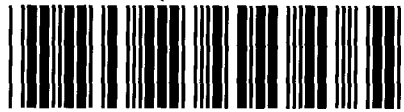


Control Number: 45317



Item Number: 33

Addendum StartPage: 0

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

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PUBLIC UTILITY COMMISSION OF TEXAS PUBLIC UTILITY COMMISSION FILING CLERK

NOTICE OF APPROVAL

The Notice addresses the application of Monarch Utilities 1, L.P. and Romark Utility Company for the sale, transfer, or merger of facilities and certificate rights in Polk County. Commission Staff recommends approval of the application. The application, as amended, is approved.

The Commission adopts the following findings of fact, conclusions of law, and ordering paragraphs.

I. Findings of Fact

Procedural History

- 1. On November 5, 2015, Monarch and Romark filed an application for the sale and transfer of all of Romark's facilities, customers, and service area to Monarch. On November 30, 2015, January 7, 2016, and April 26, 2016, Monarch filed supplements to the application.
2. Romark holds water CCN No. 10116.
3. Monarch holds water CCN No. 12983.
4. Approval of the application would result in the following:
(a) The sale, transfer, or merger of the Romark retail water system and all but 36 acres of CCN No. 10116 to Monarch;
(b) The amendment of Monarch's CCN No. 12983 to include all but 36 acres of the area certificated to Romark under CCN No. 10116 and to add an adjoining uncertified area of approximately 169 acres to Monarch's existing water CCN No. 12983;
(c) Decertification of approximately 36 acres of the existing water CCN No. 10116;
(d) Cancellation of CCN No. 10116.

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5. The application affects approximately 387 acres and 125 current customers in the Oak Terrace Estates Subdivision.
6. On February 1, 2016, Monarch filed the consent of Trinity River Authority of Texas regarding a proposed service area overlap.
7. On February 10, 2016, Order No. 3 was issued, finding the application, as amended, administratively complete and establishing a procedural schedule.
8. On February 25, 2016, Monarch filed affidavits attesting to mailed and published notice including copies of individual notices.
9. On June 8, 2016, Commission Staff recommended that the transaction be permitted to proceed.
10. On June 15, 2016, Order No. 5 was issued, authorizing the transaction to proceed and instructing the applicants to provide monthly status reports and closing documents and evidence of the disposition of any remaining customer deposits.
11. On July 19, 2016, Monarch filed proof of consummation of the transaction in the form of an executed warranty deed and bill of sale.
12. On September 6, 2016, Monarch filed the affidavit of Robert M. Smith, owner of Romark Utility Company, attesting that Romark was refunding all customer deposits prior to closing.
13. On September 15, 2016, Order No. 7 was issued, finding the closing documentation sufficient and complete and establishing a procedural schedule for the remainder of the proceeding.
14. On October 31, 2016, Monarch filed signed consent to the proposed revised certificate and map prepared by Commission Staff.
15. On November 4, 2016, Commission Staff and Monarch filed a joint motion for admission of evidence and proposed notice of approval.
16. On November 7, 2016, Monarch filed a consent form reflecting its consent to the tariff sheets transmitted by Commission Staff to the applicant.

17. The certificate, map and tariff sheets described in Findings of Fact Nos. 14 and 16 are attached to this Notice.

Notice

18. On November 27, 2015, notice of the application was published in the *Texas Register*.
19. Notice of the application was mailed to current customers on February 19, 2016, and to neighboring utilities and cities on February 22, 2016.
20. Notice of the application was published in the *Polk County Enterprise* on February 14, 2016 and February 21, 2016.

Informal Disposition

21. More than 15 days have passed since completion of all notice required for this docket.
22. No person has requested a public hearing on the application.
23. Monarch, Romark, and Commission Staff are the only parties to this proceeding.
24. The requirements of informal disposition pursuant to 16 Texas Administrative Code § 22.35 (TAC) have been met in this proceeding.

