



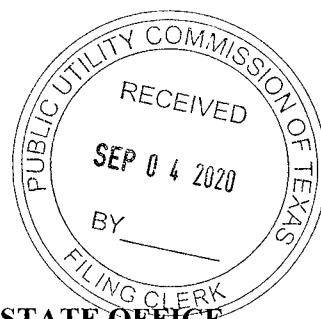
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Addendum StartPage: 0

SOAH DOCKET NO. 473-20-4709.WS  
PUC DOCKET NO. 50944



APPLICATION OF MONARCH § BEFORE THE STATE OFFICE  
UTILITIES I, L.P. TO CHANGE RATES § OF  
FOR WATER AND SEWER SERVICE § ADMINISTRATIVE HEARINGS

SOAH ORDER NO. 1  
FILING DESCRIPTION; NOTICE OF MANDATORY PREHEARING CONFERENCE  
AND INTERVENTION DEADLINE; AND DISCUSSING PROCEDURAL MATTERS

I. FILING DESCRIPTION AND JURISDICTION

On July 15, 2020, Monarch Utilities I, L.P. (Monarch), a Class A utility, filed an application with the Public Utility Commission of Texas (Commission) requesting authority to change its water and sewer rates pursuant to Texas Water Code § 13.187. Monarch owns and operates 115 physical water utility systems with approximately 30,000 customers in 12 counties. In addition, Monarch provides wastewater service to over 4,000 customers in nine counties. The majority of Monarch's customers are residential. Monarch seeks an overall increase in water revenues of \$3,238,879, or 9.80%, over its 2019 test year revenues, adjusted for known and measurable changes. In wastewater revenues, Monarch seeks an overall increase of \$647,367, or 14.28% over its adjusted test year revenues. Monarch proposes to phase in the rate increase for customers of some of the systems acquired or transferred to Monarch since its last rate case in 2015. In addition, Monarch seeks to consolidate its tariffs, which may require significant changes for some customers, and asks that the Commission determine its rate base amount. Finally, Monarch requests rate case expenses.

On or about July 31, 2020, Monarch provided notice of intent to raise rates to its customers, with a proposed effective date of August 19, 2020.<sup>1</sup> In accordance with Commission Staff's recommendation, on August 18, 2020, a Commission Administrative Law Judge (ALJ) found the

<sup>1</sup> Monarch Utilities I, LP's Proof of Notice (August 6, 2020). The August 19, 2020 effective date is, for some customers, the first of a series of phased increases, with some subsequent increases on August 19 of the following years. Other customers' rates would not begin to change under this application until August 19 of later years.

1121

application and notice sufficient and suspended the effective date for all proposed rates “through the pendency of this case.”<sup>2</sup> The State Office of Administrative Hearings (SOAH) ALJs construe this suspension to be for “not more than 150 days from the proposed effective date,” under Texas Water Code § 13.187(e). Thus, unless Monarch voluntarily extends the rates’ effective date beyond the 150 days, the rates will become effective as of **February 1, 2021**.<sup>3</sup>

The Commission, which has jurisdiction over this application pursuant to Texas Water Code § 13.187, referred this case to the SOAH on August 31, 2020, requesting the assignment of an ALJ to conduct a hearing and issue a proposal for decision, if necessary. SOAH therefore has jurisdiction over matters relating to the conduct of the hearing in these proceedings pursuant to Texas Government Code § 2003.049. The referral order also states that the Commission will issue a preliminary order that contains a list of issues to be addressed and any necessary statement of Commission policy, precedent, or position on threshold issues. The order adds that the Commission will consider and possibly adopt the preliminary order at its open meeting currently scheduled to convene on September 24, 2020.

## II. MANDATORY PREHEARING CONFERENCE AND INTERVENTION DEADLINE

### A. Notice of Prehearing Conference

A prehearing conference will be convened at **10 a.m. on September 18, 2020, via the Zoom videoconferencing platform**. At the prehearing conference, the parties should be prepared to discuss any pending motions; a procedural schedule, including a date for the hearing that will enable the Commission to make a final decision by the end of the effective date suspension period; alignment of parties; the rates’ effective date; whether this case should be referred for mediation;

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<sup>2</sup> Order No. 3 Finding Application and Notice Sufficient (August 18, 2020).

<sup>3</sup> Although the notice to customers has a stated effective date of August 19, 2020, the proposed effective date must be at least 35 days after the notice. Because the notice was sent on July 31, 2020, for purposes of setting the suspension period, the proposed effective date could be no sooner than September 4, 2020.

designation of ratepayer representatives; and any other matters that may assist in the disposition of this case in a fair and efficient manner.

Parties are requested to confer prior to the prehearing conference regarding the procedural schedule. Unless Monarch agrees to extend the effective date of the proposed rates, the ALJs expect that a hearing on the merits should convene by late October to allow sufficient time for post-hearing briefing, 60 days for the proposal for decision, exceptions and replies to exceptions, and two open meeting dates for the Commission to consider the matter before the February 1, 2021 effective date, when the proposed rates will be considered approved by law.

#### **B. Participation Requirements**

**In order to retain party status and participate through the course of this proceeding, each party SHALL FILE no later than September 15, 2020**, a notice of that party's intent to appear at the prehearing conference, including the name of the individual who will be appearing. Intervenors must also specify in the notice which Monarch water or wastewater system provides them service (or, if the party is not a ratepayer, otherwise describe the party's interest in this proceeding). Appearing at the prehearing conference is also required, and parties that fail to appear, even if proper notice was submitted, shall be dismissed from the case unless good cause is shown for their absence.

