



Control Number: 50944



Item Number: 645

**Peter M. Lake**  
Chairman  
**Will McAdams**  
Commissioner  
**Lori Cobos**  
Commissioner  
**Jimmy Glotfelty**  
Commissioner



**Greg Abbott**  
Governor  
**Thomas J. Gleeson**  
Executive Director

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## Public Utility Commission of Texas

**TO:** Peter M. Lake, Chairman  
Will McAdams, Commissioner  
Lori Cobos, Commissioner  
Jimmy Glotfelty, Commissioner  
  
All Parties of Record  
**FROM:** Stephen Journey, Commission Counsel  
**DATE:** 26 January 2022  
**RE:** January 27, 2022 Open Meeting – Item No. 16

Docket No. 50944 – *Application of Monarch Utilities I L.P. for Authority to Change Rates*

A proposed order in the above-referenced docket is posted for consideration and action by the Commission. If the Commission adopts the proposed order, I recommend the following changes.

Proposed finding of fact 95 should be modified to specify the rate-case expense surcharge that Monarch may charge its customers. The surcharge rate amount is \$0.65 per water connection and \$0.65 per wastewater connection, as specified in the tariffs attached to the agreement as attachments B and C.

95. The parties agreed that Monarch may recover up to \$525,000 as reasonable and necessary rate-case expenses in this docket to be collected through a monthly surcharge of \$0.65 per water connection and \$0.65 per wastewater connection to its customers over a 24-month period or until the full amount in rate-case expenses is collected, whichever occurs first.

For the same reason stated above, proposed ordering paragraph 5 should be modified.

5. The Commission authorizes Monarch to collect rate-case expenses of up to \$525,000 through a monthly surcharge of \$0.65 per water connection and \$0.65 per wastewater connection to its customers. Monarch must collect the surcharge over a 24-month period or until the full amount in rate-case expenses is collected, whichever occurs first.

There is a discrepancy between the proposed tariffs and the parties' unanimous agreement. The tariffs, attached to the unanimous agreement, as attachments B and C, contain a provision regarding a rate case surcharge related to this proceeding. The rate for the surcharge is consistent with the unanimous agreement in this proceeding; however, the proposed tariff language regarding the

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collection period for the rate case expenses surcharge is not consistent with the unanimous agreement nor ordering paragraph 5 in the proposed order.

The agreement states that Monarch may recover up to \$525,000 in reasonable and necessary rate case expenses for this docket. The agreement further states that Monarch may recover the surcharge over a 24-month period or until the full amount in rate-case expenses is collected, whichever occurs first. However, the tariff language states that the monthly surcharge must cease when \$525,000 has been recovered in total from Monarch's water and wastewater customers, and that if the full amount has not been recovered by June 1, 2023, bills rendered after that date must continue to contain the surcharge until the remaining balance is collected.

If the Commission adopts the proposed order, it should direct OPDM to revise the final order to direct the parties to modify the tariffs to be consistent with ordering paragraph 5 and to file a clean copy of the tariffs with Central Records, as approved by the final order.

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