



Control Number: 45570



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

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PUBLIC UTILITY COMMISSION
STATE OFFICE

APPLICATION OF MONARCH
UTILITIES I, L.P. TO CHANGE RATES
FOR WATER AND SEWER SERVICE

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§

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

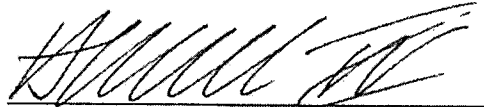
**MONARCH UTILITIES I, L.P.'S RESPONSES TO
COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION**

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 Responses to Public Utility Commission ("Commission") Staff's Eighth Requests for Information received May 4, 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

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CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of May, 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

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MONARCH'S RESPONSES TO STAFF'S EIGHTH REQUESTS FOR INFORMATION

STAFF RFI 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.

RESPONSE: See the following confidential attachments for the audited financial statements of Monarch:

- Confidential Attachment Staff 8-4 – 2012 Monarch AFS
- Confidential Attachment Staff 8-4 – 2013 Monarch AFS
- Confidential Attachment Staff 8-4 – 2014 Monarch AFS
- Confidential Attachment Staff 8-4 – 2015 Monarch AFS

The financial statements of the remaining Texas Utilities are not audited.

Prepared by: Kent Cauley
Sponsored by: Carmelitha Bordelon-Taylor

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 8-4 RFIs

BATE STAMPED PAGE NUMBER RANGE: Bate Stamp: 1 - 69

ENVELOPE # 1

DATE PROVIDED: May 16, 2016

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MONARCH'S SUPPLEMENTAL RESPONSES
TO STAFF'S EIGHTH REQUESTS FOR INFORMATION

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

RESPONSE: See the following attachments in response to this request:

- (a) Confidential Attachment Staff 8-8 – T&E Policy
- (b) Attachment Staff 8-8 – Insurance Benefits Policies

Prepared by: Kent Cauley
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 8-8a RFIs

BATE STAMPED PAGE NUMBER RANGE: Bate Stamp: 1 - 9

ENVELOPE # 1

DATE PROVIDED: May 16, 2016

CHAPTER 4: STATE and FEDERAL BENEFITS

Worker's Compensation

Worker's compensation disability leave is available if you suffer an injury or illness on the job. SouthWest Water Company will make a reasonable effort to accommodate you with modified work.

A worker's compensation disability leave will be treated as a concurrent Federal Family and Medical Leave Act Leave (FMLA) leave if the injury qualifies as a serious health condition and meets the eligibility requirements for an FMLA leave.

Employees on worker compensation leave who are unable to return to work after one (1) year will be placed in an inactive employee status and the Company will no longer pay any portion of their healthcare benefits. The employee will be required to maintain the total healthcare cost if they choose to continue benefits.

Notice and Certification Requirements

Report all accidents, injuries and illnesses, no matter how small, to your immediate supervisor. Supervisors must notify their Safety Manager and HR immediately of all employee injuries. For workers compensation, SouthWest Water Company requires a written statement from the treating physician that certifies:

- that you are unable to perform regular job duties;
- the date on which the impairment began; and
- the expected date of your return to work.

If an employee is injured, he/she may use vacation time, sick pay and/or Floating Day during the wait period.

Worker's Compensation Exception

SouthWest Water Company or its insurance carrier may not be required to pay worker's compensation benefits to an employee who is injured during voluntary participation in any company recreational, social or athletic activity not a part of work-related duties or if the injury resulted from horseplay in the workplace.

State Unemployment Insurance

SouthWest Water Company pays the entire cost of unemployment insurance to the state, which determines eligibility and payment rates. Employees may be eligible to receive unemployment based on State eligibility requirements. Consult the nearest state office for requirements and directions on applying for unemployment insurance.

Social Security and Medicare

Federal law requires employees and employers to contribute to Social Security and Medicare through payroll deductions. The deductions come from gross earnings. SouthWest Water Company contributes an equal amount to your Social Security and Medicare coverage.

Health Insurance Premium Payment (HIPP)

Under certain special conditions, the state Health Services may pay the private health insurance premiums for persons losing their jobs. For more information, see the section on Medical Insurance for Employees Who Leave or Whose Hours Change (COBRA) on Page 20.

CHAPTER 5: GROUP INSURANCE PROGRAMS

SouthWest Water Company offers a number of group insurance programs. They include medical, dental, and vision coverage plans, accidental death and dismemberment, long-term disability, long-term care, life insurance, and pet insurance. New regular full-time employees become eligible for the plans on the first of the month following their first sixty (60) days of employment. Part-time, Seasonal, and Temporary employees are not eligible for group insurance programs.

