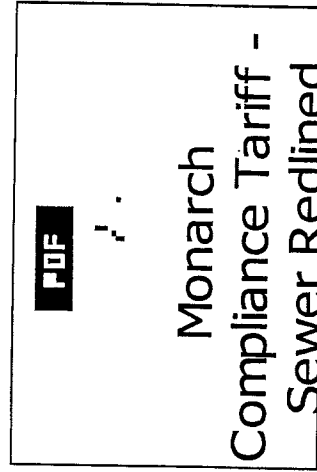
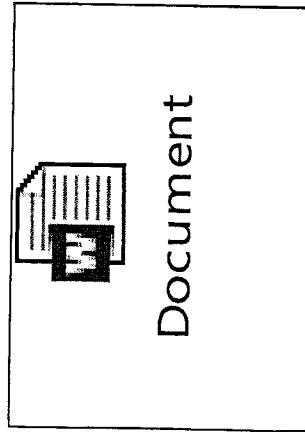


Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule II-G-5 Miscellaneous Fees
 Witness: Carmelitha Bordelon-Taylor

Line No	Description (a)	Reference Schedule (b)	Water (c)	Sewer (d)
1	Penalties and Fees	WP/II-G-5	366,361	24,290
2	Late Payment Charge	WP/II-G-5	351,996	18,450
3	Tap Fees	WP/II-G-5	189,614	144,079
4	Delinquent Reconnect Fee	WP/II-G-5	90,756	3,444
5	Transfer Fee	WP/II-G-5	67,538	10,987
6	Contract Services Revenue	WP/II-G-5	14,650	-
7	Billable Time & Materials	WP/II-G-5	6,690	491
8	Other Revenue	WP/II-G-5	4,500	-
9	Tampering Charge	WP/II-G-5	4,242	658
10	Return Check Charge	WP/II-G-5	2,251	175
11	Surcharge Revenues	WP/II-G-5	-	-
12	Customer Service Adjustments	WP/II-G-5	(2,377)	(280)
13			1,096,220	202,295

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Errata - Schedule II-G-6 Tariff
Witness: George Freitag

Please see the proposed water and wastewater tariffs on the following pages.



**WATER UTILITY TARIFF
FOR**

Field Code Changed

Monarch Utilities I. L.P.
(Utility Name)

12535 Reed Road
(Business Address)

Sugarland, Texas 77478-2837
(City, State, Zip Code)

(866) 654-7992
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

12983

This tariff is effective in the following county (ies):

Bandera, Brazoria, Chambers, Denton, Grayson, Hays, Henderson, Hood, Johnson, Liberty, Marion, Matagorda, Medina, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Trinity, Van Zandt, Wise, Wood

This tariff is effective in the following cities or unincorporated towns (if any):

This tariff is only effective in the portions of the subdivisions and public water systems in the environs, except for the cities of Aurora and Coffee City that have surrendered rate jurisdiction.

This tariff is effective in the following subdivisions and public water system(s):

See attached list.

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

TABLE OF CONTENTS

SECTION 1.0 - RATE SCHEDULE	6
SECTION 2.0 - SERVICE RULES AND POLICIES	11
SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS.....	17
SECTION 3.0 - EXTENSION POLICY	21
SECTION 3.20 - SPECIFIC EXTENSION POLICY	22
SECTION 4.0 - DROUGHT CONTINGENCY PLAN	28

