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DOCKET NO. 51877

APPLICATION OF L AND T	§	PUBLIC UTILITY COMMISSION
WATERWORKS LLC AND MONARCH	§	
UTILITIES I, L.P. FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN FREESTONE AND	§	
HENDERSON COUNTIES	§	

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND NOTICE, PROPOSED PROCEDURAL SCHEDULE, AND
REQUEST TO RESTYLE THE DOCKET**

On March 8, 2021, Monarch Utilities I, L.P. (Monarch) and L and T Waterworks LLC (L and T) (collectively, the Applicants) filed an application for the sale, transfer, or merger of certificate rights in Freestone and Henderson counties. The Applicants seek approval to sell and transfer all of L and T's facilities and certificated service area under water certificate of convenience and necessity (CCN) numbers 12919 and 12993 to Monarch's water CCN number 12983, and the cancellation of L and T's water CCN numbers 12919 and 12993. The applicants also request that a portion of the area requested be dually certificated with CCN number 10793, held by Turlington WSC and a second portion be decertified from CCN number 10791, held by South Freestone County WSC. Applicants filed supplemental information on March 15, 2021, May 27, 2021, June 16, 2021, June 18, 2021, August 16 and August 17, 2021.

On August 19, 2021, the administrative law judge filed Order No. 6, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation on sufficiency of the application and propose procedural schedule for further processing by August 26, 2021. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information and, as detailed in the attached memoranda from Patricia Garcia, Infrastructure Division, and Tracy Montes, Infrastructure Division, Staff recommends that the application is administratively complete. Staff’s recommendation on administrative completeness is not a comment on the merits of the application.

II. NOTICE

At this time, Staff recommends that the applicants proceed with providing public notice to all current customers, neighboring utilities, political subdivisions, and other persons listed in Ms. Garcia's attached memorandum using the notice form provided by Ms. Garcia. Along with each individual notice, Staff recommends that the applicants provide an accurate map delineating the requested service area.

Once notice has been provided, Staff recommends that the applicants file proof of notice as described in Ms. Garcia's attached memorandum, including an affidavit specifying the name and address of every person and entity to whom notice was provided, the date that the notice was provided, and a copy of the map provided with the notice. Finally, Staff recommends that the applicants use the attached notice and affidavit to meet these requirements.

III. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively complete; therefore, Staff proposes the following procedural schedule:

Event	Date
Deadline for the applicants to file with the Commission signed affidavits that the notice was given along with a copy of the notice and map sent to the affected parties	September 27, 2021
Deadline for Staff to file a recommendation on sufficiency of notice	October 7, 2021
Deadline to intervene	30 days after notice is issued

IV. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively complete, that the applicants be directed to provide notice as described in the attached memorandum, that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: August 26, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Rashmin J. Asher
Managing Attorney

/s/ Kourtnee Jinks
Kourtnee Jinks
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1701 N. Congress Avenue
P.O. Box 13326
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(512) 936-7265
(512) 936-7268 (facsimile)
kourtnee.jinks@puc.texas.gov

DOCKET NO. 51877

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 August 26, 2021, 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: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

DATE: August 26, 2021

RE: Docket No. 51877 – *Application of L and T Waterworks LLC and Monarch Utilities I, L.P. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Freestone and Henderson Counties*

On March 8, 2021, Monarch Utilities I, L.P. (Monarch), L and T Waterworks LLC (L and T), and South Freestone County Water Supply Corporation (South Freestone County WSC) (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Freestone and Henderson Counties, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

The transactions are described below and on the notice documents as STM 1 - L and T to Monarch and dual with Turlington WSC, and STM 2 - South Freestone County WSC. In STM 1, Monarch, certificate of convenience and necessity (CCN) No. 12983, seeks approval to acquire facilities and to transfer all of the water service area from L and T under water CCN Nos. 12919 and 12993, to amend these certificated areas by adding 46 acres of uncertificated area, and obtaining dual certification with Turlington WSC under water CCN No. 10793. In STM 2, Monarch (CCN No. 12983) seeks approval to transfer a portion of the water service area from South Freestone County WSC (CCN No. 10791). The customers currently inside South Freestone County WSC's certificated service area are being served by the facilities being transferred that are currently managed by L and T. The entire requested area includes 133 total current customers and approximately 1,657 total acres.

