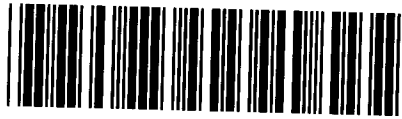




Control Number: 45570



Item Number: 164

Addendum StartPage: 0

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

RECEIVED

2016 MAY -4 PM 2: 16

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

§
§
§

STATE OFFICE OF
PUBLIC UTILITY COMMISSION
FILING CLERK

ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S EIGHTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 8-1 THROUGH NO. 8-17**

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

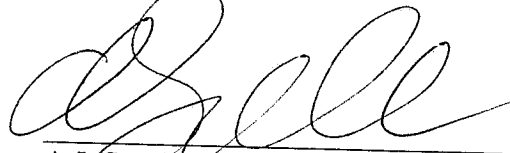
164

Date: May 4, 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

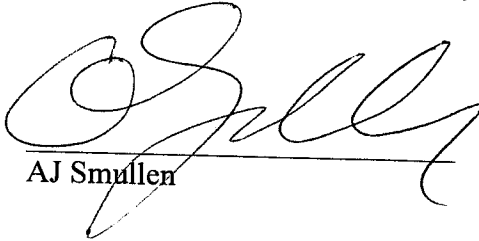
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, Texas 78712-3326
(512) 936-7289
(512) 936-7268 (facsimile)
sam.chang@puc.texas.gov

*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 May 4, 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 EIGHTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 8-1 THROUGH NO. 8-17**

INSTRUCTIONS

1. Monarch Utilities' responses to Staff's 8th 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 8th 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 8th 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 conjunctive as necessary to make the request inclusive rather than exclusive

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

**COMMISSION STAFF'S EIGHTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 8-1 THROUGH NO. 8-17**

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
PUC DOCKET NO. 45570**

**COMMISSION STAFF'S EIGHTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 8-1 THROUGH NO. 8-17**

STAFF 8-1 Reference Schedule IV-12.2, Texas Affiliates and Regions of Robert Kelly, please provide list of employees who received the total salaries and wages of \$4,363,042, with the following information:

- a) Names, or job titles in lieu of names, of employees;
- b) Position;
- c) Old rate;
- d) New rate;
- e) Explicit list of duties of the employee;
- f) What ownership percentage or interest the employee has in Monarch or any affiliates; and,
- g) Provide copy of board minutes or other executive approval authorizing the payroll increases.

STAFF 8-2 Reference Schedule IV-12.2, Texas Affiliates and Regions of Robert Kelly, please provide list of employees who received the employee pensions and benefits of \$929,450. Please provide a detailed breakdown of the pensions and benefits received by each employee.

STAFF 8-3 Reference Schedule IV-12.2, Texas Affiliates and Regions of Robert Kelly, please provide a detailed breakdown of items included in the following expenses:

a) Materials and Supplies	\$ 316,038
b) Contractual Services – Legal	36,834
c) Contractual Services – Others	635,832
d) Rental of Building/Real Property	314,814
e) Rental of Equipment	37,772
f) Transportation Expenses	308,764
g) Insurance Vehicles	12,130
h) Insurance – General Liability	182,464
i) Insurance - Others	228,664
j) Advertising Expenses	33,496
k) Miscellaneous Expenses	118,487

STAFF 8-4 Please provide copies of individual audited financial statements (balance sheet and statement of revenue and expenses) for the years ended December 31, 2012, 2013, 2014, and 2015, for all Texas Utilities but not limited to Windermere, Hornsby

Bend, Diamond, Water Services, Huntington, Inverness, Mid-Tex, SW Utilities, Tenkiller, and Metro-Continued Operations.

STAFF 8-5 Please provide copies of detailed trial balance for the years ended December 31, 2012, 2013, 2014, and 2015, for all Texas Utilities but not limited to Windermere, Hornsby Bend, Diamond, Water Services, Huntington, Inverness, Mid-Tex, SW Utilities, Tenkiller, and Metro-Continued Operations.

STAFF 8-6 Please provide the number of connections with the corresponding meter equivalents for Monarch, the Texas Utilities and the Southeast Utilities for the years ended December 31, 2012, 2013, 2014, and 2015.

