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DOCKET NO. 53472

APPLICATION OF MONARCH	§	PUBLIC UTILITY COMMISSION
UTILITIES I L.P. TO AMEND ITS	§	
CERTIFICATE OF CONVENIENCE	§	OF TEXAS
AND NECESSITY AND TO DECERTIFY	§	
PORTIONS OF JOHNSON COUNTY	§	
SPECIAL UTILITY DISTRICT AND	§	
MOUNTAIN PEAK SPECIAL UTILITY	§	
DISTRICT IN JOHNSON COUNTY	§	

JOINT MOTION TO ADMIT EVIDENCE AND PROPOSED NOTICE OF APPROVAL

Monarch Utilities I L.P. (Monarch), together with the Staff (Staff) of the Public Utility Commission of Texas (Commission) (collectively, the Parties), file this Joint Motion to Admit Evidence and Proposed Notice of Approval. In support thereof, the Parties would show the following:

I. BACKGROUND

On April 8, 2022, Monarch Utilities I L.P (Monarch) filed an application to amend its water certificate of convenience and necessity (CCN) number 12983 and to partially decertify Johnson County Special Utility District's (Johnson County SUD) CCN number 10081 and Mountain Peak Special Utility District's (Mountain Peak SUD) CCN number 10908. Monarch seeks to add 160 acres and 65 current customer connections. On April 27, 2022 and May 23, 2022, Monarch filed supplemental information. On July 21, 2022, Monarch filed proof of notice. Additionally, Monarch amended the application on August 1, 2022 to indicate that there were 65 customers within the requested area, not zero as previously indicated. On September 19, 2022, Monarch filed a consent form concurring with the final maps and certificates transmitted by Commission Staff via email. On October 11, 2022, Johnson County SUD and Mountain Peak SUD filed consent forms concurring with the final maps and certificates transmitted by email. On October 12, 2022, Commission Staff filed its recommendation on final disposition.

On October 6, 2022, Order No. 5 was issued, requiring the Parties to file a joint motion to admit evidence and proposed notice of approval by October 26, 2022.¹ Therefore, this joint motion is timely filed.

¹ Order No. 5 Granting Extension Request (Oct 6, 2022).

II. JOINT MOTION TO ADMIT EVIDENCE

The Parties move to admit the following evidence into the record of this proceeding:

1. Monarch's application including confidential attachments, filed on April 8, 2022 (AIS Item No. 1 and AIS Item No. 3);
2. Monarch's supplement to the application, filed on April 27, 2022 (AIS Item No. 5);
3. Commission Staff's recommendation on administrative completeness, filed on June 6, 2022 (AIS Item No. 10);
4. Monarch's proof of notice, filed on July 21, 2022 (AIS Item No. 12);
5. Monarch's amendment to the application, filed on August 1, 2022 (AIS Item No. 14);
6. Commission Staff's recommendation on sufficiency of notice, filed on August 1, 2022 (AIS Item No. 15);
7. Monarch's consent form, filed on September 19, 2022 (AIS Item No. 17);
8. Johnson County SUD's consent form, filed on October 11, 2022 (AIS Item No. 20);
9. Mountain Peak SUD's consent form, filed on October 11, 2022 (AIS Item No. 21);
10. Commission Staff's final recommendation including confidential attachment, filed on October 12, 2022 (AIS Item No. 22 and AIS Item No. 23); and
11. The maps and certificates attached to the proposed notice of approval, filed on October 26, 2022.

III. PROPOSED NOTICE OF APPROVAL

The Parties respectfully request that the Commission adopt the findings of fact, conclusions of law, and ordering paragraphs contained in the proposed notice of approval, being provided as Attachment A.

IV. CONCLUSION

The Parties respectfully request that the Commission grant the joint motion to admit evidence and adopt the attached proposed notice of approval.