The supplement to the application filed by Monarch Utilities I LP on June 16, 2021 indicated the revised acreage for each portion of the requested area. Based on the mapping review by Tracy Montes, Infrastructure Division, it was determined the total requested area is approximately 1,657 acres.

Based on the mapping review by Ms. Montes maps and digital data submitted on June 16, 2021 are sufficient. Based on the financial and managerial review by Fred Bednarski III, Rate Regulation Division, and my technical and managerial review of all the information filed by

Monarch through August 17, 2021, I recommend that the application be deemed administratively complete. I further recommend that the Applicants be ordered to do the following:

- 1) Provide notice of the application by first-class mail to the following:
 - a. Cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area:
 - *Bethel-Ash Water Supply Corporation (WSC) (CCN No. 10821)*
 - *City of Athens*
 - *City of Eustace (CCN No. 10838)*
 - *City of Fairfield (CCN No. 11183)*
 - *Payne Springs WSC (CCN No. 10848)*
 - *South Freestone WSC (CCN No. 10791)*
 - *Thompson Water & Construction (CCN No. 12031)*
 - *Turlington WSC (CCN No. 10793)*
 - *Ward Prairie WSC (CCN No. 10792)*
 - *Trinity River Authority of Texas*
 - b. The county judge of each county that is wholly or partially included in the requested area:
 - *Freestone County Judge*
 - *Henderson County Judge*
 - c. Each groundwater conservation district that is wholly or partially included in the requested area:
 - *Mid-east Texas Groundwater Conservation District*
 - *Neches and Trinity Valleys Groundwater Conservation District*
 - d. Each owner of a tract of land that is at least 25 acres and is wholly or partly located in the requested area that includes uncertificated area. Notice must be mailed to the owner of the tract of land according to the most current tax appraisal rolls of the applicable central appraisal district at the time the application was filed.
 - e. Any affected customers, and other affected parties in the requested area.

Addresses can be obtained from the Water Utility Database at <http://www.puc.texas.gov/watersearch>. District information and addresses can be obtained from the Texas Commission on Environmental Quality's (TCEQ) web site located at <http://www14.tceq.texas.gov/iwud/>.

- 2) Publish notice in a newspaper having general circulation in each county where the requested area is located, once each week for two consecutive weeks. Proof in the form of a publisher's affidavit must be filed within 30 days of the publication date. The affidavit must state with specificity each county in which the newspaper is of general

circulation. Within 30 days of the date the notice was mailed, Monarch must file an affidavit specifying the notice that was provided to every person and entity to whom notice was provided and the date the notice was mailed.

- 3) Provide notice using the attached notice form(s).
- 4) Provide a copy of the map(s) deemed sufficient during administrative review delineating the requested area with each individual notice to neighboring utilities, other affected parties, landowners, and customers.
- 5) File in the docket copy of notice and the map(s) deemed sufficient during administrative review along with the signed affidavit specifying every person and entity to whom notice was provided, the date that the notice was provided, and the publisher's affidavit and tear sheets for proof of newspaper publication.

