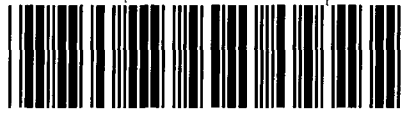




Control Number: 45570



Item Number: 327

Addendum StartPage: 0

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

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PUBLIC UTILITY COMMISSION
STATE CLERK

APPLICATION OF MONARCH § BEFORE THE STATE OFFICE
UTILITIES I, L.P. TO CHANGE RATES § OF
FOR WATER AND SEWER SERVICE § ADMINISTRATIVE HEARINGS

**MONARCH UTILITIES I, L.P.'S
MOTION TO GRANT INTERIM RATES**

Monarch Utilities I, L.P.'s, ("Monarch") files this Motion for Interim Rates, which Public Utility Commission ("Commission") Staff and the Office of Public Utility Counsel ("OPUC") support, and respectfully shows the following:

I. BACKGROUND

On February 29, 2016 Monarch filed its application to change rates for water and sewer service. On June 24, 2016 Monarch, with the consent of the intervening parties, filed its "Motion to Lift Discovery and Procedural Schedule Abatement and Grant Interim Rates." On July 1, 2016, in SOAH Order No. 4, the Administrative Law Judges ("ALJs") granted Monarch's request for interim rates, ordering that effective September 1, 2016, Monarch's current water and sewer rates would be set as interim rates pursuant to Texas Water Code § 13.187(l) until the Commission sets final rates.

On September 9, 2016, prior to the conclusion of the hearing on the merits, all parties to the proceeding reached a unanimous settlement agreement and reported to the ALJs that the parties agreed on the terms of the settlement. One of the terms was that to implement the agreed-upon revenue requirements for water and sewer service, Monarch would request interim rates to be effective October 1, 2016. Another agreed term was that a surcharge for service during the month of September would be imposed in the interim rate order to make the new interim rates relate back to September 1, 2016.

II. GRANTING OF INTERIM RATES & RELEVANT SURCHARGE

Pursuant to the settlement agreement reached by the parties on September 9, 2016, the parties have agreed to interim rates, as set forth in Exhibit "A" to this motion, to be put into effect October 1, 2016. According to 16 Tex. Admin. Code ("TAC") § 24.29(b), "[a]fter a hearing is convened, any party may petition the judge or Commission to set interim rates." As a result Monarch, in conjunction with Commission Staff and OPUC, respectfully requests that an order be entered declaring that, effective October 1, 2016, water and sewer rates as set out in Exhibit "A" be set as interim rates pursuant to Tex. Water Code § 13.187(1), until such time that the Commission sets a final rate.

Consistent with 16 TAC § 24.29(i), Monarch can be authorized by the Commission to collect from its customers the difference between final rates and the interim rates. Monarch has calculated the difference between the interim rates set pursuant to SOAH Order No. 4, which were charged to customers beginning September 1, 2016, and those that are requested to be authorized pursuant to this motion per each individual customer billed usage. Because the requested interim rates are the same as the agreed-upon final rates, Monarch, in conjunction with Commission Staff and OPUC, requests that the ALJs authorize the recovery of such difference through a surcharge to be added to the customers' November utility bill, as calculated in Exhibit "B" to this motion. The differences shown in Exhibit "B" can be applied to each customer's September bill and provide a surcharge tailored to each customer.

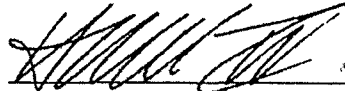
III. PRAYER

Wherefore, premises considered, Monarch, joined with Commission Staff and OPUC, respectfully requests that an order declaring that, effective October 1, 2016, the water and sewer rates as recommended in Exhibit "A" be set as interim rates pursuant to Tex. Water Code § 13.187(1), until such time that the Commission sets a final rate, authorizing the recovery of the

difference between interim rates set pursuant to SOAH Order No. 4 and the interim rates established pursuant to this motion through a surcharge to be added to customers' November utility bill, and granting any other relief to which Monarch shows that it is justly entitled.

Respectfully submitted,

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ATTORNEYS FOR MONARCH UTILITIES I, LP

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of September, 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.



WILLIAM A. FAULK, III

Monarch Utilities I, L.P.