Respectfully submitted,

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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 October 25, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ William A. Faulk, III

William A. Faulk, III

ATTACHMENT A

DOCKET NO. 53472

APPLICATION OF MONARCH UTILITIES I L.P TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY AND TO DECERTIFY PORTIONS OF JOHNSON COUNTY SPECIAL UTILITY DISTRICT AND MOUNTAIN PEAK SPECIAL UTILITY DISTRICT IN JOHNSON COUNTY	§ § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the April 8, 2022 application, including the April 27, 2022 and August 1, 2022 amendments, of Monarch Utilities I L.P (Monarch) to amend its water certificate of convenience and necessity (CCN) No. 12983 and to partially decertify Johnson County Special Utility District’s (Johnson County SUD) CCN number 10081 and Mountain Peak Special Utility District’s (Mountain Peak SUD) CCN number 10908. The application proposes to add 160 acres to Monarch’s service area under Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237. The Commission amends Monarch’s water CCN number 12983, Johnson County SUD’s water CCN number 10081, and Mountain Peak SUD’s water CCN number 10908 to add and partially decertify water service areas to the extent provided in this Notice of Approval.

I. FINDINGS OF FACT

The Commission makes the following findings of fact.

Applicant

1. Monarch is a Texas limited partnership registered with the Texas Secretary of State under file number 800034797.
2. Monarch is a retail public utility that provides water and sewer service in Texas under CCN numbers 12983 and 20899.

Application

3. On April 8, 2022, the Applicant filed an application to amend Monarch's water CCN No. 12983 and to partially decertify Johnson County SUD's water CCN No. 10081 and Mountain Peak SUD's water CCN No. 10908.
4. Monarch filed amendments to the application on April 27, 2022 and August 1, 2022.
5. The requested area includes 65 customers and approximately 160 acres.
6. The requested area is located approximately 6 miles south of downtown Mansfield, Texas and is generally bounded on the north by the intersection of Gina Lane and County Road 616; on the east by the intersection of County Road 616 and County Road 615; on the south by the intersection of Farm to Market Road 2738 (Wilkerson Road) and Thompson Road; and on the west by Farm to Market Road 2738 (Wilkerson Road).
7. In Order No. 3 filed on June 8, 2022, the ALJ found the amended application administratively complete.

Notice

8. On July 21, 2022, Monarch filed the affidavit of George Freitag, the Regulatory Affairs Manager for Monarch, attesting that notice was provided to all neighboring utilities and affected parties on July 11, 2022.
9. On July 21, 2022, Monarch filed a publisher's affidavit attesting to the publication of notice in the *Cleburne Times Review*, a newspaper of general circulation in Johnson County, on July 7 and July 9, 2022.
10. In Order No. 4 filed on August 2, 2022, the ALJ found notice sufficient.

Map and Certificate

11. On September 19, 2022, Monarch filed its consent to the proposed final map and certificates.
12. On October 11, 2022, Monarch filed the consents of Johnson County SUD and Mountain Peak SUD to the proposed final map and certificates.
13. A tariff was not issued in this docket because the requested area's associated subdivision is already included in the tariff issued in Docket No. 52201.

14. On October ____, 2022, the parties filed the map and certificate as attachments to the joint motion to admit evidence and proposed notice of approval.

Evidentiary Record

15. In Order No. ____, issued on _____, 2022, the ALJ admitted the following evidence into the record: (a) Monarch's application including confidential attachments, filed on April 8, 2022; (b) Monarch's supplement to the application, filed on April 27, 2022; (c) Monarch's second supplement to the application, filed on August 1, 2022; (d) Commission Staff's recommendation on administrative completeness, filed on June 8, 2022; (e) Monarch's proof of notice, filed on July 21, 2022; (f) Commission Staff's recommendation on sufficiency of notice, filed on August 2, 2022; (g) Monarch's consent form, filed on September 19, 2022; (h) Johnson County SUD and Mountain Peak SUD consent forms, filed October 11, 2022; (i) Commission Staff's final recommendation, filed on October 12, 2022; and (j) the maps and certificates attached to the proposed notice of approval, filed on ____, 2022.

