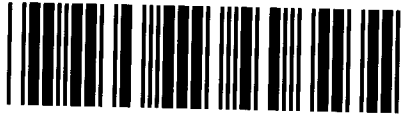




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Addendum StartPage: 0

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 §  
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COMMISSION STAFF'S RESPONSE TO ORDER NO. 1

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Response to Order No. 1. In support thereof, Staff shows the following:

I. BACKGROUND

On November 4, 2015, Monarch Utilities I, L.P. (Monarch) and Romark Utility Company (Romark) filed an application for approval of a sale, transfer, or merger (STM) of facilities and certificate rights in Polk County. The parties 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.

On November 12, 2015, Order No. 1 was issued, requiring Staff to file comments on the administrative completeness of the application, proposed notice, and a procedural schedule by December 7, 2015. Therefore, this response is timely filed.

II. COMMENTS ON ADMINISTRATIVE COMPLETENESS

The review for administrative completeness of CCN amendments and STM applications is provided in 16 Tex. Admin. Code § 24.8 (TAC). If the Commission determines material deficiencies exist in the application, the application may be rejected.<sup>1</sup> The Commission's required contents of a STM application are provided in 16 TAC §§ 24.109 and 24.112. As detailed in the attached memo from Mary Lupo and Kristy Nguyen, in the Commission's Water Utilities Division,

<sup>1</sup> 16 TAC § 24.8(a).

Staff has reviewed the application and recommends that the application be found administratively incomplete pursuant to 16 TAC §§ 24.109 and 24.112.

Staff identified deficiencies in the application. Specifically, Monarch failed to answer all required questions in the application and include the necessary documentation as required by 16 TAC § 24.109.

Finally, Staff cannot make a recommendation on notice until the other deficiencies are cured. However, Staff does note that Applicant should include notice to the following entities: David Lee Sheffield and Temple Water Supply Corporation. Staff recommends that Applicant *should not* publish notice until their maps and 2-mile list of entities have been reviewed and approved by Commission Staff. Applicant may contact mapping staff for mapping and notice related guidance.

Pursuant to 16 TAC § 24.8 (a), the application is not considered filed until the Commission determines that the application, mapping requirements and proposed notice are administratively complete. Staff has identified deficiencies in the application and, therefore, recommends that the application package be found administratively incomplete pursuant to 16 TAC §§ 24.109 and 24.112.

### **III. PROPOSED PROCEDURAL SCHEDULE**

Due to the deficiencies in the application, Staff does not recommend a procedural schedule for the evaluation of the merits of the application at this time. Staff recommends that Applicants be given until January 7, 2016 to cure the deficiencies identified in the attached memorandum. Staff proposes a deadline of February 9, 2016 for Staff to file additional comments regarding administrative completeness, along with a proposed procedural schedule if deemed administratively complete.

### **IV. CONCLUSION**


Staff recommends that an order be entered consistent with this filing.

**DATE: December 7, 2015**

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

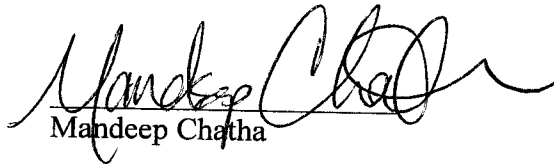
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**DOCKET NO. 45317**  
**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on December 7, 2015 in accordance with 16 TAC § 22.74.



Mandeep Chatha

## PUC Interoffice Memorandum

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**To:** Mandeep Chatha  
Legal Division

**Thru:** Tammy Benter, Director  
Water Utilities Division

**From:** Mary Lupo, Utility Rates Analyst  
Kristy Nguyen, GIS Specialist  
Water Utilities Division

**Date:** December 2, 2015

**Subject:** *Docket 45317, Application of Monarch Utilities 1, 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 1, L.P. (Monarch) and Romark Utility Company (Romark) (collectively Applicants) filed an application for approval of a sale, transfer, or merger of facilities and certificate rights in Polk County. The application was filed pursuant to criteria in Tex. Water Code Ann. § 13.301(TWC) and the 16 Tex. Admin. Code §§ 24.106, 24.109, and 24.112 (TAC). The application is being reviewed for administrative completeness pursuant to 16 TAC § 24.8(a). The parties seek approval to transfer the facilities and service area of Certificate of Convenience and Necessity (CCN) No. 10116 to Monarch, CCN No. 12983. As a result of the proposed transaction Romark's CCN No. 10116 would be cancelled and Monarch's CCN No. 12983 would be expanded to include the proposed area. In addition to the sale, transfer or merger, Monarch is requesting to decertify a portion, approximately 36 acres, of its existing water CCN No. 12983 and to add adjoining uncertified area of approximately 169 acres to its existing water CCN No. 12983.

Based upon review of the information submitted, Staff recommends that the Commission:

1. Find that the application is deficient and administratively incomplete;
2. Order the Applicants to provide proof that Monarch and Romark paid their Regulatory Assessment Fees (RAF) in full to Texas Commission on Environmental Quality (TCEQ).
3. Order the Applicants to complete #13 of the application and to provide a detailed list of the utility plant in service to be transferred to Monarch.
4. Order the Applicants to submit a legible copy of Romark's tariff.

5. Order the Applicant to provide confirmation that there are no customers in the area of decertification. Alternatively, if there are any customers in the area of decertification, to provide a description of how each customer's service will or will not be affected;
6. Inform the Applicants that:
  - a. In addition to the list of neighboring entities provided in the application, the Applicants should also provide notice to the following:
    1. David Lee Sheffield
    2. Temple WSC
  - b. Providing notice to any parties is not recommended until the application is deemed administratively complete.
  - c. During the technical review phase of the application, the Applicants will be required to provide consent from Trinity River Authority of Texas (Trinity) regarding the proposed overlap with Trinity.
  - d. During the technical review, the Applicants will be required to provide documentation from the Texas Commission on Environmental Quality showing proof that the Applicants have addressed outstanding enforcement issues.