APPENDIX A - CONTRACT/APPLICATION FOR UTILITY SERVICE
APPENDIX B - AGREEMENT FOR TEMPORARY WATER SERVICE

COUNTY	WATER SYSTEMS	PWS ID NUMBER	SUBDIVISIONS
Bandera	Lake Medina Shores	0100037	Lakeshore Beach, Wharton Dock, Lake Medina Shores, Lake Point
Brazoria	Holiday Shores	0200029	Holiday Shores
Chambers	Tower Terrace	0360069	Houston Raceway Park, West Chambers County Estates, Tower Terrace
Denton	Denton Creek Estates	0610015	Denton Creek Estates, Aero Valley Airport
	Ponderosa Addition	06101075	Sunrise Circle Estates, Creseent Oaks Beach Estates, Ponderosa, Wild West Addition,
	Stonecrest Estates	0610059	Stonecrest Estates,
	Wynnwood Haven Estates	0610037	Wynnwood Haven, Estates, Snug Harbor
Grayson	Ridgecrest (Grayson)	0910035	Glen Eden, Hiland Shores, Lakeview, Little Mineral
	Rocky Point Estates	0910038	MHP, Millers Estates, Oak Estates, Preston Cove,
	Sherwood Shores	0910040	Preston Forest, Preston Oaks, Preston Point Bend, Ridgecrest, Van Antwerp
	Tanglewood-on- Texoma	0910052	Hanna Cove Estates, Rocky Point Estates "B", Rock Point "A", Hanna Ranchettes Cedar Mills Estates, Hillcrest Shores, Wright Acres, Sherwood Shores Angler's Estates, Cedar Oak Hills, Eagle Chase, Fairway Hollow, Greenway Bend, Lakecrest Village, Mill Creek Homesites, Oak Meadow Estates, Paradise Cove, Russwood-on-the-Lake, Simmons Shores, Sunrise Circle, Tanglewood Hills, Tanglewood Resort, Cambridge Shores, Highport, Mill Creek Meadows

Hays	Plum Creek	1050028	Amberwood, Bootstring Farms, Branch View Addition, Buda Business Park, Casey-Kyle, Double R, Dove Hill Estates, Goforth Estates, Green Pastures, Interstate Business, Kyle Crossing-Home Depot, Park South, Pinafore Park, Rolling Hills Estates, South Buda Business Park, Two Way, Village at Buda, Indian Paintbrush River Oaks Ranch
	River Oaks Ranch	1050099	
Henderson	Beachwood Estates	1070069	Brentwood Estates, Deep Water Estates, Forest Shores, Greenwood Cove, Hidden Harbor, Indian Oaks, Beachwood Estates, Oak Forest Estates, Pebble Beach, Seis Hombres, Spillview Acres, Three-Way View, Treasure Isle, Waterboard
	Briarwood Harbor	1070220	Briarwood Harbor
	Carolynn Estates / Pinnacle Club	1070106	Bluffview, Brushy Creek, Bushwacker Estates, Carolynn Estates, Enclave, Esquire Estates II, Green Acres, Hidden Hills Harbor, Hillside Acres, Lynn Creek Cove, Payne Springs Estates, Forest Glen, The Highlands at Cedar Creek Lake, Michael's Cove, Pinnacle Club
	Cherokee Shores	1070206	Allen Ranch, Carson Addition, Coleman Tract, La Martinique, Landmarck Passage, Manning Ranch, Robinson Tract (Country Estates), Taylor Tract, Waterfront Shores, Cherokee Shores
Henderson	Highsaw	1070124	Brierwood Bay, Coffee City*, Diamond Head Bay, Coffee Landing Addition, Fincastle Farms, Highsaw, Hillside Estates
	Lollipop Landing	1070039	Lollipop Landing
	Westwood Beach	1070085	Cooper Estates, Lakeway, Oak Trail Shores, Shiloh, Waterwood, Wildewood, Westwood Beach
Hood	Acton (Royal Oaks)	1110055	Acton Royal Oaks
	Comanche Cove	1110060	Heritage Heights, Scenic

			View, Comanche Cove
	Comanche Harbor	1110022	Comanche Point, Island Village, Ports O'Call, Comanche Harbor
	Granbury Acres	1110109	377 Sunset Strip, Granbury Acres
	Hideaway Bay Estates	1110002	Hideaway Bay
	Montego Bay Estates	1110044	Montego Bay
	Oak Trail Shores	1110004	Lake Granbury Estates, Oak Trail Plaza, Oak Trail Shores, Arrowhead Shores, Lake Granbury Harbor
	Rancho Brazos	1110036	Rancho Brazos
	Western Hills Harbor	1110005	Western Hills Harbor, Whisperview Village, Kings Plaza
Johnson	Crowley One Acre	1260011	Blue Grass Estates, Crowley One Acre, Highcrest Estates, Skyline Ranch, Lakeside Estates, Lakeview Ranchettes
	Falcon Crest Addition	1260076	Falcon Crest Addition
	Metroplex Homesteads	1260074	Metroplex Homesteads, The Homesteads
	Nolan River Estates	1260099	Nolan River Estates
Johnson	Ridgecrest Estates (Johnson)	1260035	Misty Hollow, Ridgecrest
	Southern Acres	1260094	Southern Acres
	Sundance Addition	1260025	Space Acres North, Space Acres, X-Cell Ranch Estates, Sundance
	Tex-Rides Fifth	1260037	Tex-Rides Fifth
	Triple H Estates	1260116	Triple H Estates
	Twin Creeks Addition	1260038	Rolling Acres, North Hills Estates, Twin Creeks Addition
	West Meadows	1260063	West Meadows
	West Park Village	1260077	West Park Village
Liberty	Raywood	1460041	Raywood
Marion	Indian Hills Harbor	1580063	Indian Hills Harbor
	Pine Harbor	1580023	Pine Harbor
Matagorda	Camelot Forest	1610058	Camelot Forest
Medina	Lake Medina Shores	0100037	Holiday Villages of Medina, Lake Medina Shores