Water Tariff Page 6

SECTION 1.0 - RATE SCHEDULE

Section 1.01 – Rates

Interim Rates Effective October 1, 2016*

Meter Size	Monthly Minimum Charge (Includes 0 gallons)	Gallage Charge
5/8"	\$49.30	\$7.47 per 1,000 gallons from 0 to 2,000 \$9.20 per 1,000 gallons 2,001 to 10,000 \$10.43 per 1,000 gallons 10,001 to 20,000 \$11.11 per 1,000 20,001 and thereafter
3/4"	\$73.95	
1"	\$123.25	
1-1/2"	\$246.49	
2"	\$394.38	
3"	\$739.47	
4"	\$1,232.44	
6"	\$2,464.89	
8"	\$3,943.82	

REGULATORY ASSESSMENT 1.0%
 PUC rules require the utility to collect a fee of one percent of the retail monthly bill.

FORM OF PAYMENT: THE UTILITY WILL ACCEPT THE FOLLOWING FORM(S) OF PAYMENT:

Cash Check Money Order MasterCard Visa and Electronic Fund Transfer

The Utility may require exact change for payments and may refuse to accept payment 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.

These interim rates were agreed to by the parties as part of the settlement reached in Public Utility Commission Docket No. 45570, *Application of Monarch Utilities I, L.P. to Change Rates for Water and Sewer Service.*

SECTION 1.0 - RATE SCHEDULE (Cont.)

Section 1.02 - Miscellaneous Fees

TAP FEE \$700.00
 Tap fee is based on the average of the utility's actual cost for materials and labor for standard residential connection of 5/8" meter plus unique costs.

TAP FEE (unique costs permitted by PUC rule) Actual Cost
 For example, a road bore for customers outside of subdivisions or residential areas.

LARGE METER TAP FEE Actual Cost
 TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" METERS.

RECONNECTION FEE
 THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill..... \$25.00
- b) Customer's request \$50.00
 Or other reasons listed under section 2.0 of this tariff

TRANSFER FEE..... \$45.00
 The transfer fee will be charged for changing an account name at the same service location when the service is not disconnected.

LATE CHARGE..... 10% of the delinquent bill
 A one-time penalty may be made on delinquent bills but may not be applied to any balance to which the penalty was applied in a previous billing.

RETURNED CHECK CHARGE..... \$25.00

CUSTOMER DEPOSIT - RESIDENTIAL..... \$50.00

CUSTOMER DEPOSIT - NON-RESIDENTIAL 1/6TH EST. ANNUAL BILL

METER TEST FEE (actual cost of testing the meter up to) \$25.00
 This fee 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.

SECTION 1.0 - RATE SCHEDULE (Cont.)

SEASONAL RECONNECTION FEE

Base rate for meter size times number of months off the system not to exceed six months when leave and return within a twelve-month period.

METER RELOCATION FEE.....Actual cost to relocate that meter
This fee may be charged if a customer requests relocation of an existing meter.

METER CONVERSION FEEActual cost to convert that meter
This fee may be charged if a customer requests change of size of an existing meter or change is required by material change in customer's service demand.

LINE EXTENSION AND CONSTRUCTION CHARGES:

Refer to Section 2.12 Specific Utility Service Rules and Section 3.02 Utility Specific Extension Policy for terms, conditions, and charges.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

Increases in inspection fees and water testing costs imposed by state or federal law may be passed through as an adjustment to the monthly base rate charge under the terms and conditions of 30 TAC 291.21(k)(2) after notice to customers and upon written approval by the PUC.

SUPPLEMENTAL EMERGENCY SERVICE FEE

Applicable to nonresidential water service customers that require supplemental service over and above their existing water service from time to time. Usage to be determined by customer. The minimum diameter for supplemental service meter shall be 2 inches.

MONTHLY SUPPLEMENTAL SERVICE RATE \$14.64 per inch diameter of service connection meter

SECTION 1.0 - RATE SCHEDULE (Cont.)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE – ALL WATER SUPPLY SUBJECT TO FEE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through utility-wide as an adjustment to the water gallonage charge according to the following formula:

- AG = $G + B/(1-L)$, where
- AG = adjusted gallonage charge, rounded to the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons);
- B = change (per 1,000 gallons) due to purchased water/district gallonage changes; and
- L = system average line loss for preceding 12 months not to exceed 0.15.

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE – PORTION OF WATER SUPPLY SUBJECT TO FEE:

Upon notice from a water supplier of either an increase or decrease in the cost of purchased water, the Utility shall provide notice to customers and the Commission of its intent to implement rates imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through Utility-wide as an adjustment to the water gallonage charge according to the following formula:

$$\begin{aligned} \text{Adjustment to the gallonage rate} &= AG = (CP/GB) \times 1,000 \\ \text{Adjustment to the minimum bill} &= AMB = GMB \times AG \end{aligned}$$

- CP = $CP_1 - CP_0$ = change in cost of purchased water;
- CP₁ = Cost of purchased water during the most recent 12 month period at the new rate;
- CP₀ = Cost of purchased water during the most recent 12 month period at the previous rate;
- GMB = Number of gallons in the minimum bill, divided by 1,000; and
- GB = Number of gallons billed to customers in excess of the amount included in the monthly minimum bill for the 12 month period used above.

SECTION 1.0 - RATE SCHEDULE (Cont.)

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = \frac{cgc + (pr)(cgc)(r)}{(1.0-r)}$$

Where:

- TGC = temporary gallonage charge;
- cgc = current gallonage charge;
- r = water use reduction expressed as a decimal fraction (the pumping restriction); and
- pr = percentage of revenues to be recovered expressed as a decimal fraction. For this tariff, prr shall equal 0.5.

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 30 TAC 291.21(l).

METER TAMPERING, DAMAGE OR SERVICE DIVERSION PENALTY:

One time penalty per occurrence for tampering with or damaging a water meter or any appurtenance thereto including locks and meter boxes or service diversion of one hundred dollars (\$100.00).

FRANCHISE FEE PASS THROUGH CLAUSE:

Charges a municipality makes for use of streets and alleys pursuant to Tax Code §182.025 or other applicable state law not to exceed 2% or the actual amount charged by the municipality shall be passed through utility-wide as an adjustment to the water gallonage charge according to the following formula:

$$AG = G + B, \text{ where,}$$

- AG = adjusted gallonage charge, rounded to the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons); and
- B = projected franchise fees payable (per 1,000 gallons).

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Interim Rates Effective October 1, 2016*

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$75.26	\$2.64 per 1,000 gallons
3/4"	\$112.90	
1"	\$188.16	
1 1/2"	\$376.31	
2"	\$602.11	
3"	\$1,128.95	
4"	\$1,881.58	
6"	\$3,763.18	
8"	\$6,020.97	

Residential sewer service will be billed year round using that service connection's average winter water consumption during December, January and February. Single family residential service connections without a historic average will have an imputed average of 5,000 gallons until they have established an average. A new single family residential customer may request a true-up based on their first actual winter average for the months that an imputed average was applied. Such request must be made within 60 days of the billing date of the customer's first bill with their actual winter average. Multi-family residential service connections without a historic winter average will have an imputed average of 5,000 gallons per residential unit until they have established an average.

Non-residential service connections will be billed on actual monthly water consumption without the use of winter averaging.

* These interim rates were agreed to by the parties as part of the settlement reached in Public Utility Commission Docket No. 45570, *Application of Monarch Utilities I, L.P. to Change Rates for Water and Sewer Service.*

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash , Check , Money Order , MasterCard , Visa , 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%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 – Miscellaneous Fees

TAP FEE (Gravity sewer, street or easement installation) \$700.00

TAP FEE (Pressure sewer, non-rock installation) \$1,525.00
TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

TAP FEE (Pressure sewer, rock installation) \$3,776.00
TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

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

ACCOUNT SET UP FEE \$25.00
FEE TO SET UP ACCOUNT FOR NEW CUSTOMER APPLYING FOR SEWER SERVICE ONLY.

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill (Maximum \$25.00) \$25.00
 - b) Customer's request \$50.00
- or other reasons listed under section 2.0 of this tariff.

TRANSFER FEE \$45.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE.....10%
A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE..... \$25.00

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

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT..... 1/6TH ESTIMATED ANNUAL BILL

SERVICE RELOCATION FEEActual cost to relocate that service connection
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING
SERVICE CONNECTION.