System Compliance

16. Monarch has been subject to enforcement actions by the Commission, Texas Commission on Environmental Quality (TCEQ), Texas Department of Health, the Office of the Attorney General, or the Environmental Protection Agency in the past five (5) years for non-compliance with rules, orders, or state statutes.
17. Monarch has either resolved the non-compliance issues or has entered into compliance agreements that are leading to resolution of the violations.

Adequacy of Existing Service

18. Customers in the requested area currently receive service from Monarch's Texas Commission on Environmental Quality (TCEQ) approved public water system (PWS) registered as Metroplex Homesteads Water Supply, PWS ID No. 1260074.
19. Monarch does not have any violations listed in the TCEQ database.
20. No additional construction is necessary for Monarch to serve the requested areas.

Need for Additional Service

21. There is a need for service as there are 65 existing customers and potential new customers in the requested areas.

Effects of Granting the Application

22. Monarch will be the certificated entity for the requested areas and will be required to provide adequate and continuous service to the requested areas.
23. The landowners in the area will have a reliable water provider available when they need to request water service.
24. There will be no effect on any retail public utility servicing the proximate areas.
25. All retail public utilities in the proximate areas were provided notice of the CCN amendment requested in this application and did not request to intervene.

Ability to Serve: Managerial and Technical

26. Monarch has approximately 116 TCEQ-approved public water systems.
27. Monarch's TCEQ-approved PWS for this requested area is registered as Metroplex Homesteads Water Supply, PWS ID No. 1260074.
28. Monarch does not have any violations listed in the TCEQ database for this water system.
29. Monarch employs TCEQ-licensed operators who are responsible for operating its public water and wastewater systems.
30. No additional construction is necessary for Monarch to service the requested areas.
31. Monarch has the managerial and technical capability to provide continuous and adequate water service to the requested area.

Ability to Serve: Financial Ability and Stability

32. Monarch has a debt-to-equity ratio of less than one, satisfying the leverage test.
33. Monarch has sufficient cash available to cover any projected operations and maintenance shortages during the first five years after the completion of the proposed sale and transfer, satisfying the operations test.
34. Monarch has demonstrated the financial capability and stability to provide continuous and adequate water service.

Financial Assurance

35. Because Monarch meets the financial tests, there is no need for Monarch to provide a bond or other financial assurance to ensure adequate and continuous service.

Feasibility of Obtaining Service from Adjacent Utilities

36. Monarch has facilities in the requested area to serve any future customers, has sufficient capacity, and has plans approved by the TCEQ for the water plant and distribution system that will provide service to the requested area.
37. It is not feasible to obtain service from an adjacent retail public utility.
38. Utilities within a two-mile radius were noticed, and no protests were received.

Environmental Integrity and Effect on the Land

39. The environmental integrity and effect on the land will be minimally affected by the proposed transaction as facilities are constructed to provide service to the requested area.
40. Where new construction is planned, proper construction protocols will be followed to ensure that the environmental integrity of the land will not be disrupted or negatively affected to such a degree that the application should not be granted.

Improvement of Service or Lowering Cost to Consumers

41. The proposed transaction will improve current levels of customer service because future residents of the planned development will have available water service.

Regionalization or Consolidation

42. TCEQ has approved plans for Monarch to build facilities in the requested area to serve future customers, and Monarch will have sufficient capacity to serve the area.
43. Utilities within a two-mile radius were noticed, and no protests were received.
44. Monarch demonstrated that regionalization or consolidation with an adjacent public utility is not feasible.

Informal Disposition

45. More than 15 days have passed since the completion of the notice provided in this docket.
46. No protests, motions to intervene, or requests for hearing were filed.
47. Monarch and Commission Staff are the only parties to this proceeding
48. Commission Staff recommended approval of the application on October 12, 2022.
49. The decision to approve is not adverse to any party.

