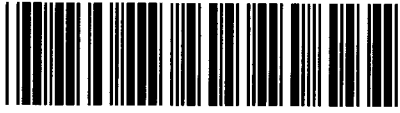




Control Number: 45570



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Addendum StartPage: 0

PUC DOCKET NO. 45570 RECEIVED
SOAH DOCKET NO. 473-16-2873.WS
2016 APR 29 PM 1:39

APPLICATION OF MONARCH § BEFORE THE STATE OFFICE
UTILITIES I, L.P. TO CHANGE RATES § PUBLIC UTILITY
FOR WATER AND SEWER SERVICE § FILING CLERK
ADMINISTRATIVE HEARINGS

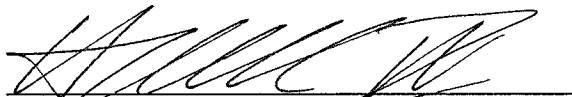
**MONARCH UTILITIES I, L.P.'S SUPPLEMENTAL RESPONSES TO
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION NOS. 4-3 AND 4-4**

To: Commission Staff, by and through its attorney of record, Sam Chang, Public Utility
Commission of Texas, Legal Division, 1701 North Congress Avenue, Austin, Texas
78711-3326.

Monarch Utilities I, L.P. ("Monarch") files its Supplemental Responses to Public Utility
Commission ("Commission") Staff's Fourth Requests for Information Nos. 4-3 and 4-4 received
April 8, 2016. This response is timely filed. This response may be treated by all parties as if it
were filed under oath.

Respectfully submitted,

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ATTORNEYS FOR MONARCH UTILITIES I, LP

CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of April, 2016, a true and correct copy of the foregoing document has been hand-delivered., sent via facsimile, e-mail, or first class mail to all parties of record.



WILLIAM A. FAULK, III

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

**MONARCH'S SUPPLEMENTAL RESPONSES TO
STAFF'S FOURTH REQUESTS FOR INFORMATION NOS. 4-3 AND 4-4**

STAFF RFI 4-3: Please provide an itemization by dollar value of the costs actually incurred by ECO Resources, Inc. that comprise the 30% margin charged by ECO Resources, Inc. to Monarch for each component of invested capital.

RESPONSE: The amount of gross profit "charged" by ECO Resources, Inc. in terms of recorded gross margin was far less than 30 percent. Recorded gross margin was between 15 and 17 percent from 2005 to 2007 when the majority of cost was capitalized. In terms of actual ECO Resources, Inc. net income from these projects, the earnings were negligible. In fiscal year 2007, ECO Resources, Inc. incurred a loss. See Confidential Attachment Staff 4-3.

Prepared by: Kent Cauley
Sponsored by: Gary Rose

SUPPLEMENTAL

RESPONSE: Please see Confidential Supplemental Attachment Staff 4-3.1 and Confidential Supplemental Attachment Staff 4-3.2.

Prepared by: Charles Profilet
Sponsored by: Charles Profilet

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

**MONARCH'S SUPPLEMENTAL RESPONSES TO
STAFF'S FOURTH REQUESTS FOR INFORMATION NOS. 4-3 AND 4-4**

STAFF RFI 4-4: Of the 30% margin charged by ECO Resources, Inc. to Monarch, please provide the amount for each capitalized project that represents the profit earned by ECO Resources, Inc.

**SUPPLEMENTAL
RESPONSE:**

See the Response to Staff RFI 4-3 and Confidential Attachment Staff 4-3. As indicated in Confidential Attachment Staff 4-1, profit was negligible and reflected as "nil".

Prepared by: Kent Cauley
Sponsored by: Gary Rose

**SUPPLEMENTAL
RESPONSE:**

Please see the supplemental response to Staff RFI 4-3 and Confidential Supplemental Attachment Staff 4-3.2.

Prepared by: Charles Profilet
Sponsored by: Charles Profilet

DOCKET NO. 45570

CONFIDENTIAL

STYLE: Application Of Monarch Utilities, I, L.P., To Change Rates for Water and Sewer Service

SUBMITTING PARTY: Monarch Utilities I., L.P.

BRIEF DESCRIPTION OF CONTENTS: Confidential Portion of Monarch Utilities I, L.P.'s Responses to Staff's 4th RFIs

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ENVELOPE # 1

DATE PROVIDED: April 29, 2016