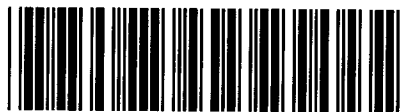




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SOAH DOCKET NO. 473-16-2873.WS  
PUC DOCKET NO. 45570

RECEIVED

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

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BEFORE THE STATE OFFICE

2016 MAY 18 AM 9:12  
PUBLIC UTILITY COMMISSION  
FILING CLERK

ADMINISTRATIVE HEARINGS

SOAH ORDER NO. 3  
GRANTING MOTION TO ABATE DISCOVERY AND  
PROCEDURAL SCHEDULE

On May 17, 2016, Monarch Utilities I, L.P. (Monarch) filed a motion to abate discovery and to abate the procedural schedule in this case. Monarch has found an error in its allocation of certain costs, which reduces and shifts cost allocations between Monarch’s internal water and wastewater operations. Monarch indicates that the adjusted allocation of these costs reduces Monarch’s total revenue requirement below the amount noticed in the application. However, it does change the distribution of the costs. Monarch believes that “the reduction in wastewater revenues [is] de minimus and [Monarch] has no intention of seeking an offsetting increase in its requested water rates due to cost-shifting.”<sup>1</sup> The Administrative Law Judge (ALJ) finds that, after making this adjustment, if Monarch is not seeking an increase in water or wastewater rates over the amount noticed in its application, additional notice is not necessary.

Monarch will file errata schedules and workpapers today. To accommodate Staff and other parties needing additional time to review these documents, Monarch requests abatement pending an opportunity for the parties to determine how much time is needed to review the new schedules and workpapers and for the ALJs to establish a new procedural schedule. The motion does not indicate whether Monarch is also seeking abatement of the hearing dates on June 8-14, 2016. However, as the hearing begins in less than a month, the ALJ assumes the motion for abatement includes the June hearing dates. Moreover, Monarch states that it will revise the effective date of its proposed rate increase to accommodate the new schedule.

<sup>1</sup> Monarch Utilities I, L.P.s Motion to Abated Discovery and Procedural Schedule (May 17, 2016) at 1.

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Monarch also requests that its current rates be set as interim rates effective September 1, 2016. Monarch states that it has discussed this request with the Staff of the Public Utility Commission of Texas, Office of Public Utility Counsel, and Texans Against Monopolies' Excessive Rates. However, there are also a number of unrepresented intervenors in this case. Therefore, the ALJ will not issue an order approving Monarch's request for interim rates until the deadline for filing a response to Monarch's motion has passed.

Monarch's motion for abatement of the procedural schedule, including discovery and the June hearing dates, is GRANTED contingent with a day for day extension of the effective date during the abatement period. This extension does not preclude Monarch from further extension of the effective date based upon a new schedule.

On or before May 31, 2016, Monarch shall, after consultation with as many parties as possible, either propose an amended procedural schedule, request a prehearing conference (providing three possible dates for such), or file a status report.

**SIGNED May 18, 2016.**



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**LILLO D. POMERLEAU**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS**