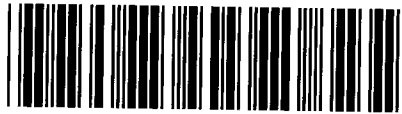


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Addendum StartPage: 0

**SOAH DOCKET NO. 473-16-2873.WS
PUC DOCKET NO. 45570**

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STATE OFFICE OF
PUBLIC UTILITY COMMISSION
FILING CLERK

**APPLICATION OF MONARCH §
UTILITIES I, LP FOR AUTHORITY TO §
CHANGE RATES §**

ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S SEVENTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 7-1 THROUGH NO. 7-12**

To: Monarch Utilities I, LP, through its counsel of record, Lambeth Townsend, Georgia N. Crump, and William A. Faulk, III, Lloyd, Gosselink, Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701

Pursuant to 16 Tex. Admin. Code § 22.144, Commission Staff of the Public Utility Commission of Texas requests that Monarch Utilities I, LP provide responses and produce documents in response to Staff's Seventh Request for Information.

Provide an original and three (3) copies of your responses to:

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78712-3326

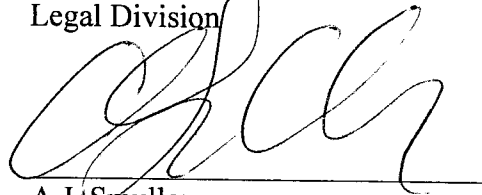
137

Date: April 21, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division



A.J. Smullen
State Bar No. 24083881
Attorney, Legal Division
aj.smullen@puc.texas.gov

Sam Chang
State Bar No. 24078333
Attorney, Legal Division
sam.chang@puc.texas.gov

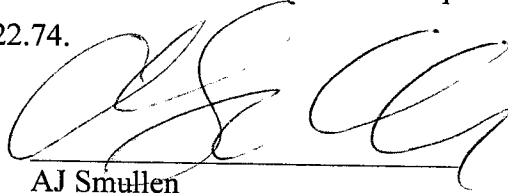
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, Texas 78712-3326
(512) 936-7289
(512) 936-7268 (facsimile)
sam.chang@puc.texas.gov

*Commission Staff of the Public Utility
Commission of Texas*

**SOAH DOCKET NO. 473-16-2873.WS
PUC DOCKET NO. 45570**

CERTIFICATE OF SERVICE

I certify that a copy of this document was served on all parties of record on April 21, 2016 in accordance with 16 Tex. Admin. Code § 22.74.



AJ Smullen

**SOAH DOCKET NO. 473-16-2873.WS
PUC DOCKET NO. 45570**

**COMMISSION STAFF'S SEVENTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 7-1 THROUGH NO. 7-12**

INSTRUCTIONS

1. Monarch Utilities' responses to Staff's 7th RFI shall be provided within the time limit provided by the presiding officer or, if the presiding officer has not provided a time limit, within twenty (20) days.
2. Monarch Utilities' responses to Staff's 7th RFI shall be in sufficient detail to fully present all of the relevant facts.
3. Each response must be made under oath and identify the person that prepared the response or the person under whose direct supervision the response was prepared. Additionally, each response must also identify the sponsoring witness, if any.
4. Copy the specific question or document request immediately above each response. With respect to the production of documents, indicate the specific document request(s) to which the documents are being produced.
5. Monarch Utilities has a continuing duty to supplement its responses to Staff's 7th RFI if it acquires information upon the basis of which it knows or should know that the response was incorrect or incomplete when made or though correct or complete when made, is materially incorrect or incomplete. Monarch Utilities shall amend its prior response within five (5) working days of acquiring the information.
6. If any responsive Document, Electronically Stored Information, or tangible item is withheld under any claim of privilege, provide a privilege log identifying each Document for which a privilege is claimed, together with the following information:
 - a. Date of the Document was created;
 - b. Subject matter of the Document; and
 - c. The basis upon which such privilege is claimed.
7. Electronically Stored Information and Documents in an electronic format shall be produced with metadata intact.
8. If the response to any request is voluminous, provide a detailed index of the voluminous material and the means by which Staff may obtain the voluminous material.
9. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.

10. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
11. The terms “and” and “or” shall be construed as either conjunctive or disjunctive as necessary to make the request inclusive rather than exclusive

**SOAH DOCKET NO. 473-16-2873.WS
PUC DOCKET NO. 45570**

**COMMISSION STAFF'S SEVENTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 7-1 THROUGH NO. 7-12**

DEFINITIONS

1. "Monarch Utilities" means Monarch Utilities I, LP and any entity or person acting or purporting to act on its behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, independent contractors, or other persons.
2. "Commission" means the Public Utility Commission of Texas.
3. "Document" is used in its broadest sense to include, by way of illustration and not limitation, all written or graphic matter of every kind and description, whether printed, produced, or reproduced by any process (visually, magnetically, mechanically, electronically, or by hand); whether a final draft, initial draft, original copy, or reproduction; whether claimed as privileged or otherwise excludable from discovery; and whether or not in your actual or constructive possession, custody, or control. The term includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to Electronically Stored Information, correspondence, e-mails, telegrams, contracts, agreements, notes in any form, memoranda, reports, invoices, ledgers, spreadsheets, data, models, diaries, compilations, voice recording tapes, microfilms, pictures, computer media, workpapers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession.
4. "Electronically Stored Information" means data that is created, altered, communicated, and stored in digital form.
5. "NARUC" means the National Association of Regulatory Commissioners.

**SOAH DOCKET NO. 473-16-2873.WS
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**COMMISSION STAFF'S SEVENTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 7-1 THROUGH NO. 7-12**

- STAFF 7-1 Reference Schedule II-A-1, Cost of Service by Water/Sewer of Charles Profilet. Please explain the composition of materials and supplies account. In addition, please provide a detailed breakdown of the \$1,449,757 for materials and supplies, including description of items purchased and amounts for individual purchases exceeding \$5,000.
- STAFF 7-2 Reference Schedule III (W) and III (S) Rate Design of George Frietag. Please provide a detailed breakdown of costs included in materials and supplies, totaling \$299,866 and \$52,242, for water and sewer, respectively. Please include descriptions of items purchased and amounts for individual purchases exceeding \$1,000.
- STAFF 7-3 Reference Schedule II-A-1 of Charles Profilet. Please provide copies of Form W-3 transmittal of wage and statements filed by the Applicant with the Internal Revenue Service (IRS) for calendar year 2013, 2014, and 2015.
- STAFF 7-4 Reference Schedule II-D-3.3 of Carmelitha Bordelon-Taylor. Please confirm that the amount of \$15,574 paid to National Association of Water Companies is "Attributable to Lobbying". Please provide the account, schedule, and line number on which this amount is included in this rate application.
- STAFF 7-5 Reference Schedule II-D-1.2(SH) of Carmelitha Bordelon-Taylor, salaries and wages-employees increase \$244,729. Please provide list of employees with the corresponding increase, with the following information:
- a) Names, or job titles in lieu of names, of employees;
 - b) Old rate;
 - c) New rate; and
 - d) Provide copy of board minutes or other executive approval authorizing the payroll increases.
- STAFF 7-6 Reference Schedule II-D-1.2(SH) of Carmelitha Bordelon-Taylor. Please explain the amount of \$56,665, Miscellaneous Expense - "Intercompany Interest Adjustment".
- STAFF 7-7 Please provide the total amount of customer deposits balance for the Applicant, as of June 30, 2014, and June 30, 2015, respectively.

STAFF 7-8

Reference General Ledger for the test year, GL Account 610200 Incentive/Compensation, 227,166.58, please provide the following information:

- a) Names, or job titles in lieu of names, of employees/officers who received incentive;
- b) Amount for each identified employee;
- c) Company policy on Incentive/Compensation;
- d) Total amount included in this rate application;
- e) What account this expense was included;
- f) Provide detailed information on how the amount were determined for each employee; and
- g) Provide detailed information on the determinants used to calculate the amounts for each employee.

STAFF 7-9

Reference General Ledger for the test year, GL Account 610400 Vacation/Holiday Expense, \$229,956.20. Please provide the following information:

- a) Names, or job titles in lieu of names, of employees/officers who received holiday expense;
- b) Amount for each identified employee;
- c) Company policy on Vacation/Holiday Expense;
- d) Total amount included in this rate application; and
- e) What account this expense was included.

STAFF 7-10

Reference General Ledger for the test year, GL Account 611020 Medical & Dental - Employer, \$898,618.22. Please provide the following information:

- a) Names, or job titles in lieu of names, of employees/officers who received medical & dental benefits;
- b) Amount for each identified employee;
- c) Company policy on Vacation/Holiday Expense;
- d) Total amount included in this rate application; and
- e) What account this expense was included.

STAFF 7-11

Reference Schedule II-A-1 of Charles Profilet. Please provide a detailed breakdown or schedule of expenses grouped under Employee Pensions and Benefits totaling \$762,058.

STAFF 7-12

Does the Applicant's requested cost of service include amounts for executive perquisites such as financial planning and gross-ups? If so, please provide an explanation of the types of perquisites included, a copy of the Applicant's policies regarding the payment of such perquisites, and the amount of such payments included in the cost of service by schedule, line number, and NARUC account.