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DOCKET NO. 51578

APPLICATION OF MONARCH	§	PUBLIC UTILITY COMMISSION
UTILITIES I L.P. TO AMEND ITS	§	
SEWER CERTIFICATE OF	§	OF TEXAS
CONVENIENCE AND NECESSITY IN	§	
CHAMBERS COUNTY	§	

**SUPPLEMENT TO COMMISSION STAFF'S RECOMMENDATION ON FINAL
DISPOSITION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, files this Supplement to Commission Staff's Recommendation on Final Disposition and would show the following:

On July 26, 2022, Staff filed a Recommendation on Final Disposition but inadvertently omitted the attachment. This pleading includes the omitted attachment.

Date: July 26, 2022

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Kourtnee Jinks
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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 July 26, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Kourtnee Jinks
Kourtnee Jinks

Public Utility Commission of Texas

Memorandum

TO: Kourtnee Jinks, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: July 15, 2022

RE: Docket No. 51578 – *Application of Monarch Utilities I L.P. to Amend its Sewer Certificate of Convenience and Necessity in Chambers County*

1. Application

On December 3, 2020, Monarch Utilities I L.P. (Monarch) filed with the Public Utility Commission of Texas (Commission) an application to amend its sewer CCN No. 20899 and to decertify a portion of Gulf Coast Waste Disposal Authority CCN No. 20465 in Chambers County, Texas under Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237

The requested area includes 0 current customers and approximately 120 acres, comprised of:
93 acres of decertified area (from CCN No. 20899).
27 acres of decertified area (from CCN No. 20465 and amended to CCN No. 20899).

The result of the application will be the subtraction of approximately 66 acres from CCN No. 20899.

The result of the application will be the subtraction of approximately 27 acres from CCN No. 20465.

2. Notice

The deadline to intervene was June 29, 2021; there were no motions to intervene, protests, or opt-out requests received.

3. Factors Considered

Under TWC §§ 13.241 and 13.246, and 16 TAC §§ 24.11(e) and 24.227, the Commission must consider certain factors when granting or amending a water or sewer CCN. Therefore, the following factors were considered.

3.1. *Consideration of the adequacy of service currently provided to the requested area and system compliance (TWC § 13.246(c)(1); 16 TAC § 24.227(a) and (e)(1)).*

Monarch has several Texas Commission on Environmental Quality (TCEQ) approved wastewater treatment plants (WWTP) registered as Tower Terrace, WQ 12478-001, Beachwood Estates, WQ11282-001, Cherokee Shores, WQ 13879-001, Pinnacle Club, WQ 11506-001, Holiday Villages of Medina Lake, WQ 14167-001, Decker Hills, WQ 12587-001, Beacon Bay Marina, WQ 13637-001, Blue Water Cove, WQ 14179-001, Holiday Villages of Lake Livingston, WQ 14056-001, Harbor Point, WQ 13547-001, and Lake Fork Estates, WQ 14055-001. Monarch has 2 violations listed in the TCEQ database. No additional construction is necessary for Monarch to serve the requested area. In addition, the Commission's complaint records, which go back to 2017, show one complaint against Monarch.

3.2. *Consideration of the need for additional service in the requested area (TWC § 13.246(c)(2); 16 TAC § 24.227(e)(2)).*

Chambers County Improvement District No. 2 will be proposing service in the area to be decertified on the southern end.

3.3. *Consideration of the effect of granting an amendment on the recipient of the certificate or amendment, on the landowners in the area, and on any other retail public utility of the same kind already servicing the proximate area (TWC §§ 13.241(b) and 13.246(c)(3), 16 TAC § 24.227(e)(3)).*

There is no existing service in the areas to be decertified. Service to existing customers will not be affected.

3.4. *Consideration of the managerial and technical ability of the applicant to provide adequate service (TWC § 13.246(c)(4); 16 TAC § 24.227(a) and (e)(4)).*

Monarch has several TCEQ approved WWTP registered as Tower Terrace, WQ 12478-001, Beachwood Estates, WQ11282-001, Cherokee Shores, WQ 13879-001, Pinnacle Club, WQ 11506-001, Holiday Villages of Medina Lake, WQ 14167-001, Decker Hills, WQ 12587-001, Beacon Bay Marina, WQ 13637-001, Blue Water Cove, WQ 14179-001, Holiday Villages of Lake Livingston, WQ 14056-001, Harbor Point, WQ 13547-001, and Lake Fork Estates, WQ 14055-001. Monarch has 2 violations listed in the TCEQ database. No additional construction is necessary for Monarch to serve the requested area. In addition, the Commission's complaint records, which go back to 2017, show one complaint against Monarch.

3.5. *The applicants' demonstration that regionalization or consolidation with another retail public utility is not economically feasible when construction of a physically separate water or sewer system is required to provide service to the requested area. (TWC § 13.241(d); 16 TAC § 24.227(b)).*

Construction of a physically separate sewer system is not required to provide service to the requested area; therefore, concerns of regionalization or consolidation do not apply.

3.6. *Consideration of the feasibility of obtaining service from an adjacent retail public utility (TWC § 13.246(c)(5); 16 TAC § 24.227(e)(5)).*

A majority of the area is being decertified to allow Chambers County Improvement District No. 2 to provide service within that area; therefore, this does not apply.

- 3.7. *Consideration of the financial ability of the applicant to pay for facilities necessary to provide continuous and adequate service (TWC § 13.246(c)(6); 16 TAC §§ 24.227(a) and (e)(6), 24.11(e)).*

The Rate Regulation Division will be addressing this criterion in a separate memo.

- 3.8. *Requirement of the applicant to provide a bond or other financial assurance in a form and amount specified by the Commission to ensure that continuous and adequate utility service is provided (TWC §§ 13.246(d); 16 TAC § 24.227(f)).*

The Rate Regulation Division will be addressing this criterion in a separate memo.

- 3.9. *Consideration of the environmental integrity and the effect on the land to be included in the certificated area (TWC § 13.246(c)(7) and (9); and 16 TAC § 24.227(e)(7) and (9)).*

The environmental integrity of the land will not be affected as no additional construction is needed to provide service to the requested area.

- 3.10. *Consideration of the probable improvement in service or lowering of cost to consumers (TWC § 13.246(c)(8); 16 TAC § 24.227(e)(8)).*

There are no customers in the requested area.

4. Recommendation

Based on the mapping review by Gary Horton, Infrastructure Division, the financial and managerial review by Fred Bednarski, Rate Regulation Division, and my technical and managerial review, I recommend that Monarch meets all of the statutory requirements of Texas Water Code Chapter 13 and the Commission's Chapter 24 rules and regulations, is capable of providing continuous and adequate service. I further recommend that approving this application to amend a sewer CCN No. 20899 and to decertify a portion of Gulf Coast Waste Disposal Authority CCN No. 20465 is necessary for the service, accommodation, convenience and safety of the public.

The Gulf Coast Waste Disposal Authority consented to the attached map and certificate on September 27, 2021.

Monarch consented to the attached map and certificate on September 13, 2021, and the attached tariff on July 1, 2022.