II. CONCLUSIONS OF LAW

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this proceeding pursuant to TWC §§ 13.041, 13.241, 13.242, 13.244, 13.246, and 13.254.
2. Monarch is a retail public utility, as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. Monarch's application meets the requirements of TWC § 13.244 and 16 TAC § 24.227.
4. Monarch provided notice of the application that complies with TWC § 13.246 and 16 TAC § 24.235.
5. The Commission has processed the application as required by the Texas Administrative Procedure Act¹ the TWC, and Commission Rules.
6. After consideration of the factors in TWC § 13.246(c) and 16 TAC §§ 24.277(e), Monarch has demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested service areas as required by TWC § 13.241(a) and 16 TAC § 24.227.
7. Monarch demonstrated that regionalization or consolidation is not economically feasible, as required by TWC § 13.241(d) and 16 TAC § 24.227(b).
8. It is not necessary for Monarch to provide a bond or other financial assurance under TWC §§ 13.246(d) or 16 TAC § 24.227(f).
9. Monarch has demonstrated that the amendment of Monarch's water CCN number 12983 is necessary for the service, accommodation, convenience, and safety of the public as required by TWC § 13.246(b) and 16 TAC § 24.227(d).
10. Under TWC § 13.257(r) and (s), Monarch must record a certified copy of the approved map and certificate approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Johnson County within 31 days of this Notice of Approval and must submit evidence of the recording to the Commission.

¹ Tex. Gov't Code §§ 2001.001–.903.

11. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. ORDERING PARAGRAPHS

In accordance with these findings of fact and conclusions of law, the Commission orders the following:

1. The Commission amends Monarch's water CCN number 12983 as described in this notice of approval and shown on the attached map.
2. The Commission approves the certificates and maps attached to this Notice of Approval.
3. The Commission's official service area boundary map for Monarch shall reflect this change as shown in the attached maps.
4. Monarch must serve every customer and applicant for service within the approved area under water CCN number 12983 that requests water service and otherwise meets the terms for Monarch's water service, and such service must be adequate and continuous.
5. Monarch must comply with the recording requirements as provided in TWC § 13.257(r) and (s) for the areas in Johnson County affected by this application and must file in this docket proof of the recording no later than 45 days after the date of this notice of approval.
6. The Commission denies all other motions and any other requests for general or specific relief, in not expressly granted herein.

Signed at Austin, Texas this ___ day of _____, 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

ADMINISTRATIVE LAW JUDGE



Public Utility Commission of Texas

By These Presents Be It Known To All That Monarch Utilities I L.P.

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Monarch Utilities I L.P. is entitled to this

Certificate of Convenience and Necessity No. 12983

to provide continuous and adequate water utility service to that service area or those service areas in Bandera, Bexar, Brazoria, Chambers, Comal, Cooke, Denton, Gillespie, Grayson, Guadalupe, Harris, Hays, Henderson, Hood, Johnson, Kendall, Kerr, Liberty, Marion, Matagorda, Medina, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Travis, Trinity, Tyler, Van Zandt, Wise, and Wood Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53472 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Monarch Utilities I L.P. to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Johnson County Special Utility District

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Johnson County Special Utility District, is entitled to this

Certificate of Convenience and Necessity No. 10081

to provide continuous and adequate water utility service to that service area or those service areas in Ellis, Hill, Johnson, and Tarrant Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53472 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Johnson County Special Utility District, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Mountain Peak Special Utility District

