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

COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS

On January 8, 2020, Monarch Utilities I 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 of Goins’ water and wastewater assets. 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.

On May 3, 2021, the administrative law judge (ALJ) filed Order No. 17 approving the sale and transfer to proceed. Order No. 17 also set a deadline of 180 days for Goins and Monarch to complete the transaction and file proof that the transaction had been consummated and required the Staff of the Public Utility Commission of Texas (Staff) to file a recommendation regarding the sufficiency of the documents and propose a schedule for continued processing of this docket. On June 14, 2021, Monarch filed proof of the transaction closing, making Staff’s 15-day deadline under Ordering Paragraph No. 7 June 29, 2021. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed in this docket on June 14, 2021. Based on its review, Staff has determined that the information in the filing meets the requirements of 16 Texas Administrative Code (TAC) § 24.239. Specifically, 16 TAC § 24.239(i) provides that if the Commission does not require a hearing, the sale, transfer, or merger may be completed “at the end of the 120-day period described in subsection (a) of this section.”¹ The proof of the transaction

¹ Under 16 TAC § 24.239(a), “[a]ny water supply or sewer service corporation, or water and sewer utility, owned by an entity required to possess a certificate of convenience and necessity (CCN) must[...] file a written application with the commission and give public notice of any sale, transfer, consolidation, acquisition, lease, or rental at least 120 days before the effective date of the transaction. The 120-day period begins on the most recent of[...] the

filed by Applicants indicates that the Bill of Sale was executed on June 3, 2021. In addition, notice was completed in this docket on August 2, 2020 as provided in Finding of Fact No. 13 in Order No. 17. Therefore, the transaction was effective more than 120 days following the completion of notice in this docket in fulfillment of 16 TAC § 24.239(i).

In addition, 16 TAC § 24.239(k) and (l) require that “[t]he signed contract, bill of sale, or other documents, must be signed by both the transferor and the transferee” and that the Applicants must address customer deposits. The Applicants’ proof of sale includes a Bill of Sale signed by Jeffrey McIntyre, President of Monarch Utilities I L.P., and Shannon Goins, Owner of Goins Utility Service, LLC. Finally, Applicants’ filing states that there were no customer deposits held by Goins as of the effective date of the transaction. Therefore, the filing fulfills the requirements of 16 TAC § 24.239(k) and (l).

Based upon the above considerations, Staff recommends a finding that the Applicants’ closing documents be deemed sufficient.

II. PROCEDURAL SCHEDULE

Staff recommends the closing documents be deemed sufficient. Staff therefore proposes the following procedural schedule:

Event	Date
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable), to Applicants for review and consent.	<i>August 3, 2021</i>
Deadline Applicants to file signed consent forms with the Commission.	<i>August 17, 2021</i>
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs.	<i>August 24, 2021</i>

III. CONCLUSION

For the reasons detailed above, Staff respectfully recommends that the closing documents and proof of customers deposits provided by Applicants be deemed sufficient and that the proposed procedural schedule be adopted.

last date the applicant mailed the required notice as stated in the applicant’s affidavit of notice; or[...] the last date of the publication of the notice in the newspaper as stated in the affidavit of publication, if required.”

Dated: June 29, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Kevin R. Bartz

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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 June 29, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Kevin R. Bartz

Kevin R. Bartz