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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 OF POLK COUNTY § § § § § §

PUBLIC UTILITY COMMISSION OF TEXAS BY FILING CLERK

COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS, PROPOSED NOTICE, AND PROCEDURAL SCHEDULE

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and in response to Order No. 4, files this Supplemental Recommendation on Administrative Completeness, Proposed Notice, and Procedural Schedule. Staff recommends that the application be deemed administratively complete. 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 36 connections and approximately 17 total acres for the requested water service area and approximately 24 total acres for the requested sewer service area. The Applicants filed supplemental information to their application on March 10, 2020, April 7, 2020, and on April 27, 2020.

On April 20, 2020, the Commission administrative law judge (ALJ) issued Order No. 4, requiring Staff to file a supplemental recommendation regarding the administrative completeness of the application, along with a proposed procedural schedule for further processing of the application, by June 8, 2020. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information filed by the Applicants and, as detailed in the attached memorandum from Heidi Graham, Infrastructure Division,

recommends that it be found administratively complete and accepted for filing. Staff's recommendation on administrative completeness is not a comment on the merits of the application, but only that the application content is complete for further processing.

### III. NOTICE

As detailed in the attached memorandum, Staff recommends that the Applicants proceed with providing notice. Staff notes that Monarch has requested that the water and sewer rates be increased to Monarch's existing rates, phased in over a five-year period as a result of the transaction. The merits of the requested rate change will be addressed in Staff's final recommendation, and Staff has amended the notice forms attached to provide notice to Goins' customers of Monarch's requested rate.

Staff recommends that the Applicants be directed to use the attached *Notice for Publication* form to publish notice once each week for two consecutive weeks in a newspaper of general circulation in Polk County. Staff further recommends that the Applicants be directed to use the attached *Notice to Neighboring Systems, Landowners, Customers and Cities* form to complete the following actions:

- 1) Provide notice of the application to the following:
  - a. Cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area;
    - David Lee Sheffield (CCN No. 11997)
    - Lake Livingston Water Supply & Sewer Service (CCN No. 10147)
    - Texas Landing Utilities (CCN No. 20569)
    - Trinity River Authority of Texas
  - b. The county judge of each county that is wholly or partially included in the requested area;
    - Polk County Judge
  - c. Each groundwater conservation district that is wholly or partially included in the requested area;
    - Lower Trinity GCD
  - d. Landowners who own a tract of land that is at least 25 acres and is wholly or partly located in the requested area to be certified. The landowner information may be obtained from the county appraisal district tax rolls for the county or counties in which the requested area is located;

- e. Any affected customers, and other affected parties in the requested area; and
  - f. Publish notice once each week for two (2) consecutive weeks in a newspaper of general circulation in Polk County.
- 2) Provide an accurate map delineating the requested service area with each individual notice to neighboring utilities, other affected parties, landowners and customers. Information related to districts including addresses can be obtained by the Applicant from the TCEQ web site located at <http://www14.tceq.texas.gov/iwud/>.
  - 3) File in the docket a map and copy of notice along with an affidavit specifying every person and entity to whom notice was provided and the date that the notice was provided. It is recommended that the Applicant use the attached notice and affidavit to meet these requirements.

**IV. PROCEDURAL SCHEDULE**

Staff recommends the application be found administratively complete. Therefore, Staff proposes the following procedural schedule:

Event	Date
Deadline for Monarch and Goins to file with the Commission signed affidavits that the notice was given along with a copy of the notice sent to the affected parties and published in a newspaper of general circulation	July 8, 2020
Deadline for Staff to file a recommendation on sufficiency of notice	July 15, 2020
Deadline to intervene	Thirty (30) days after notice is issued

**V. CONCLUSION**

For the reasons detailed above, Staff recommends that the application be found administratively complete, that Applicants be directed to provide notice as detailed in the attached memorandum, and that the proposed procedural schedule be adopted.

Dated: June 8, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Heath D. Armstrong  
Managing Attorney

/s/ Taylor P. Denison  
Taylor P. Denison  
State Bar No. 24116344  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7203  
(512) 936-7268 (facsimile)  
taylor.denison@puc.texas.gov

**DOCKET NO. 50424**

**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 June 8, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Taylor P. Denison  
Taylor P. Denison

## PUC Interoffice Memorandum

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**To:** Taylor Denison, Attorney  
Legal Division

**From:** Heidi Graham, Program Specialist VII  
Infrastructure Division

Fred Bednarski, Financial Analyst  
Rate Regulation Division

**Date:** June 8, 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, Monarch Utilities 1, L.P. (Monarch or Purchaser) and Goins Utility Service LLC (Goins or Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Polk County, Texas, according to Texas Water Code (TWC) §§ 13.242 to 13.250 and § 13.301 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237 and § 24.239.

Specifically, Monarch, water Certificate of Convenience and Necessity (CCN) No. 12983 and sewer CCN No. 20899, seeks approval to acquire facilities and to incorporate all of Goins' water and sewer uncertificated service area. In addition, Lake Livingston Water Supply & Sewer Service, CCN No. 10147, has agreed to decertify a portion of its water service area, which is approximately 5 acres, and Monarch requests to amend the area to CCN No. 12983.

The requested water service area includes approximately 17 total acres and 36 current customers.

The requested sewer area includes approximately 24 total acres and 36 current customers.

The area of Lake Livingston Water Supply & Sewer Service (CCN No. 10147) to be decertified is approximately 5 acres and has no customers.

