



Control Number: 50944



Item Number: 636

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Greg Abbott
Governor

Thomas J. Gleeson
Executive Director

2021 NOV 18 PM 4:03

Public Utility Commission of Texas

TO: All Parties of Record

FROM: Stephen Journey, Commission Counsel

DATE: 18 November, 2021

RE: Docket No. 50944; SOAH Docket No. 473-20-4709.WS – *Application of Monarch Utilities I L.P. for Authority to Change Rates.*

The Office of Policy and Docket Management (OPDM) has identified the following evidentiary issues that require a response from the parties to facilitate the preparation of a proposed order.

Notice of the Application

The parties' proposed order states in proposed conclusion of law 6 that "Monarch substantially complied with the requirement to provide notice of the rate application as required by [Texas Water Code] § 13.187(a-1), 16 [Texas Administrative Code (TAC)] § 24.27(c), and the Administrative Procedure Act." Further, Monarch's statement of intent to change rates states that Monarch will provide proof of notice under 16 TAC § 24.27(b)(5) upon the completion of notice,¹ but it appears that the only proof of notice filed was for supplemental notice given to some customers.²

Please identify the location in the evidentiary record of the proof of notice in compliance with 16 TAC § 24.27(b)(5) for the notice required to all customers and municipalities affected by the proposed rate change and to the Office of Public Utility Counsel. If evidence in the record is currently deficient, please seek the admission of additional evidence. If full compliance with a Commission rule is impossible or unreasonable, a good cause exception should be requested instead of a finding of substantial compliance.

Fees in the Agreed Tariffs

OPDM requests that the parties review the fees included in the agreed tariffs referenced in the parties' proposed order and either identify the record evidence that adequately explains and supports any changes in fees or new fees or seek the admission of additional evidence that does

¹ Application to Change Rates at 4 (Jul. 15, 2020).

² Monarch Utilities I L.P.'s Proof of Notice, Affidavit of George H. Freitag (Aug. 6, 2020).

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so. Similarly, please identify record evidence or seek the admission of evidence that demonstrates that fees do not recover costs already recovered elsewhere in the rates sought to be approved.

Agreed True-Up and Requested Good-Cause Exception

The parties' proposed order states in proposed ordering paragraph 18 that "Monarch will file a true up in March of 2022, and annually thereafter, and will seek a good cause exception from 16 TAC § 24.25(b)(2)(C)(v), which Staff and OPUC will not oppose. Monarch must file a pass-through annually thereafter." Please clarify whether the agreed annual true-up pertains to pass-through fees. Also, it is not clear why Monarch is seeking a good cause exception from the requirements of 16 TAC § 24.25(b)(2)(C)(v), which has permissive language, unless the parties intend for Monarch to seek a good cause exception to the requirement of using a constant true-up time period. Please identify the location in the evidentiary record where these issues are clarified. If evidence in the record is currently deficient, please seek the admission of additional evidence.

OPDM requests responses to these issues by Friday, December 10, 2021 at 3:00 PM. If the requested information is not in the evidentiary record, please file a motion to admit additional evidence.

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