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



**APPLICATION OF MONARCH  
UTILITIES I L.P. FOR AUTHORITY TO  
CHANGE RATES**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**COMMISSION STAFF’S REQUEST FOR INTERIM RATES**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Commission Staff’s Request for Interim Rates.

**I. BACKGROUND**

On July 15, 2020, Monarch Utilities I L.P. (Monarch) filed an application for authority to change rates pursuant to Texas Water Code (TWC) § 13.178 and 16 Texas Administrative Code (TAC) § 24.27. Monarch has approximately 30,000 active connections under water certificate of convenience and necessity (CCN) number 12983 and approximately 4,400 active connections under sewer CCN number 20899. Monarch is a Class A utility. On August 18, 2020, the Administrative Law Judge (ALJ) issued Order No. 3, finding the application and notice sufficient. In that same order, the ALJ suspended the effective date for all proposed rates through the pendency of this case. On August 31, 2020, the Commission referred this docket to the State Office of Administrative Hearings (SOAH).

**II. STAFF’S REQUEST FOR INTERIM RATES**

Under TWC § 13.187(e), after written notice to the utility, the utility commission may suspend the effective date of a rate change for not more than 150 days from the proposed effective date. The statute further provides, “If the utility commission does not make a final determination on the proposed rate before the expiration of the suspension period, the proposed rate shall be considered approved.”<sup>1</sup> In this case, Monarch’s proposed effective date is governed by 16 TAC § 24.27(c), which requires a utility to provide notice at least 35 days before the proposed effective date of the rate change. Here, Monarch mailed notice on July 31, 2020, which means the earliest proposed rate-change effective date is September 4, 2020. On August 18, 2020, in Order No. 3,

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<sup>1</sup> *Id.*

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the ALJ suspended the effective date for all proposed rates through the pendency of this case. According to TWC § 13.187(e), if Monarch proposes the earliest possible effective date of September 4, 2020, then the ALJ's suspension of Monarch's proposed rate is effective until February 1, 2021. A procedural schedule has not yet been adopted in this case and it is uncertain when the Commission will issue a final order.

According to 16 TAC § 24.37(b), any party may petition the judge or Commission to set interim rates after a hearing is convened. The establishment of interim rates does not preclude the Commission from establishing a final rate different from the interim rate.<sup>2</sup> If interim rates are set, and the Commission ultimately approves a rate that is lower than the interim rate, the utility must refund or credit customers with any amount collected in excess of the final rate plus interest as approved by the Commission in a reasonable number of monthly installments.<sup>3</sup>

Staff requests that the judge or Commission set interim rates in this case at Monarch's currently authorized rates prior to their proposed increase. The Commission may set interim rates if "failure to set interim rates could result in an unreasonable economic hardship on the utility's customers."<sup>4</sup> According to their application, Monarch is proposing a 3.92% increase for 81% of its water customers with a 5/8" meter and a 6.59% increase for 98% of its wastewater customers with a 5/8" meter.<sup>5</sup> Approving interim rates at Monarch's currently authorized rates will protect customers from unnecessary spikes in their water and wastewater bills should the Commission ultimately approve a rate other than the one proposed by Monarch. Further, in the event that the Commission does not issue a final order in this case before February 1, 2021 but later approves a rate lower than the rate proposed by Monarch, interim rates will ensure that Monarch returns to customers any monies collected in excess of the final rate. Staff respectfully requests the imposition of interim rates at Monarch's currently authorized rates to protect Monarch customers from an unreasonable economic hardship.

### III. CONCLUSION

Staff respectfully requests that its request for interim rates be granted.

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<sup>2</sup> 16 TAC § 24.37(g).

<sup>3</sup> 16 TAC § 24.37(h).

<sup>4</sup> 16 TAC § 24.37(d).

<sup>5</sup> Monarch's Application to Change Rates (Application) at 794 (July 15, 2020).

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

/s/ Megan Chalifoux  
Megan Chalifoux