



Control Number: 45570



Item Number: 411

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PUBLIC UTILITY COMMISSION
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OPEN MEETING COVER SHEET BULLET POINTS

MEETING DATE: August 17, 2017

DATE DELIVERED: August 10, 2017

AGENDA ITEM NO.: 31

CAPTION: Docket No. 45570; SOAH Docket No. 473-16-2873.WS -
Application of Monarch Utilities I, LP for
Authority to Change Rates

ACTION REQUESTED: Discussion and possible action with respect
to the Proposed Order.

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Commissioner

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Commissioner

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Public Utility Commission of Texas

PUBLIC UTILITY COMMISSION
FILING CLERK

TO: Kenneth W. Anderson, Jr., Commissioner
Brandy Marty Marquez, Commissioner

All Parties of Record

FROM: Irene Montelongo 
Director, Docket Management

RE: **Open Meeting of August 17, 2017**
PUC Docket No. 45570
SOAH Docket No. 473-16-2873.WS – Application of Monarch Utilities I, LP for Authority to Change Rates

DATE: August 10, 2017

On July 19, 2017, a Proposed Order in the above-referenced docket was issued. The Commission is currently scheduled to consider this docket at an open meeting to begin at 9:30 a.m. on Thursday, August 17, 2017, at the Commission's offices, 1701 North Congress Avenue, Austin.

On July 31, 2017, Monarch Utilities I, L.P., Commission Staff, and Office of Public Utility Counsel (collectively, parties) filed a joint request for corrections to Attachment C and modification to finding of fact 49 of the Proposed Order.

On August 8, 2017, the administrative law judge filed a memorandum questioning the corrections to Attachment C and addressing the modifications to finding of fact 49 from those provided with the parties' original proposal.

On August 9, 2017, the parties responded to the memorandum, filing a Corrected Attachment C and restating their request for modifications to finding of fact 49.

The Corrected Attachment C is included with this memorandum to be substituted for Attachment C to the originally-filed Proposed Order.

Finding of fact 49 is revised, as modified below:

49. The signatories agree that approval of total invested capital (rate base) as of June 30, 2015, in the amount of \$82,005,713, is reasonable and in the public interest. Monarch's rate base, delineated in more detail and as summarized on page 90 of Attachment B to the agreement, consists of the following:



Original Cost of Utility Plant	\$ 128,166,141
Accumulated Depreciation	\$ (40,957,108)
<i>Net Plant</i>	\$ 87,209,033
<i>Other Rate Base Items</i>	
Working Cash Allowance	\$ 437,580
Other Prepayments	\$ 58,199
Materials and Supplies	\$ 352,108
Customer Deposits	\$ (576,101)
Contributions in Aid of Construction	\$ (4,907,869)
Customer Advances Construction	\$ (567,237)
Total Other Rate Base Items	\$ (5,203,320)
<i>Total Invested Capital</i>	\$ 82,005,713

The signatories further agree to the depreciation rates set out in the depreciation schedule, which are to be consistently applied as described in Attachment B to the agreement. Monarch will use those rates for both regulatory accounting and other regulatory purposes unless the rates are altered by a subsequent order. No specified return on equity is needed or authorized as a result of this proceeding.

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MONARCH GAIN ON SALE REFUND

- Monarch shall refund \$1,500,000 to retail customers over one year beginning no later than 45 days from the entry of the Commission's Order
- For the purpose of calculating the refund amount, there are 22,762 water customers and 3,650 sewer customers, for a total of 26,412 customers
- The refund amount is \$4.73 per month and will be credited to customer bills
- Water only customers will be credited \$4.73 per month
- Sewer only customers will be credited \$4.73 per month
- Water and sewer customers will be credited \$9.46 per month
- The credit will be identified on the bills as "Gain on Sale Refund" and a bill message on the first bill will describe the refund process
- For customers with active accounts on the date of the Commission's Order, bill credits will begin no later than 45 days after the Commission's Order
- Refunds will continue for twelve consecutive months
- At the end of the refund period, the amount refunded to customers shall be reported to the Commission
- A final true-up refund credit (or charge, if the refund exceeds \$1,500,000) will be made based on the total amount refunded
- The true up payment on the gain on sale refund (or charge) will be 90 days from the customer's last refund. Monarch will need 30 days for the bill to be past the delinquent due date, then 30 days for accounting to finalize the amount refunded, and then 30 days to program the refund (or charge)
- A new customer account, opened after the date of the Commission's Order, must be active to receive the refund credit
- Refund credits will end when a customer moves out from the system
- All retail customers, except those within the city limits of the City of Buda, City of Ivanhoe, and City of Kyle, are eligible to receive the refund
- Monarch may, at its sole discretion, pay any remaining refund balance at any time before the end of the one year period