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SOAH DOCKET NO. 473-16-2873
PUC DOCKET NO. 45570

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APPLICATION OF MONARCH §
UTILITIES I, L.P. TO CHANGE RATES §
FOR WATER AND SEWER SERVICE §

STATE OFFICE OF PUBLIC UTILITY COMMISSION
OF FILING CLERK
ADMINISTRATIVE HEARINGS

**MONARCH UTILITIES I, L.P.'S
MOTION TO ABATE DISCOVERY AND PROCEDURAL SCHEDULE**

Monarch Utilities I, L.P.'s, ("Monarch") files this Motion to Abate Discovery and Procedural Schedule in this docket and in support respectfully shows the following;

A. Monarch's Rate Filing Package

Within its rate filing package schedules, Monarch made specific known and measurable adjustments to exclude costs associated with two systems that were transferred after the end of the test year. These systems were the Blue Mound System, which included both water and wastewater customers, and the Oak Point/Midway System, which consisted of only water customers. During its preparation of responses to requests for information, Monarch determined that it had not removed the Blue Mound and Oak Point/Midway systems in allocating Corporate and Texas Utility Management Fee costs. The end result of the adjustment to remove those systems is that Monarch's share of those allocated costs is reduced and has also resulted in cost allocations between Monarch's internal water and wastewater operations to be shifted.

Overall the adjusted allocation of Corporate and Texas Utilities Management costs reduce Monarch's total revenue requirement below what it noticed by \$364,438. The adjusted allocation changes the distribution of the costs between Monarch's water and wastewater from 84% water and 16% wastewater to 86% and 14% respectively. Monarch considers the reduction in wastewater revenues as de minimus and has no intention of seeking an offsetting increase in its requested water rates due to cost-shifting.

B. Monarch's Advisement of Staff and OPUC

After learning of this error, Monarch met with both Commission Staff ("Staff") and the Office of Public Utility Counsel ("OPUC") on May 4, 2016, and advised both of the error and the total impact to Monarch's requested rate increase and cost of service. Monarch continued discussions with Staff regarding this issue in the days following their initial meeting. Based on those discussions, Monarch understands that it needs to provide complete errata schedules and

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workpapers that reflect the adjusted allocations. Additionally, Monarch appreciates that Staff and the other parties will need additional time to review the updated schedules and complete their pre-filed testimony. Monarch will be filing the errata schedules and workpapers with the Commission on Wednesday, May 18.

C. Abatement of Procedural Schedule and Discovery

To accommodate Staff and the other parties needing additional time to review the errata schedules and workpapers, Monarch is requesting that Administrative Law Judges (“ALJs”) issue an order abating all remaining procedural deadlines and discovery until such time that the parties may determine how much additional time Staff will need to review the errata schedules and workpapers, as well for the parties to propose an amended procedural schedule. Upon the ALJs establishing such an amended procedural schedule, Monarch will revise the effective date of its proposed rate increase to accommodate the new procedural schedule. When the ALJs establish the amended procedural schedule, the abatement will be lifted and this docket will proceed accordingly.

This motion is not intended to delay this proceeding, but to unencumber Monarch staff as it prepares the errata schedules and workpapers and to allow the parties sufficient time to propose an amended procedural schedule and review Monarch’s erratas.

D. Request for Interim Rates Effective September 1, 2016

To avoid any unnecessary harm as a result of this delay, counsel for Monarch, Staff, OPUC, and Texans Against Monopolies’ Excessive Rates (“TAMER”) have agreed that on September 1, 2016, Monarch’s currently effective rates will be set as interim rates. This agreement will allow for the final rates set in this proceeding to become effective as of September 1, 2016, pursuant to Tex. Water Code § 13.187(m). Monarch respectfully requests that an order be entered declaring that effective September 1, 2016, Monarch’s currently effective rates will be set as interim rates pursuant to Tex. Water Code § 13.187(l), until such time that the Commission sets a final rate.

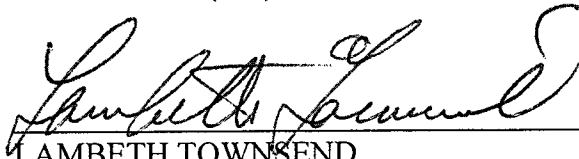
PRAYER

Wherefore, premises considered, Monarch respectfully requests that an order be entered abating this proceeding, including all discovery deadlines, until such time that the parties may agree to an amended procedural schedule and advise SOAH accordingly, declaring that

Monarch's current water and wastewater rates will become interim rates effective September 1, 2016, and granting any other relief to which Monarch shows that it is justly entitled.

Respectfully submitted,

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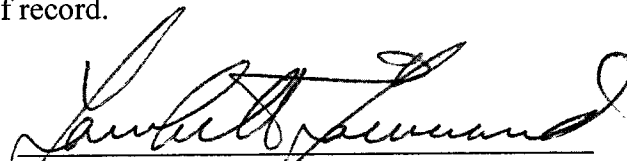
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WILLIAM A. FAULK, III
State Bar No. 24075674

ATTORNEYS FOR MONARCH UTILITIES I, LP

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of May, 2016, a true and correct copy of the foregoing document has been sent via facsimile, certified mail, return receipt requested, first class mail, or hand-delivered to all parties of record.



LAMBETH TOWNSEND