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OPEN MEETING COVER SHEET

MEETING DATE: August 17, 2017
DATE DELIVERED: August 16, 2017
AGENDA ITEM NO.: 31
CAPTION: Docket No. 45570; *Application of Monarch Utilities I, LP for Authority to Change Rates*
ACTION REQUESTED: Memo from Commissioner Marquez

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Public Utility Commission of Texas

Memorandum

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PUBLIC UTILITY COMMISSION
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TO: Commissioner Kenneth W. Anderson, Jr.

FROM: Commissioner Brandy Marty Marquez

DATE: August 16, 2017

RE: Open Meeting of August 17, 2017 – Agenda Item No. 31
Final Order, P.U.C. Docket No. 45570; *Application of Monarch Utilities I, LP for Authority to Change Rates*

I recommend that the Commission adopt the following changes to the proposal for decision in this docket:

(a) Finding of fact 61 should be modified, as follows, because the parties did not announce a settlement until day three of the hearing on the merits.

61. The rates, terms, and conditions of the tariffs resulting from the agreement are just and reasonable ~~when the benefits of avoiding an expensive contested case hearing are considered.~~

(b) Finding of fact 6 should be modified, as follows, because other parties did file motions to intervene but their motions were not timely.

6. ~~Timely motions~~ Motions to intervene in this proceeding were filed by the Office of Public Utility Counsel (OPUC), Texas ~~Texas~~ Against Monopolies' ~~for~~ Excessive Rates (TAMER), Joe Merritt, Marcus Cherry, Robert Beieler, Mike Jenkins, Dale R. McHaney, Kathy McGuire, Kathy Nielsen, Annette Gabbert, Brian Morgan, Marni Smith, and Kathy Barker.

(c) The following should be added as a new finding of fact:

Monarch's invested capital that is used and useful as of June 30, 2015 is \$82,005,713, as set forth in Attachment B of the agreement. The facilities used and useful in providing utility service as of June 30, 2015, as set out in Attachment B to the agreement, are binding on the parties to this agreement in future rate cases.

(d) Ordering paragraph 5 should be modified as follows:

5. ~~Consistent with the agreement,~~ Monarch shall use the depreciation rates, ~~which are to be consistently applied,~~ set out in Attachment B to the agreement. These rates shall be applied in a consistent manner. ~~It is ordered that Monarch's invested capital as of June 30, 2015, of \$82,005,713 and used and useful and the depreciation thereon as of the end of the Test Year as set forth in the~~

Public Utility Commission of Texas

Memorandum

~~schedules attached to Attachment B of the agreement is reasonable and used and useful.~~ The facilities used and useful in providing utility service as of June 30, 2015, as set out in Attachment B to the agreement shall be binding on the parties to this agreement in future rate cases for purposes of determining Monarch's total rate base as of June 30, 2015.

- (e) Ordering paragraph 1 should be modified as follows:
 - 1. Consistent with the agreement and this Order, Monarch's application is approved. All parties shall comply with the terms of the agreement.

- (f) Ordering paragraph 6 should be modified as follows:
 - 6. The parties shall file a joint motion to dismiss Docket No. 46216, in satisfaction of their agreement regarding rate-case expenses. Consistent with the agreement, any rate-case expenses that are not in rates and that were incurred or will be incurred in relation to this proceeding are not recoverable.

I look forward to discussing this docket with you at the open meeting.