SEASONAL RECONNECTION FEE:
BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX
MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

LINE EXTENSION AND CONSTRUCTION CHARGES:
REFER TO SECTION 2.12 SPECIFIC UTILITY SERVICE RULES AND SECTION 3.02 UTILITY
SPECIFIC EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:
INCREASE IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR
FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE
RATE CHARGE UNDER THE TERMS AND CONDITIONS OF 30 TAC 291.21(k)(2) AFTER
NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE PUC.

DAMAGE OR SERVICE DIVERSION FEE\$100.00
ONE TIME PENALTY FOR TAMPERING WITH OR DAMAGING A SEWER SERVICE
CONNECTION, OR ANY APPURTENANCE THERETO, INCLUDING PUMPS OR SERVICE
DIVERSION.

FRANCHISE FEE PASS THROUGH CLAUSE:
Charges a municipality makes for use of streets and alleys pursuant to tax code §182.025
or other applicable state law not to exceed 2% or the actual amount charged by the
municipality shall be passed through utility-wide as an adjustment to the sewer
gallonge charge according to the following formula:

$$AG = G + B$$

Where:

- AG = adjusted gallonge charge, rounded to the nearest one cent;
- G = approved gallonge charge (per 1,000 gallons) and
- B = projected franchise fees payable (per 1,000 gallons).

PURCHASED SEWER PASS THROUGH CLAUSE:
Changes in fees imposed by any non-affiliated third party wholesale sewer service
provider shall be passed through utility-wide as an adjustment to the sewer gallonge
charge according to the following formula:

$$AG = G + B$$

Where:

- AG = adjusted gallonge charge, rounded to the nearest one cent;
- G = approved gallonge charge (per 1,000 gallons) and
- B = change in purchased sewer service gallonge charge (per 1,000 gallons).

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

Water Rate Design

APPLICANT'S PREVIOUS INTERIM RATES		
Minimum Bill		
(includes 0 gallons)		
5/8"		\$45.23
3/4"		\$67.84
1"		\$113.07
1 1/2"		\$226.14
2"		\$361.82
3"		\$678.41
4"		\$1,130.68
6"		\$2,261.37
8"		\$3,618.18
Gallage Rates		
0	to	2,000
		\$6.85
2,001	to	10000
		\$8.44
10001	to	20000
		\$9.57
20001	+	\$10.19

SETTLED INTERIM RATES		
Minimum Bill		
(includes 0 gallons)		
5/8"		\$49.30
3/4"		\$73.95
1"		\$123.25
1 1/2"		\$246.49
2"		\$394.38
3"		\$739.47
4"		\$1,232.44
6"		\$2,464.89
8"		\$3,943.82
Gallage Rates		
0	to	2,000
		\$7.47
2,001	to	10000
		\$9.20
10001	to	20000
		\$10.43
20001	+	\$11.11

DIFFERENCE	
	\$4.07
	\$6.11
	\$10.18
	\$20.35
	\$32.56
	\$61.06
	\$101.76
	\$203.52
	\$325.64
	\$0.62
	\$0.76
	\$0.86
	\$0.92

Sewer Rate Design

APPLICANT'S PREVIOUS INTERIM RATES		
Minimum Bill		
(includes 0 gallons)		
5/8"		\$67.80
3/4"		\$101.71
1"		\$169.51
1 1/2"		\$339.02
2"		\$542.44
3"		\$1,017.07
4"		\$1,695.12
6"		\$3,390.25
8"		\$5,424.30
Gallage Rates		
All Usage		\$2.38

SETTLED INTERIM RATES		
Minimum Bill		
(includes 0 gallons)		
5/8"		\$75.26
3/4"		\$112.90
1"		\$188.16
1 1/2"		\$376.31
2"		\$602.11
3"		\$1,128.95
4"		\$1,881.58
6"		\$3,763.18
8"		\$6,020.97
Gallage Rates		
All Usage		\$2.64

DIFFERENCE	
	\$7.46
	\$11.19
	\$18.65
	\$37.29
	\$59.67
	\$111.88
	\$186.46
	\$372.93
	\$596.67
	\$0.26