

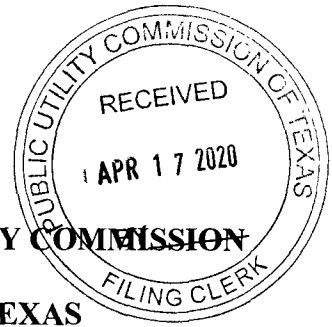
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DOCKET NO. 50424



**APPLICATION OF MONARCH
UTILITIES 1, L.P. AND GOINS
UTILITY SERVICE LLC FOR SALE,
TRANSFER, OR MERGER OF
FACILITIES AND UNCERTIFICATED
AREA IN POLK COUNTY** §
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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF’S SUPPLEMENTAL RECOMMENDATION ON
ADMINISTRATIVE COMPLETENESS AND PROPOSED PROCEDURAL SCHEDULE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and in response to Order No. 3, files this Supplemental Recommendation on Administrative Completeness and Proposed Procedural Schedule. Staff continues to recommend that the application be deemed administratively incomplete. In support thereof, Staff shows the following:

I. BACKGROUND

On January 8, 2020, Monarch Utilities 1, L.P. (Monarch) and Goins Utility Service LLC (Goins) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and uncertificated area in Polk County. Monarch seeks to purchase all the water and wastewater assets of Goins. The requested sale and transfer includes 30 acres and 36 connections. The Applicants filed supplemental information to their application on March 10, 2020 and on April 7, 2020.

On April 15, 2020, the administrative law judge (ALJ) issued Order No. 3, establishing a deadline of April 17, 2020, for Staff to file a supplemental recommendation regarding the administrative completeness of the application and notice, along with a proposed procedural schedule, if appropriate. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information and, as detailed in the attached memorandum from Elisabeth English, Infrastructure Division, continues to recommend that the application be found administratively incomplete. Specifically, Staff has identified deficiencies in the application’s content. Staff recommends that the Applicants submit additional information to supplement the application as further detailed in the attached memorandum.

III. COMMENTS ON PROCEDURAL SCHEDULE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for the further processing of the docket at this time. Staff recommends that the Applicants be ordered to cure the deficiencies identified in Ms. English's memorandum by May 8, 2020, and that Staff be given a deadline of June 8, 2020, to file a supplemental recommendation on the administrative completeness of the application. Additionally, the Applicants should not issue notice until the application is found administratively complete. Staff intends to propose a procedural schedule alongside a subsequent recommendation for application sufficiency.

IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that the application be found administratively incomplete at this time and that the Applicants be ordered to file a supplement addressing the identified deficiencies in the application by May 8, 2020.

Dated: April 17, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Heath D. Armstrong
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/s/ Taylor P. Denison

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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 via electronic mail on April 17, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Taylor P. Denison
Taylor P. Denison

PUC Interoffice Memorandum

To: Taylor Denison, Attorney
Legal Division

From: Elisabeth English, Engineering Specialist
Infrastructure Division

Fred Bednarski, Financial Examiner
Rate Regulation Division

Date: February 17, 2020

Subject: **Docket No. 50424:** *Application of Monarch Utilities 1, L.P. and Goins Utility Service LLC for Sale, Transfer, or Merger of Facilities and Uncertificated Area in Polk County*

On January 8, 2020, Goins Utility Service LLC (Goins or Seller) and Monarch Utilities 1, L.P. (Monarch or Buyer) (collectively "Applicants") filed an application for Sale, Transfer, or Merger (STM) for facilities and uncertificated area in Polk County, Texas. The STM application is being reviewed consistent with 16 Texas Administrative Code (TAC) §§ 24.227 and 24.239 and Texas Water Code (TWC) §§ 13.241, 13.246, and 13.301. Monarch seeks an amendment to its water Certificate of Convenience and Necessity (CCN) No. 12083 and sewer CCN No. 20899 for the incorporation of Goins' service area, which is currently operated without a water or sewer CCN, and the purchase of the assets used in the provision of utility service. The application also seeks approval for the decertification of a portion of Lake Livingston Water Supply Corporation's (LLWSC) water CCN No. 10147.

On March 10, 2020 and April 7, 2020, the Applicants filed supplemental information to address the mapping, service area, and financial deficiencies identified in Staff's previous memo. Staff recommends that the application continue to be deemed administratively incomplete and not accepted for filing at this time. Staff requests that the Applicants be ordered to supplement their application by addressing the financial deficiencies discussed below.

1. Completed Appendix B for providing water service to Goins Utility Service LLC's customers.
2. Completed Appendix B for providing sewer service to Goins Utility Service LLC's customers.
3. Provide a revenue proof indicating the requested water and sewer rates support Appendix B amounts.