



## Filing Receipt

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**DOCKET NO. 54171**

|   |          |                                  |
|---|----------|----------------------------------|
| <b>APPLICATION OF MONARCH UTILITIES I LP AND CS WATER CORPORATION FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN BOSQUE COUNTY</b> | <b>§</b> | <b>PUBLIC UTILITY COMMISSION</b> |
|   | <b>§</b> |                                  |
|   | <b>§</b> |                                  |
|   | <b>§</b> | <b>OF TEXAS</b>                  |
|   | <b>§</b> |                                  |
|   | <b>§</b> |                                  |

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS AND NOTICE AND PROPOSED PROCEDURAL SCHEDULE**

On September 30, 2022, Monarch Utilities I LP (Monarch Utilities) and the CS Water Corporation (CS Water) (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Bosque County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

On October 4, 2022, the administrative law judge (ALJ) filed Order No. 1, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file comments on the administrative completeness of the application and proposed notice, and both applicants and Staff must file a recommendation regarding how to proceed with the application and propose a procedural schedule by October 31, 2022. 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 James Harville, Infrastructure Division, and David Lopez and Fred Bednarski, Rate Regulation Division, 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 the attached memorandum using the notice form provided by Mr. Harville. 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 the 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:

| <b>Event</b>   | <b>Date</b>                    |
|--|--------------------------------|
| 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 | November 30, 2022              |
| Deadline for Staff to file a recommendation on sufficiency of notice   | December 12, 2022              |
| 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, and that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: October 31, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Keith Rogas  
Division Director

John Harrison  
Managing Attorney

/s/ Margaux Fox  
Margaux Fox  
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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 31, 2022 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Margaux Fox  
Margaux Fox

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Margaux Fox, Attorney  
Legal Division

**FROM:** James Harville, Infrastructure Analyst  
Infrastructure Division

**DATE:** October 31, 2022

**RE:** Docket No. 54171 – *Application of Monarch Utilities I LP and CS Water Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Bosque County*

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On September 30, 2022, Monarch Utilities I LP (Monarch Utilities) and the CS Water Corporation (CS Water) (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Bosque County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Monarch has an application in process (Docket No. 53636) at the Commission to change the utility name from Monarch Utilities I L.P. to Texas Water Utilities, L.P. Until that application is approved the legal utility name on file with the Commission is Monarch Utilities I L.P. When Docket No. 53636 is approved, and the name change is complete, the final approval will be filed in this docket so the name can be changed to the new utility name.

Specifically, Monarch Utilities, water Certificate of Convenience and Necessity (CCN) No. 12983 seeks approval to acquire facilities and to transfer all of the water service area from CS Water under water (CCN) No. 11441.

Based on the mapping review by Tracy Montes, Infrastructure Division, the maps submitted with Item 10 on October 25, 2022 are sufficient.

- The requested area includes 178 customer connections and approximately 726 acres, comprised of transferred area from CCN No. 11441.
- The application proposes the subtraction of approximately 726 acres from CCN No. 11441 and the addition of approximately 726 acres to CCN No. 12983.

Based on the mapping review and my technical and managerial review of the information filed, 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:
    - *Brazos River Authority*
    - *Cedron Creek Ranch Water Supply (CCN No. 11659)*
  - b. The county judge of each county that is wholly or partially included in the requested area:
    - *Bosque County Judge*
  - c. Each groundwater conservation district that is wholly or partially included in the requested area:
    - *Middle Trinity Groundwater Conservation District*
  - d. 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 <https://www14.tceq.texas.gov/iwud/index.cfm>.

- 2) Provide notice using the attached notice form.
- 3) Provide a copy of the maps deemed sufficient during administrative review delineating the requested area with each individual notice to neighboring utilities, other affected parties and customers.
- 4) File in the docket copy of notice and the maps deemed sufficient during administrative review along with the signed affidavit specifying every person and entity to whom notice was provided, and the date that the notice was provided.

Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed, Staff may send requests for information (RFI) to Monarch Utilities and CS Water. Monarch Utilities and CS Water will have 20 days from the receipt of the RFI to respond.

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Margaux Fox  
Legal Division

**FROM:** David Lopez  
Fred Bednarski III  
Rate Regulation Division

**DATE:** October 31, 2022

**RE:** Docket No. 54171 – *Application of Monarch Utilities I LP and CS Water Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Bosque County*

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On September 30, 2022, Monarch Utilities I LP and CS Water Corporation filed an application for the sale and transfer of facilities and certificate rights in Bosque County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

We reviewed the answers provided to questions 4, 10, 11, 12, and 14 of the application. We did not identify any deficiencies in those answers for purposes of determining whether the application is administratively complete. Therefore, we recommend that the Commission deem the application administratively complete from a financial perspective.

***Notice to Current Customers, Neighboring Systems, and Cities***  
MONARCH UTILITIES I LP, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)  
NO. 12983, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO  
TRANSFER WATER SERVICE AREA UNDER CCN NO. 11441 FROM CS WATER  
CORPORATION IN BOSQUE COUNTY, TEXAS

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

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City State Zip)

Monarch Utilities I LP    12535 Reed Road                      Sugarland, TX                      77478  
(Monarch Utilities I LP's Name)    (Address)    (City), (State)    (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase all of the water facilities and to transfer water certificated service area under CCN No. 11441 in Bosque County, TX from:

CS Water Corporation    102 N 30<sup>th</sup> St                      Waco, TX                      76710  
(CS Water Corporation's Name)    (Address)    (City), (State)    (Zip Code)

The requested area overlaps the district boundaries of Brazos River Authority. If this district does not request a public hearing, the Commission shall determine that the district is consenting to the Monarch Utilities I LP's request to provide retail water utility service in the requested area.

Monarch has an application in process (Docket No. 53636) at the Commission to change the utility name from Monarch Utilities I L.P. to Texas Water Utilities, L.P. The docket may be approved under the new utility name.

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 subdivision: The Canyons.

The requested area includes 178 customer connections, is located approximately 6.5 miles west of downtown Whitney, Texas, and is generally bounded on the north by County Road 1500 and Cedron Creek; on the east by Brazos River and Lake Whitney; on the south by King Creek; and on the west by Farm to Market 56.

The requested area includes approximately 726 acres, comprised of transferred area from CCN No. 11441.

The application proposes the subtraction of approximately 726 acres from CCN No. 11441 and the addition of approximately 726 acres to CCN No. 12983.

**See enclosed maps showing the requested area.**

The proposed transaction may change the current customers' rates and services to the current approved rates and services of Monarch Utilities I LP, which are higher than the current rate for a



5/8" meter for CS Water Corporation. To view a copy of the current approved tariff, go to: <https://swwc.com/wp-content/uploads/files/tx/tariff/Monarch-Water-Tariff.pdf> or call (866)-654-7992 to request a copy.

*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.

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

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Utility Representative

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Utility Name

# PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND  
AFFECTED PARTIES  
DOCKET NO. 54171

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 for 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 \_\_\_\_\_

Notice Form Updated: March 31, 2022