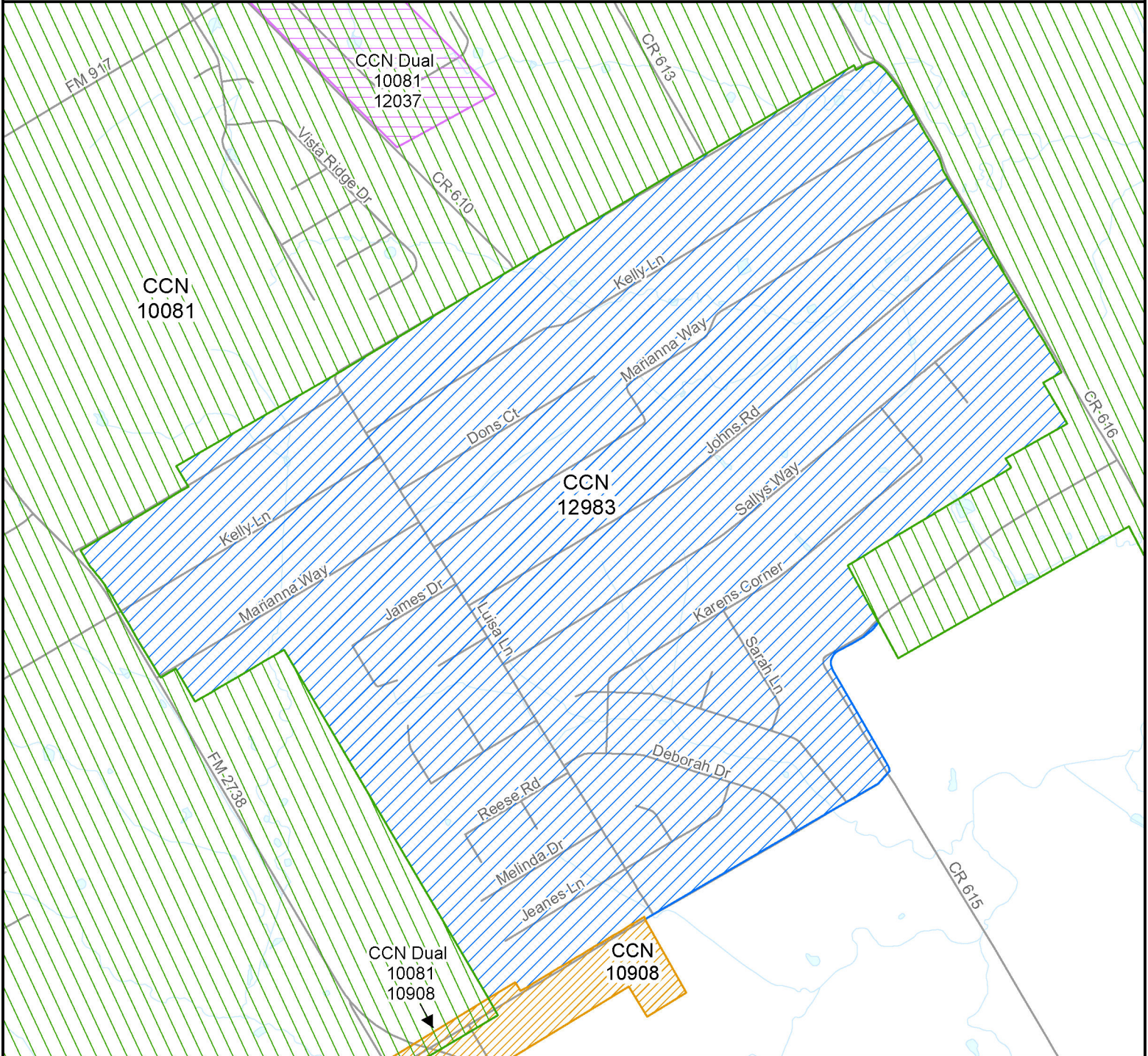
having obtained certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Mountain Peak Special Utility District is entitled to this

Certificate of Convenience and Necessity No. 10908

to provide continuous and adequate sewer utility service to that service area or those service areas in Ellis and Johnson Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53472 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Mountain Peak Special Utility District, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.





Monarch Utilities I L.P.
 Portion of Water CCN No. 12983
 PUC Docket No. 53472
 Amended CCN No. 12983 and

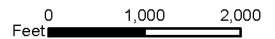
Decertified a Portion of Johnson County Special Utility District, CCN No. 10081 and
 Decertified a Portion of Mountain Peak Special Utility District, CCN No. 10908 in Johnson County



Public Utility Commission of Texas
 1701 N. Congress Ave
 Austin, TX 78701

Water CCN

-  12983 - Monarch Utilities I LP
-  10081 - Johnson County SUD
-  10908 - Mountain Peak SUD
-  12037 - James D Dyche dba Crest Water Company



Map by: Komal Patel
 Date: September 8, 2022
 Project: 53472MonarchUtilities.mxd