Notice to Current Customers, Landowners, Neighboring Systems, and Cities
MONARCH UTILITIES I L.P., CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 12983, NOTICE OF INTENT TO AMEND UNCERTIFICATED AREA TO ITS WATER CCN; PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NOS. 12919 AND 12993 FROM L AND T WATERWORKS LLC; FOR DUAL CERTIFICATION WITH TURLINGTON WATER SUPPLY CORPORATION (WSC) CCN NO. 10793; AND TO PURCHASE A PORTION OF WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 10791 FROM SOUTH FREESTONE COUNTY WSC IN FREESTONE AND HENDERSON COUNTIES, TEXAS

To: _____ Date Notice Mailed: _____, 20____
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

Monarch Utilities I L.P. 12535 Reed Rd Sugar Land, TX 77478
(Purchaser's Name) (Address) (City), (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to amend its CCN No. 12983 with uncertificated area, for dual certification with Turlington WSC, water CCN No. 10793, and to purchase:

- STM 1. *L and T Waterworks LLC*
 - All of the water facilities and to transfer water certificated service area under CCN No. 12919 and 12993, and

in Freestone and Henderson Counties, TX from:

L and T Waterworks, LLC P.O. Box 764 Chandler, TX 75758
(Seller's Name) (Address) (City), (State) (Zip Code)

Through this docket Monarch Utilities I L.P. will also purchase:

- STM 2. *South Freestone County WSC*
 - A portion of the water facilities and to transfer water certificated service area under CCN No. 10791,

in Freestone County, TX from:

South Freestone County WSC P.O. Box 208 Teague, TX 75860
(Seller's Name) (Address) (City), (State) (Zip Code)

The sale is scheduled to take place if approved by the Commission (Texas Water Code § 13.301). The transaction and the transfer of the CCN includes the following:

Athens Water System in Henderson County

The requested area for includes 54 current customers, is located approximately 6 miles northwest of downtown Athens, Texas, and is generally bounded on the north by County Road 3913; on the

east by County Road 3914; on the south by U.S. Highway 175; and on the west by County Road 2803.

The requested area includes approximately **498 acres** of transferred area from L and T Waterworks LLC (CCN No. 12993) to Monarch Utilities I LP (CCN No. 12983)

Moody Water System in Freestone County

The requested area for includes 79 current customers, is located approximately 2 miles east of downtown Fairfield, Texas, and is generally bounded on the north by County Road 236 and Lazy Way Road; on the east by County Road 520 and County Road 540; on the south by County Road 510; and on the west by Farm to Market Road 1580.

The requested area includes approximately **1,159 acres**, comprised of the following:

46 acres of uncertificated area (polygon 1) and 2 customer connections;

1,005 acres of transferred area (polygon 3) from L and T Waterworks LLC (CCN No. 12919) and 66 customer connections;

11 acres of transferred area (polygon 4) from South Freestone County WSC (CCN No. 10791) and 3 customer connections;

173 acres of dual certificated area (polygon 5) with Turlington WSC (CCN No. 10793) and 8 customer connections; and

76 acres of decertified area (polygon 2) from L and T Waterworks LLC (CCN No. 12919) and 0 customer connections.

The entire requested area (Athens and Moody) includes 133 total current customers and approximately 1,657 total acres.

See enclosed map showing the requested area.

This transaction will not have an effect on the current customer's rates and services.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date. The letter must include the person's name, address, email address and fax number if applicable.

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the requested area including uncertificated area only, may file a written request with the Commission to be excluded from the requested area ("opt out") within (30) days from the date that

notice was provided by the Utility. All opt out requests must include a large-scale map, a metes and bounds description of the landowner's tract of land, landowner's name, address, email address and fax number, if applicable.

Persons who wish to request this option should file the required documents with the:

Public Utility Commission of Texas
Central Records
1701 N. Congress, P. O. Box 13326
Austin, TX 78711-3326

In addition, the landowner must also send a copy of the opt out request to the Utility. Staff may request additional information regarding your request.

Si desea información en español, puede llamar al 1-888-782-8477.

