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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
COUNTIES** §
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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF’S SUPPLEMENTALRECOMMENDATION
ON SUFFICIENCY OF CLOSING DOCUMENTS**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Commission Staff’s Supplemental Recommendation on Sufficiency of Closing Documents. Staff recommends that the closing documents be deemed sufficient, 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 (Application) for approval of the sale, transfer, or merger (STM) of facilities and certificate and convenience and necessity (CCN) rights 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 Monarch’s 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 which it provides operations and customer service via the Texas Utilities Group of SouthWest Water. The requested transfer area includes approximately 5,225 acres and 1,166 current customers.

On July 8, 2020, the administrative law judge (ALJ) issued Order No. 11, which established a deadline of July 31, 2020, for Staff to file a supplemental recommendation on the sufficiency of the closing documents and customer deposit information and propose a procedural schedule for further processing of the docket. Therefore, this pleading is timely filed.

II. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents and customer deposit information filed by Applicants on June 12 and 24, 2020, and July 6 and 16, 2020. Based on its review, Staff has determined that, cumulatively, Applicants' filings meet the requirements of 16 Texas Administrative Code (TAC) §§ 24.239(k)-(n). The transaction was completed following the issuance of Order No. 10, wherein Monarch, the transferee, received notice from the Commission that the transaction between the Applicants could proceed and be consummated. Applicants submitted an executed bill of sale and assignment, an affidavit attesting to having addressed customer deposits, and a list of customer deposits that included the information required under 16 TAC § 24.239(m).

Staff recommends that the bill of sale and assignment meets the requirements of 16 TAC § 24.239(n). The bill was filed within 30 days of the June 1, 2020, effective date of the transaction and is signed by Jeffrey L. McIntyre who is a representative of both Applicants. Staff further recommends that the proof that customer deposits have been addressed be found sufficient. In the Application, the Applicants provided a list of 616 customer deposits affected by the transfer,¹ but, in the list of customer deposits filed following the completion of the transaction, only 573 customers are listed, 180 of whom are not included on the initial Application list. On July 6, 2020, the Applicants submitted a letter and accompanying customer list explaining that the discrepancies were the result of new deposits made between May 2019 and June 2020 and deposits refunded between May 2019 and June 2020. Based on the Applicants' filing submitted on July 6, 2020, Staff respectfully recommends a finding that the customer deposit information provided is sufficient.

III. PROCEDURAL SCHEDULE

In accordance with Staff's recommendation that Applicants' closing documents and customer deposit information be found sufficient, Staff proposes the following procedural schedule:

¹ Application at Part B, Question No. 5 and List of Customer Deposits (Jun. 21, 2019).

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent	August 14, 2020
Deadline for applicant to file signed consent forms with the Commission	August 28, 2020
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	September 4, 2020

IV. CONCLUSION

For the reasons detailed above, Staff respectfully requests that an order be issued finding that the closing documents and customer deposit information filed by the Applicants are sufficient. Staff further requests that the procedural schedule above be adopted for continued processing of this docket.

Dated: July 28, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record on July 28, 2020 in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Merritt Lander _____
Merritt Lander