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APPLICATION OF MONARCH	§	PUBLIC UTILITY COMMISSION
UTILITIES I L.P. AND CREEK WATER	§	
UTILITY, LLC FOR SALE, TRANSFER,	§	
OR MERGER OF FACILITIES AND	§	OF TEXAS
CERTIFICATE RIGHTS IN MARION	§	
COUNTY	§	

**MONARCH UTILITIES I L.P.'S NOTICE OF APPEARANCE OF COUNSEL AND
RESPONSE TO COMMISSION STAFF'S RECOMMENDATION ON
ADMINISTRATIVE COMPLETENESS**

Monarch Utilities I L.P. (Monarch) files this Notice of Appearance of Counsel and Response to Public Utility Commission of Texas (Commission) Staff's Recommendation on Administrative Completeness and Proposed Procedural Schedule dated September 1, 2022 (Recommendation). In response, the Monarch shows the following:

I. NOTICE OF APPEARANCE OF COUNSEL

Monarch has retained legal counsel representation since the filing of its initial application. The telephone number and address of Monarch's authorized representative are located in the signature block below. Monarch requests that all correspondence, pleadings, briefs, requests for information, responses to requests for information, and all other documents in this proceeding be served upon its authorized representative.

II. BACKGROUND

On August 1, 2022, Monarch and Creek Water filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Marion County. On September 1, 2022, Commission Staff filed their Recommendation, in which they recommended that Monarch and Creek Water's application be found administratively incomplete.¹ Monarch now responds to

¹ Commission Staff's Recommendation on Administrative Completeness and Proposed Procedural Schedule at 1 (Sept. 1, 2022).

Commission Staff's recommendation and objects to its recommendation that Monarch's application be found administratively incomplete from a financial perspective. Pursuant to 16 Tex. Admin. Code (TAC) § 22.78(a), this pleading is timely filed.

III. RESPONSE TO STAFF'S RECOMMENDATION

Commission Staff's filed Recommendation contended that Monarch's application "be found administratively incomplete from a financial perspective[]" and referred to Mr. Blanchard's memorandum.

Commission Staff's Recommendation along with Mr. Blanchard's memorandum do not provide any reasoning, precedent, statute, or Commission rule for recommending that Monarch's application be found administratively incomplete and only states that Monarch be required to file either five years of projected income statements or that Monarch complete Appendix B of the Commission's form application.

Monarch has met the Commission's form application requirements for financial information and the application should be declared administratively complete without providing any additional financial information. Item No. 10 of the application form states that "The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information."² Monarch provided both historical financial information—in the form of audited financial statements issued within 18 months of the application filing date—and projected financial information—in the form of "a detailed budget or capital improvement plan, which indicates

² Application at 5–6 (Aug. 1, 2022).

sources and uses of funds required, including improvements to the system being transferred[.]”³
The Commission’s form application makes it clear that providing a detailed capital improvement plan is sufficient for the requirements of providing projected financial information.⁴ The Commission’s application form also states that a five-year projection is only necessary if the applicant is a new market entrant.⁵ Monarch is not a new-market entrant and has filed many STM applications meeting the financial requirements with the Commission.⁶

Overall, Monarch has provided all the financial information required by the Commission’s form application and any additional information required by Commission Staff goes to the merits of the application.

IV. CONCLUSION

Based on the foregoing, Monarch respectfully requests that the Administrative Law Judge find the application administratively complete and establish a procedural schedule for adjudicating the application. Additionally, Monarch requests any further relief to which it has shown itself entitled.

Respectfully submitted,

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³ *Id.*; Application at Attachment 6.

⁴ Application at 6.

⁵ Application at 5.

⁶ *Application of R&N Enterprises and Monarch Utilities I, L.P. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Cooke County*, Notice of Approval at 6 (Sept. 1, 2022).

/s/ William A. Faulk, III

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**ATTORNEYS FOR MONARCH
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CERTIFICATE OF SERVICE

I hereby certify that notice of the filing of this document was provided to all parties of record via electronic mail on September 2, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ William A. Faulk, III

William A. Faulk, III