Utility Representative

Utility Name

Notice for Publication

MONARCH UTILITIES I L.P., CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 12983, NOTICE OF INTENT TO AMEND UNCERTIFICATED AREA TO ITS WATER CCN; PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NOS. 12919 AND 12993 FROM L AND T WATERWORKS LLC; FOR DUAL CERTIFICATION WITH TURLINGTON WATER SUPPLY CORPORATION (WSC) CCN NO. 10793; AND TO PURCHASE A PORTION OF WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 10791 FROM SOUTH FREESTONE COUNTY WSC IN FREESTONE AND HENDERSON COUNTIES, TEXAS

<u>Monarch Utilities I L.P.</u>	<u>12535 Reed Rd</u>	<u>Sugar Land, TX</u>	<u>77478</u>
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to amend its CCN No. 12983 with uncertificated area, for dual certification with Turlington WSC, water CCN No. 10793, and to purchase:

- **STM 1. L and T Waterworks LLC**
 - All of the water facilities and to transfer water certificated service area under CCN No. 12919 and 12993, and

in Freestone and Henderson Counties, TX from:

<u>L and T Waterworks, LLC</u>	<u>P.O. Box 764</u>	<u>Chandler, TX</u>	<u>75758</u>
(Seller's Name)	(Address)	(City), (State)	(Zip Code)

Through this docket Monarch Utilities I L.P. will also purchase:

- **STM 2. South Freestone County WSC**
 - A portion of the water facilities and to transfer water certificated service area under CCN No. 10791,

in Freestone County, TX from:

<u>South Freestone County WSC</u>	<u>P.O. Box 208</u>	<u>Teague, TX</u>	<u>75860</u>
(Seller's Name)	(Address)	(City), (State)	(Zip Code)

The sale is scheduled to take place if approved by the Commission (Texas Water Code § 13.301). The transaction and the transfer of the CCN includes the following:

Athens Water System in Henderson County

The requested area for includes 54 current customers, is located approximately 6 miles northwest of downtown Athens, Texas, and is generally bounded on the north by County Road 3913; on the east by County Road 3914; on the south by U.S. Highway 175; and on the west by County Road 2803.

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76 acres of decertified area (polygon 2) from L and T Waterworks LLC (CCN No. 12919) and 0 customer connections.

The entire requested area (Athens and Moody) includes 133 total current customers and approximately 1,657 total acres.

A copy of the map showing the requested area is available at: 1620 Grand Avenue Parkway, Suite 140, Pflugerville, TX 78660

This transaction will not have an effect on the current customer's rates and services.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date. The letter must include the person's name, address, email address and fax number if applicable.

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A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the requested area including uncertificated area only, may file a written request with the Commission to be excluded from the requested area ("opt out") within (30) days from the date that notice was provided by the Utility. All opt out requests must include a large-scale map, a metes and bounds description of the landowner's tract of land, landowner's name, address, email address and fax number, if applicable.

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1701 N. Congress, P. O. Box 13326
Austin, TX 78711-3326

In addition, the landowner must also send a copy of the opt out request to the Utility. Staff may request additional information regarding your request.

Si desea información en español, puede llamar al 1-888-782-8477.

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, LANDOWNERS, NEIGHBORING UTILITIES, AND AFFECTED PARTIES
DOCKET NO. 51877

STATE OF TEXAS
COUNTY OF _____

_____ has provided individual notice to the following entities and customers:

DATE OF NOTICE

OATH

I, _____, being duly sworn, file this form as _____ (indicate relationship to applicant, that is, owner, member of partnership, title of officer of corporation, or other authorized representative of applicant); that in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the notices given with this application, and have complied with all notice requirements in the application and application acceptance letter; and that all such statements made and matters set forth therein are true and correct.

Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this _____ day of _____, 20____, to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____

PUBLIC UTILITY COMMISSION OF TEXAS



PUBLISHER'S AFFIDAVIT DOCKET NO. 51877

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____,

who being by me duly sworn, deposes and that (s)he is the

_____ of the _____
(TITLE) (NAME OF NEWSPAPER)

that said newspaper is regularly published in _____
(COUNTY/COUNTIES)

and generally circulated in _____, Texas;
(COUNTY/COUNTIES)

and that the attached notice was published in said newspaper on the following dates, to wit:

(DATES)

(SIGNATURE OF NEWSPAPER REPRESENTATIVE)

Subscribed and sworn to before me this _____ day of _____, 20____,
to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____