To participate in the prehearing conference, you will need: (1) a computer with a functional webcam and microphone (preferred method); or (2) any mobile or smart device, such as a cellphone, iPad, iPhone, or Android phone; and (3) to have the latest version of Zoom installed (free installation). More information on how to join a Zoom meeting is available here: <https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>.

To access the prehearing conference via Zoom, use one of the following:

**Via Computer:**

- Use the Zoom meeting link:

<https://soah-texas.zoomgov.com/j/1613513872?pwd=OTRBK3k3ZVFEEQzR6cGpzVXFPQzZwQT09>

- To participate, you should follow the link above or copy the link and paste it into your browser, then hit enter. If you have not downloaded the Zoom application, you will be prompted to do so and then to open the Zoom launcher.
- Alternatively, you can go to [www.soah-texas.zoomgov.com](http://www.soah-texas.zoomgov.com) and enter the following Meeting ID and Password:

**Meeting ID:** 161 351 3872

**Password:** 7BGXQW

**Join Zoom Meeting Via Telephone:**

- **Note that the password to join by telephone is different than the password to join via a computer or smart device.**

+1 646 828 7666 US (New York)

**Meeting ID:** 161 351 3872

**Password:** 694533

Find your local number: <https://soah-texas.zoomgov.com/u/adTg6M2mxv>

A party who experiences technical difficulties with joining the hearing should contact SOAH's Docketing Division at (512) 475-4993.

**C. Intervention Deadline**

All requests for intervention must be in writing by the deadline set out below. **There will not be a separate opportunity to request intervention at the prehearing conference.**

Pursuant to 16 Texas Administrative Code § 22.104, the deadline to intervene is **September 14, 2020.**

### III. GENERAL PROCEDURES

All Commission filings are available for viewing and downloading from the Commission's Interchange available at <http://interchange.puc.texas.gov/>, by entering the control number **50944**. A list of documents filed in this docket will appear and those documents (with a few exceptions such as confidential documents) can be accessed by clicking on the document number.

Except as modified by the Commission or SOAH in response to COVID-19, the Commission's procedural rules will govern the conduct of this case, and the parties are expected to comply with those rules. The Commission's procedural rules are available on its website at: <https://www.puc.texas.gov/agency/rulesnlaws/procrules/Procedural.aspx>. The procedural rules will govern the conduct of this case, and the parties are expected to comply with those rules.

Routine procedural and logistical questions may be directed to the ALJs' administrative assistant, Nadia Martinez, at 512-936-0724 or [nadia.martinez@soah.texas.gov](mailto:nadia.martinez@soah.texas.gov). SOAH support personnel may not provide advice or interpret orders or regulations for the parties.

#### A. Filing and Service

**All filings must contain both the SOAH and Commission docket numbers.** Filings are deemed to have been made when the proper number of legible copies is presented to the Commission filing clerk for filing.

When a party files a document with the Commission, that party must also serve (i.e., provide a copy of that document to) every other party. Filing of pleadings is typically governed by 16 Texas Administrative Code § 22.71 and service is typically governed by 16 Texas Administrative Code § 22.74. However, under the Commission's order suspending those rules,<sup>4</sup>

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<sup>4</sup> The Commission's order is available at: [http://interchange.puc.texas.gov/Documents/50664\\_205\\_1075813.PDFF](http://interchange.puc.texas.gov/Documents/50664_205_1075813.PDFF). The parties are encouraged to consult the Commission's website for the latest information on how COVID-19 is impacting the Commission's procedural requirements.

all parties must file any pleading or document with the Commission solely through the Interchange on the Commission's website (<https://interchange.puc.texas.gov/filer>) and provide notice, by e-mail, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered by the presiding officer. It will be incumbent upon all other parties to obtain a copy of the pleading or document by accessing the Interchange.

Only one address per party will be included on the official service list maintained by SOAH. Corrections to the service list should be directed to Ms. Martinez.

Self-represented parties are requested to receive service of SOAH orders by email. To do so, go to SOAH's website at [www.soah.texas.gov](http://www.soah.texas.gov), click on the "E-Services" link at the top of the webpage, then click on "Request Service by Email" and complete the Email Service Request Form. This will also update the service list with the party's email address.

## **B. Motions**

A motion seeking a continuance or extension of time **SHALL** propose a new date or dates and indicate whether the other parties agree to the new date or dates. The ALJ will not contact parties to ascertain their position or to negotiate dates. In the absence of a ruling by the ALJ, the motion is not granted and the existing schedule remains in place.

Unless otherwise specified in the Commission's procedural rules or an order issued in this case, any responses to a motion or other pleading shall be filed within **five working days** from receipt of the motion or pleading. If a party does not respond, the ALJ will assume that the party agrees with or does not oppose the requested relief.


## **C. Discovery**


Discovery may begin immediately in compliance with the Commission's procedural rules and orders issued in this case. Copies of requests for information (RFIs) and objections and

responses to RFIs will not be provided (or served) to the ALJ. If a party files a motion to compel responses to discovery the motion shall include every RFI and objection to which the motion applies. Any affidavits supporting an objection, motion to compel, or response shall be attached to the relevant document. The ALJ will resolve discovery disputes based on the written documents, any sworn affidavits attached thereto, and materials, if any, provided for *in camera* inspection, unless the ALJ concludes that a prehearing conference on the discovery dispute should be held.

If a party seeks *in camera* review of documents in accordance with 16 Texas Administrative Code § 22.144(g), it will submit the documents to the ALJ at SOAH. Documents submitted for review should not be filed with the Commission filing clerk. If they are filed with the Commission filing clerk, even inadvertently, the documents may not be physically removed from the Commission. Further, any claim to privilege or exemption may be waived by the filing.

**SIGNED September 4, 2020.**

  
DANIEL WISEMAN  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS

  
MITTRA FARHADI  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS