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

2021 MAY 19 PM 2:59

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

**JOINT MOTION TO SET INTERIM RATES UNTIL A FINAL ORDER IS ISSUED**

The Staff (Staff) of the Public Utility Commission of Texas (Commission) and the Office of Public Utility Counsel (OPUC) (collectively, the Movants) file this Joint Motion to Set Interim Rates Until a Final Order is Issued (Joint Motion) in this docket. The undersigned is authorized to represent that the Movants support this Joint Motion, which is timely filed under 16 Texas Administrative Code (TAC) § 24.37(a). In support of this Joint Motion, the Movants respectfully show the following:

**I. BACKGROUND**

On July 15, 2020, Monarch Utilities I, L.P. (Monarch or the Company) filed an application for authority to change rates pursuant to Texas Water Code (TWC) § 13.178 and 16 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 Commission Administrative Law Judge (ALJ) issued Commission Order No. 3, finding the application and notice sufficient. Commission Order No. 3 also 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).

On September 28, 2020, Monarch, Staff, and OPUC filed a Joint Motion to Set Interim Rates, Extend Effective Date, and Adopt Joint Proposed Procedural Schedule. On October 15, 2020, the SOAH ALJs issued SOAH Order No. 3 Approving Agreed Interim Rates; Unconditionally Adopting Procedural Schedule Set Forth in SOAH Order No. 2; and Recognizing Extension of Effective Date. SOAH Order No. 3 adopted interim rates in two phases. The first phase sets interim rates at Monarch's current rates, effective September 18, 2020. The second phase sets interim rates at Monarch's proposed rates, effective February 1, 2021. SOAH Order No. 3 also extended the suspension of the effective date of the proposed rates until May 31, 2021.

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SOAH Order No. 3 does not clearly identify whether the interim rates remain in effect until the end of the suspension period or until a final order is issued in this proceeding. If the current interim rates expire on May 31, 2021, the rates proposed by Monarch in its application would be considered approved under 16 TAC § 24.33(e). The Movants note that the Company's proposed rates are higher than the rates agreed to by the parties as part of the settlement.

On February 2, 2021, Monarch, Staff, and OPUC filed an agreed motion to abate the proceeding after reaching a settlement in principle. On February 2, 2021, the SOAH ALJs also issued SOAH Order No. 7, which granted the requested abatement to allow the parties time to prepare final settlement documents. The Movants note that complexities resulting from the size of the CCNs at issue in this proceeding have presented challenges that have required time to work through by the parties. At this time, the Movants continue to work diligently with Monarch to finalize the settlement documents and expect to file a complete settlement package on May 28, 2021.

## **II. MOTION TO SET INTERIM RATES**

Under 16 TAC § 24.37(b), Commission Staff may petition to set interim rates to remain in effect until a final rate determination is made at any time after the filing of statement of intent to change rates under Chapter 13 of the TWC. The Movants note that if the interim rates expire on May 31, 2021, rather than the date that a final order is issued in this proceeding, Monarch's proposed rates—which are higher than those agreed upon by the parties in settlement—will be considered approved under 16 TAC § 24.33(e). To avoid confusion and economic hardship for ratepayers and to allow the Commission adequate time to review and issue a final decision in this proceeding, the Movants respectfully request an order approving the continuation of interim rates at Monarch's proposed rates until a final order is issued by the Commission consistent with the notice provided to ratepayers pursuant to 16 TAC § 24.37(j). If the Commission ultimately approves rates that are lower than the interim rates, Monarch must refund or credit customers with any amount collected in excess of the final rates plus interest as approved by the Commission in a reasonable number of monthly installments. If the Commission ultimately approves rates that are higher than the interim rates, Monarch may surcharge customers the amount under-collected in a reasonable number of monthly installments.

### **III. CONCLUSION AND PRAYER**

Movants respectfully request that the ALJs enter an order clarifying that interim rates are approved until a final order is issued by the Commission in this proceeding. The parties continue to work diligently towards finalizing settlement documents and expect to file a complete settlement package on May 28, 2021.

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

/s/Courtney Dean

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**CERTIFICATE OF SERVICE**  
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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 May 19, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/Courtney Dean  
Courtney N. Dean