Open Enrollment

Each year, the Company has an "open enrollment" period. This is the time for selecting the best benefits coverage for yourself and your family. Except in specific circumstances, this is the only time to add or modify your enrollment in these plans.

Qualifying Life Event

You may add or modify your enrollment in the Company's group plans outside of open enrollment if you have experienced a Qualifying Life Event such as the following:

- Change in legal marital status, including marriage, death of a spouse, divorce, legal separation or annulment
- A change in the number of dependents, including birth, death, adoption, and placement for adoption.
- A change in employment status of the employee or the employee's spouse
- A dependent ceasing to satisfy eligibility requirements for coverage due to attainment of age, student status, or other similar circumstances
- Judgments, decrees or orders.
- A change in coverage of a spouse or dependent under another employer's plan.

Since this is not an exhaustive list, please contact the Benefits Administrator for more information.

You must notify the Benefits Administrator immediately. In most cases you have 30 days from the Qualifying Life Event date to add or modify your enrollment.

Flexible Benefit Plan for Health Premiums

SouthWest Water Company offers a Flexible Benefit Plan (under Section 125 of the IRS Code) that allows eligible employees to pay their premium contributions for health benefits as a pre-tax payroll deduction.

Dependent Care and Health Care Reimbursement Accounts

The dependent care and healthcare reimbursement accounts enable employees to set aside pre-tax dollars to pay for eligible out-of-pocket expenses for dependent care or medical, dental, vision, and prescription drug costs, including deductibles, coinsurance payments, and co-payments.

During open enrollment, you estimate how much your eligible expenses will total during the plan year. That amount will be set aside in increments from your paycheck before taxes are deducted, up to a set limit described in your benefits documents. You must utilize your funds available in your health and dependent care account per IRS regulations or your funds will be forfeited.

If you participate in the healthcare reimbursement account, you will receive a debit card. Save all your receipts in case you are required to submit proof of purchase.

Medical Insurance for Employees Who Leave or Whose Hours Change (COBRA)

If you leave the Company for any reason (other than dismissal for gross misconduct) or your work hours are reduced, you have the option of continuing your healthcare coverage for up to 18 months (with some exceptions) for yourself and your dependents at group rates, plus an administrative fee. The Consolidated Omnibus Budget Reconciliation Act (COBRA) allows for this extension of healthcare coverage.

COBRA also allows the option of continued coverage at SouthWest Water Company rates for:

- the divorced or legally separated spouse and eligible dependents of an employee;
- the spouse and eligible dependents of an employee who becomes eligible for Medicare; and
- a dependent child who reaches the maximum eligibility age.

You are responsible to inform the HR Department immediately if one of these circumstances occurs. You must make the decision to continue coverage within 60 days of loss of coverage.

Wellness Program

The company offers a health and wellness program to employees and their spouses/registered domestic partners who are enrolled in the company's medical plan. The health and wellness program can help you learn more about the benefits of healthy lifestyle choices and strategies. There is no cost to participate and your personal health information is completely confidential. For more information contact Benefits at benefits@swwc.com.

Employee Assistance Program (EAP)

SouthWest Water Company's Employee Assistance Program (EAP) is an outside resource offering confidential professional help and referrals for issues such as alcohol or drug-related matters, marital and family problems, financial difficulties, and legal concerns. This service is available to employees and their dependents 24 hours a day without charge for the first three (3) sessions with the EAP staff.

The company's EAP is administered through WorkLifeMatters. The phone number is (800) 386-7055 or you may access their information online at www.ibhworklife.com (user name: matters password: wlm70101). An EAP informational flyer is posted at each facility, or you may contact your HR Business Partner for more information.

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MONARCH'S RESPONSES TO STAFF'S EIGHTH REQUESTS FOR INFORMATION

STAFF RFI 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.

RESPONSE: For the Water Pass-Through Gallonage Charge Adjustment proposed for the Water Tariff, please refer to Schedule II-D-7 (W) for a list of current purchased water suppliers and ground water districts and the expenses included in the test year. These expenses are recorded in Account 610. Also, Monarch has entered into an agreement to purchase water from Livingston WSC, but has not started using that source. If Monarch contracts with any additional purchased water suppliers or if Monarch comes under the jurisdiction of any additional ground water management districts, those expenses could also be included in the implementation of the Pass-Through clause.

For the Sewer Pass-Through Gallonage Charge Adjustment proposed for the Sewer Tariff, please refer to Schedule II-D-7 (S) for the one current purchased sewer service provider and the expenses included in the test year. This is recorded in Account 710. If Monarch contracts with any additional purchased sewer service providers, those expenses could also be included in the implementation of the Pass-Through clause.

Prepared by: George Freitag
Sponsored by: George Freitag