The Staff from the Infrastructure Division and the Rate Regulation Division have reviewed the application and supplemental information filed by the Applicants and recommend that the application be deemed sufficient for filing and found administratively complete. Staff further recommends the Applicants be ordered to do the following:

- 1) Provide notice of the application to the following:
  - a. Cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area;
    - David Lee Sheffield (CCN No. 11997)
    - Lake Livingston Water Supply & Sewer Service (CCN No. 10147)
    - Texas Landing Utilities (CCN No. 20569)
    - Trinity River Authority of Texas

- b. The county judge of each county that is wholly or partially included in the requested area;
    - Polk County Judge
  - c. Each groundwater conservation district that is wholly or partially included in the requested area;
    - Lower Trinity GCD
  - d. Landowners who own a tract of land that is at least 25 acres and is wholly or partly located in the requested area to be certified. The landowner information may be obtained from the county appraisal district tax rolls for the county or counties in which the requested area is located;
  - e. Any affected customers, and other affected parties in the requested area; and
  - f. Publish notice once each week for two (2) consecutive weeks in a newspaper of general circulation in Polk County.
- 2) Provide an accurate map delineating the requested service area with each individual notice to neighboring utilities, other affected parties, landowners and customers. Information related to districts including addresses can be obtained by the Applicant from the TCEQ web site located at <http://www14.tceq.texas.gov/iwud/>.
- 3) File in the docket a map and copy of notice along with an affidavit specifying every person and entity to whom notice was provided and the date that the notice was provided. It is recommended that the Applicant use the attached notice and affidavit to meet these requirements.

Please note, Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed Staff may send requests for information (RFI) to the Applicant(s). The Applicant(s) will have 20 days from the receipt of the RFI to respond unless additional time is requested by the Applicant(s).





phased-in for current customers of Goins as follows, with “STM Approval” referring to the date the transaction closes if it is approved by the Commission:

	Monarch Utilities 1, LP					
	Current	STM Approval	Year 1	Year 2	Year 3	Year 4
Goins Sewer Flat	\$36.50	\$45.16	\$52.68	\$60.21	\$67.73	\$75.26
Goins Water						
Minimum Monthly Charge	\$36.50	\$29.58	\$34.51	\$39.44	\$44.37	\$49.30
Tier 1	\$0.00	\$3.47	\$4.05	\$4.63	\$5.21	\$5.79
Tier 2	\$3.30	\$3.47	\$4.05	\$4.63	\$5.21	\$5.79
Tier 3	\$3.30	\$4.51	\$5.26	\$6.02	\$6.77	\$7.52
Tier 4	\$3.30	\$5.25	\$6.13	\$7.00	\$7.88	\$8.75
Tier 5	\$3.30	\$5.66	\$6.60	\$7.54	\$8.49	\$9.43
Purchased Water Passthrough	\$0.00	\$1.36	\$1.59	\$1.82	\$2.04	\$2.27

*Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date. The letter must include the person's name, address, email address and fax number if applicable.*

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the requested area, may file a written request with the Commission to be excluded from the requested area (“opt out”) within (30) days from the date that notice was provided by the Utility. All opt out requests must include a large-scale map, a metes and bounds description of the landowner’s tract of land, landowner’s name, address, email address and fax number, if applicable.

Persons who wish to request this option should file the required documents with the:

Public Utility Commission of Texas  
Central Records  
1701 N. Congress, P. O. Box 13326  
Austin, TX 78711-3326

In addition, the landowner must also send a copy of the opt out request to the Utility. Staff may request additional information regarding your request.

Si desea información en español, puede llamar al 1-888-782-8477.

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Utility Representative

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Utility Name



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Utility Representative

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Utility Name

# PUBLIC UTILITY COMMISSION OF TEXAS



## AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES AND AFFECTED PARTIES DOCKET NO. 50424

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

\_\_\_\_\_ has provided individual notice to  
the following entities and customers:

	DATE OF NOTICE
_____	_____
_____	_____
_____	_____
_____	_____

### OATH

I, \_\_\_\_\_, being duly sworn, file this form as  
\_\_\_\_\_ (indicate relationship to applicant, that is, owner,  
member of partnership, title of officer of corporation, or other authorized representative of applicant); that  
in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the  
notices given with this application, and have complied with all notice requirements in the application and  
application acceptance letter; and that all such statements made and matters set for therein are true and  
correct.

\_\_\_\_\_  
Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant, or its  
attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, to certify  
which witness my hand and seal of office.

\_\_\_\_\_  
Notary Public in and for the State of Texas

\_\_\_\_\_  
Print or Type Name of Notary Public

Commission Expires \_\_\_\_\_

PUBLIC UTILITY COMMISSION OF TEXAS



PUBLISHER'S AFFIDAVIT  
DOCKET NO. 50424

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_,  
who being by me duly sworn, deposes and that (s)he is the

\_\_\_\_\_ of the \_\_\_\_\_  
(TITLE) (NAME OF NEWSPAPER)

that said newspaper is regularly published in \_\_\_\_\_  
(COUNTY/COUNTIES)

and generally circulated in \_\_\_\_\_, Texas;  
(COUNTY/COUNTIES)

and that the attached notice was published in said newspaper on the following dates, to wit:

\_\_\_\_\_  
(DATES)

\_\_\_\_\_  
(SIGNATURE OF NEWSPAPER REPRESENTATIVE)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
to certify which witness my hand and seal of office.

\_\_\_\_\_  
Notary Public in and for the State of Texas

\_\_\_\_\_  
Print or Type Name of Notary Public

Commission Expires \_\_\_\_\_