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March 9, 2022

VIA E-FILING

The Honorable Hunter Burkhalter Chief Administrative Law Judge Public Utility Commission of Texas 1701 N. Congress, Austin, Texas 78711

Re: Docket No. 52494 - Application of R & N Enterprises and Monarch Utilities I L.P. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Cooke County

Dear Chief Judge Burkhalter:

This correspondence is respectfully submitted on behalf of Monarch Utilities I L.P. (Monarch) and R & N Enterprises (R&N) (together, Applicants), out of an abundance of caution, to notify the Commission that, given the expiration of the 120-day statutory period provided by Texas Water Code (TWC) § 13.301(f), the Applicants intend to consummate the proposed transaction as allowed by statute.

On September 1, 2021, Applicants filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Cooke County under TWC § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. Specifically, the applicants seek approval of the following: (1) for R&N to sell and transfer all of its facilities and certificated service area currently held under R&N's water Certificate of Convenience and Necessity (CCN) number 11644 to Monarch; (2) to amend Monarch's water CCN number 12983 to include the water facilities and certificated service area previously included in R&N's water CCN number 11644; and (3) to cancel R&N's water CCN number 11644. The requested sale and transfer includes approximately 156.4 acres and 41 customers.

In Order No. 2 filed on October 7, 2021, the ALJ found the application administratively complete. On November 5, 2021, Monarch filed proof of notice. On December 3, 2021, Order No. 4 was issued, finding the notice sufficient and requiring the parties to file a joint motion to admit evidence and proposed order approving the sale and allowing the transaction to proceed by February 11, 2022, both of which were timely filed. Order No. 4 also established that the 120-day deadline for the Public Utility Commission (Commission) to approve the sale or require a hearing, pursuant to 16 TAC § 24.239(b), was March 5, 2022. However, because that date fell on a Saturday, the 120-day deadline was instead established as March 7, 2022.

TWC \S 13.301(f) provides that the sale may be completed as proposed: "(1) at the end of the 120-day period; or (2) at any time after the utility commission notifies the utility... that a hearing will not be held."

As noted above, the 120-day period expired on March 7, 2022. As of the date of this letter, the ALJ has yet to issue an order approving the sale and transfer to proceed. Therefore, the Applicants respectfully wish to disclose their intent to complete the proposed transaction as provided for by statute.

Sincerely,

Brian Bahr

Director, Rates & Regulatory Monarch Utilities I L.P.

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SouthWest Water Company

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