STAFF 8-7 Reference Schedule IV-9 - Allocation of Affiliate Costs of Robert Kelly, please explain the nature of each account and provide a detailed breakdown of the following TXU Management Fees including specific services provided by amount, specific materials provided by amount, any justification of the level of fees paid, and the level of the same totals for a) through f) for the years ended December 31, 2012, 2013, 2014, and 2015:

a) TXU Management	\$ 2,613,672
b) TXU B&C	\$ 600,912
c) TXU Call Center	\$ 1,358,052
d) TXU FSC	\$ 652,522
e) TXU IT Direct	\$ 297,225
f) Total	\$ 5,522,383

STAFF 8-8 Please provide copies of company policies on (a) travel & representation and (b) insurance benefits of officers and employees.

STAFF 8-9 Reference Monarch's response to Staff RFI 7-1, please clarify the "Gain/Loss Inventory Variance" and "Inventory Adjustment" for G/L Accounts Nos. 520010 and 520040.

Staff 8-10 Does Monarch claim that the "revenues held in abeyance" have been previously approved by any regulatory agency? If so, please provide the approving order.

Staff 8-11 Is it Monarch's contention that the customers and any regulatory authority agreed to Monarch collecting "revenues held in abeyance" in a future year? If so, provide the document reflecting such agreement.

Staff 8-12 Has Monarch recorded "revenues held in abeyance" anywhere in its books and records? If so, please specify the account number and name where the amount is recorded and what year it was recorded in.

Staff 8-13 Is it Monarch's intent to attempt to recover the "revenues held in abeyance" in any form or fashion from the customers of the utility? If so, please specify how Monarch intends to do so.

Staff 8-14 Is it Monarch's contention that all costs of service associated with the "revenues held in abeyance" are reasonable and necessary for water or sewer service to customers? If so, provide all receipts and other documentation supporting the costs of service related to the revenues held in abeyance by year incurred. Please also provide documentation that the expenses have not been collected in the past.

Staff 8-15 With regard to Monarch's current approved tariff, provide the following information for water and sewer service separately. Please also indicate where the figures were recorded in the books and records of Monarch by account name and number:

- a. The dollar amount of revenues collected for tap fees for the calendar years 2012, 2013, 2014, and 2015.
- b. The dollar amount of revenues collected for account set up fees for the test year and for calendar years 2012, 2013, 2014 and 2015.
- c. The dollar amount of revenues collected for reconnect fees for the test year and for calendar years 2012, 2013, 2014 and 2015.
- d. The dollar amount of revenues collected for transfer fees the test year and for calendar years 2012, 2013, 2014 and 2015.
- e. The dollar amount of revenues collected for late fees for the test year and for calendar years 2012, 2013, 2014 and 2015.
- f. The dollar amount of revenues collected for relocation fees for the test year and for calendar years 2012, 2013, 2014 and 2015.
- g. The dollar amount of revenues collected for seasonal reconnection fees for the test year and for calendar years 2012, 2013, 2014 and 2015.
- h. The dollar amount of revenues collected for line extension and construction costs for the test year and for calendar years 2012, 2013, 2014 and 2015.
- i. The dollar amount of revenues collected for damage or service diversion fees for the test year and for calendar years 2012, 2013, 2014 and 2015.
- j. The dollar amount of revenues collected for franchise fees passed through for the test year and for calendar years 2012, 2013, 2014 and 2015.
- k. The dollar amount of revenues collected for purchased sewer fees passed through for the test year and for calendar years 2012, 2013, 2014 and 2015.
- l. The dollar amount of revenues collected for supplemental emergency service fees for the test year and for calendar years 2012, 2013, 2014 and 2015.

m. The dollar amount of revenues collected for monthly supplemental service rate fees for the test year and for calendar years 2012, 2013, 2014 and 2015.

Staff 8-16 For all pass-through provisions included in Monarch's proposed tariff, provide a list of all expenses (by amount, account number, and account name) included in the test year cost of service which could be increased by implementing the particular pass-through provision.

Staff 8-17 Please provide all allocation manuals or other written policies that were used by Monarch or that reflect Monarch's policies for allocating an affiliate's overhead to Monarch with respect to capital projects for which a portion of the capitalized cost is attributable to an affiliate.