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**DOCKET NO. 49660**

**APPLICATION OF NI AMERICA  
TEXAS, LLC AND MONARCH  
UTILITIES I L.P. FOR SALE,  
TRANSFER, OR MERGER OF  
FACILITIES AND CERTIFICATE  
RIGHTS IN JOHNSON AND WISE** §  
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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**2020 JAN 27 PM 2:47**  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION ON APPROVAL OF SALE**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files this Commission Staff's Recommendation on Approval. Staff recommends that the application be approved, and in support, shows the following:

**I. BACKGROUND**

On June 21, 2019, NI America Texas, LLC (NI America Texas) and Monarch Utilities I L.P. (Monarch) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger (STM) of facilities and certificate and convenience and necessity rights (CCN) in Johnson and Wise Counties. The STM is for the purpose of consolidation. Specifically, the Applicants seek approval for the transfer of water facilities and water service area under CCN No. 11922, the cancellation of Ni America Texas's CCN No. 11922, and the amendment of the water CCN No. 12983 to include the area currently under CCN No. 11922. SouthWest Water Company is the parent company of both Monarch and Ni America Texas, to whom they provide operations and customer service via the Texas Utilities Group of SouthWest Water. The requested transfer area includes approximately 5,225 acres, with 1,166 current customers. The Applicants filed supplemental information on August 22, 2019; September 6, 2019; and September 11, 2019. On September 23, 2019, Staff filed a recommendation that the application be found administratively complete along with proposed notice.

On September 30, 2019, Order No. 4 was issued, finding the application sufficient and establishing a deadline of 10 days after the Applicants' filing of proof of notice for Staff to file a recommendation on that notice. On October 15, 2019, Applicants filed information attesting to notice for this application, which established a deadline of October 25, 2019 for Staff to file a recommendation on notice. On that date, Staff submitted a filing recommending that notice be found sufficient. Order No. 5, issued on October 30, 2019, found that notice was sufficient.

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In Order No. 7, the ALJ issued an amended procedural schedule and set a deadline of January 16, 2020 for Staff to request a hearing or file a recommendation on the approval of the sale and on the CCN amendment.

## **II. RECOMMENDATION ON APPROVAL OF SALE**

As supported by the attached memorandum of Fred Bednarski III of the Commission's Rate Regulation Division and Patricia Garcia of the Commission's Infrastructure Division, Staff recommends that the ALJ find that the transaction will serve the public interest and that the Applicants be allowed to proceed with the proposed transaction.

Staff notes that 616 customers' deposits are held by Ni America Texas for the customers currently served by Ni America Texas. If there are outstanding customer deposits, 16 TAC §§ 24.239(m)(1-4) require that, within 30 days of the actual effective date of the transaction, the transferor and transferee to file with the Commission, under oath a list showing:

1. the names and addresses of all customers who have a deposit on record with the transferor;
2. the date such deposit was made;
3. the amount of the deposit; and
4. the unpaid interest on the deposit. All such deposits shall be refunded to the customer or transferred to the transferee, along with all accrued interest.

Staff therefore recommends that the Applicants be required to file with the Commission, under oath, a list showing the above.

Staff further recommends that a public hearing is not necessary.

## **III. CONCLUSION**

For the reasons discussed above, Staff respectfully requests that the ALJ issue an order approving the sale and allowing the transaction to proceed.

Dated: January 21, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record  
January 21, 2020, in accordance with 16 TAC § 22.74.



Merritt Lander