Evidence

24. On December 5, 2016, Order No. 8 was issued, admitting evidence into the record of this proceeding.

II. Conclusions of Law

1. The Commission has jurisdiction over this proceeding under Texas Water Code §§ 13.241, 13.244, 13.246, and 13.301(TWC), and 16 TAC §§ 24.102, 24.104-107, 24.109, and 24.112.
2. Monarch and Romark are retail water utilities as defined by TWC § 13.002(19).
3. Notice of the application was provided as required by TWC §§ 13.301(a)(2) and 13.246.
4. Monarch and Romark completed the sale within one year from the date of the Commission's written approval of the transfer, consistent with 16 TAC § 24.112(e).
5. After consideration of the factors in TWC § 13.246(c), Monarch has demonstrated adequate financial, managerial, and technical capability for providing adequate and

continuous service to every consumer within the proposed service area, as required by TWC § 13.13.301(b).

6. Monarch and Romark have demonstrated that the sale and transfer of service area and facilities requested in this application are in the public interest, as required by TWC § 13.301(d).
7. Monarch and Romark have demonstrated that the sale and transfer of service area and facilities requested in this application are necessary for the service, accommodation, convenience and safety of the public, as required by TWC § 13.246(b).
8. Pursuant to TWC § 13.257(r) and 16 TAC § 24.106(f), Monarch is required to record a certified copy of the approved CCN and map, along with a boundary description of the service area, in the real property records of each county in which the service area or a portion of the service area is located, and submit to the Commission evidence of the recording.
9. The requirements of informal disposition pursuant to 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

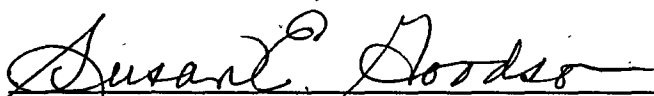
In accordance with these findings of fact and conclusions of law, the Commission issues the following Order:

1. The application, as amended, is approved.
2. Monarch's CCN No. 12983 is amended consistent with this Notice, to include the service areas transferred from Romark and the new previously uncertificated service area.
3. Romark's CCN No. 10116 is hereby cancelled.
4. Monarch shall serve every customer and qualified service applicant within the area covered by its CCN No. 12983 and such service shall be continuous and adequate.
5. Monarch shall comply with the recording requirements of TWC § 13.257(r) for the area in Polk County affected by the transfer and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice.

- 6. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

SIGNED AT AUSTIN, TEXAS on the 5th day of December 2016.

PUBLIC UTILITY COMMISSION OF TEXAS



SUSAN E. GOODSON
ADMINISTRATIVE LAW JUDGE

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Public Utility Commission of Texas

**By These Presents Be It Known To All That
Monarch Utilities I, LP**

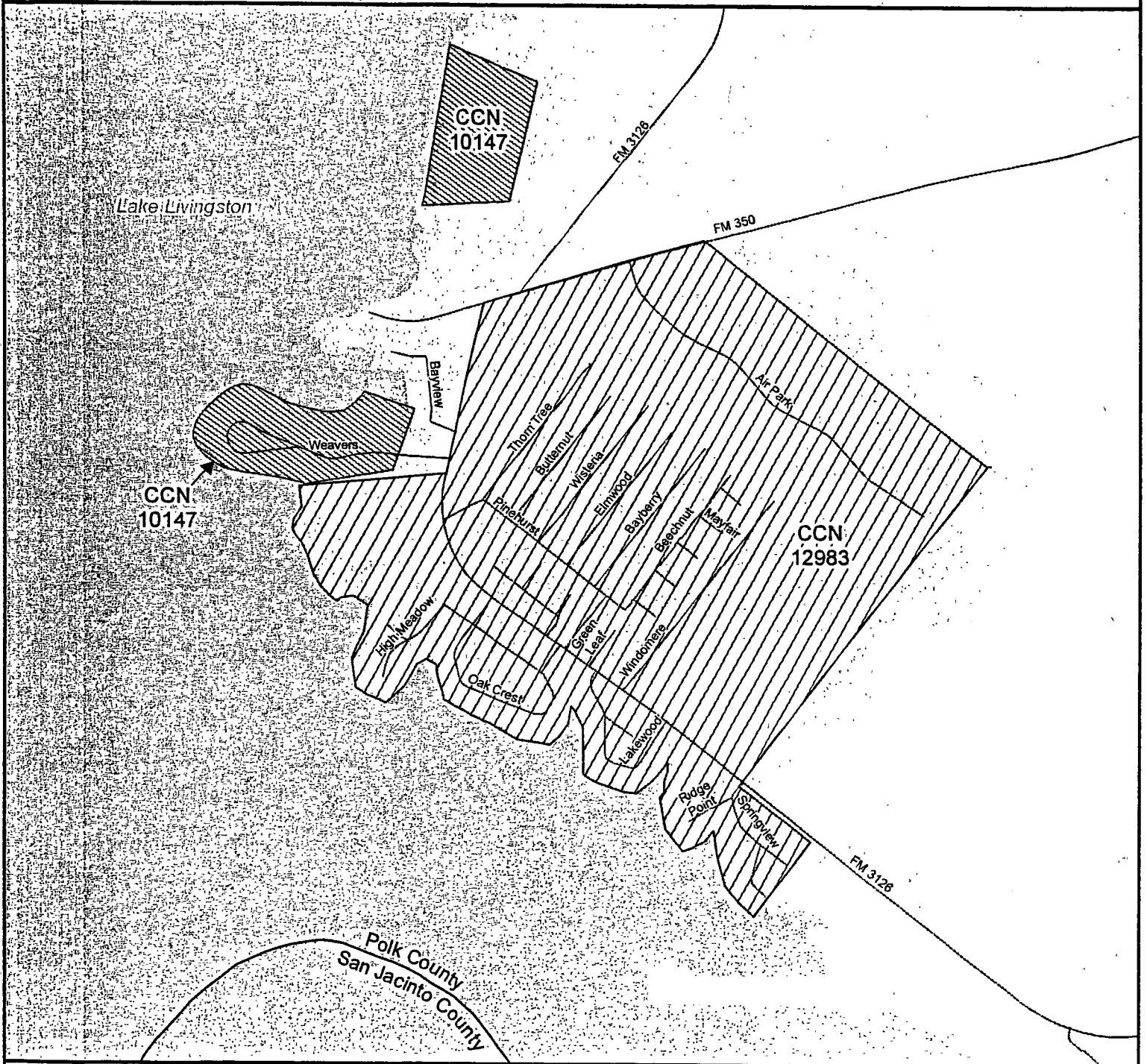
having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 12983



to provide continuous and adequate water utility service to that service area or those service areas in Bandera, Brazoria, Chambers, Denton, Grayson, Hays, Henderson Hood, Johnson, Liberty, Marion, Matagorda, Medina, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Trinity, Tyler, Van Zandt, Wise, and Wood Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 45317 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Monarch Utilities I, LP, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or obtain this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 5th day of December 2016

Monarch Utilities I, L.P.
Portion of Water Service Area
CCN No. 12983
PUC Docket No. 45317
Transferred and Cancelled Romark Utility Company, CCN No. 10116 and
Amended CCN No. 12983 in Polk County



Water CCN Service Areas

-  12983 - Monarch Utilities I LP
-  10147 - Lake Livingston Water Supply & Sewer Service



SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$43.50</u> (Includes 0 gallons)	<u>\$3.00</u> per 1000 gallons
1"	<u>\$87.00</u>	

FORM OF PAYMENT: The utility will accept the following form(s) of payment:
Cash X, Check X, Money Order X, Credit Card X, Other (specify) X
(Electronic Fund Transfer)

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

REGULATORY ASSESSMENT 1.0%
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$450.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

TRANSFER FEE.....\$50.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

RECONNECTION FEE
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non payment of bill (Maximum \$25.00)..... \$25.00
- b) Customer's request that service be disconnected \$50.00

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$25.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.