Montgomery	Crystal Springs	1700331	Crystal Springs
	Decker Hills	1700386	Champions Glen, Decker Hills, Hidden Lake Estates, Inverness Crossing, Park Place
	Hulon Lakes	1700014	Hilltop Village, Woodcreek Valley, Hulon Lakes
	Oak Woods	1700454	Oak Woods
	Serenity Woods	1700483	Pine Loch, Serenity Woods
Parker	Green Acres	1840120	Green Acres, Robertson Village
	Spanish Park Estates	1840026	Spanish Park Estates
	Western Lake Estates	1840014	Cedar Ridge (Formerly Ruby Ridge), Brazos Ridge Estates, Western Lake Estates
	Westview (Parker)	1840105	Westview
Polk	Chesswood	1870088	Chesswood
	Countrywood	1870138	Country Wood
	Garden Acres	1870160	Garden Acres
	Longhorn Valley	1870152	Longhorn Valley
Polk	Phillips Acres	1870146	Phillips Acres
	Pinwah Pines	1870130	Pinwah Pines
San Jacinto	Bluewater Cove	2040059	Bluewater Cove
	Cedar Valley	2040045	Cedar Valley
	Coldspring Terrace	2040031	Coldspring Terrace
	Governor's Point	204008	Governor's Point
	Holiday Villages of Livingston	2040067	Hidden Coves, Holiday Village of Livingston, Palmetto Point
	Shepherd Hill Estates	2040061	Shepherd Hills Estates, Shepherd Ranch Estates
Smith	Lakeway Harbor	2120064	Lakeway Harbor
	Pine Trail Shores	2120035	Pine Trail Shores
Tarrant	Benbrook Hills	2200313	Benbrook Hills
	Markum Ranch Estates	2200281	Markum Ranch Estates
	Silver Saddle	2200299	Silver Saddle
	Westside Addition	2200079	Gun Club, Cabot Estates, Willow Creek Additions, Westside
Trinity	Harbor Point	2280035	Harbor Point
Van Zandt	Callender Lake	2340007	Callender Lake, Hickory Hills
Wise	Aurora Vista	2490051	Aurora Vista*
Wood	Holiday Villages of Fork	2500058	Holiday Villages of Fork

* This subdivision is within the corporate limits of a city that has surrendered utility rate jurisdiction.

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Rates Effective January 1, 2014

Meter Size	Monthly-Minimum Charge (Includes 0 gallons)	Gallonage Charge
5/8"	\$43.91	\$6.65 per 1,000 gallons from 0 to 2,000 gallons \$8.19 per 1,000 gallons from 2,001 to 10,000 gallons \$9.29 per 1,000 gallons from 10,001 to 20,000 gallons \$9.89 per 1,000 from 20,001 and thereafter
3/4"	\$65.87	
1"	\$109.58	
1-1/2"	\$219.55	
2"	\$351.28	
3"	\$658.65	
4"	\$1,097.75	
6"	\$2,195.50	
8"	\$3,512.80	

Rates Effective January 1, 2015

Meter Size	Monthly-Minimum Charge (Includes 0 gallons)	Gallonage Charge
5/8"	\$45.23	\$6.85 per 1,000 gallons from 0 to 2,000 \$8.44 per 1,000 gallons 2,001 to 10,000 \$9.57 per 1,000 gallons 10,001 to 20,000 \$10.19 per 1,000 20,001 and thereafter
3/4"	\$67.84	
1"	\$113.07	
1-1/2"	\$226.14	
2"	\$361.82	
3"	\$678.41	
4"	\$1,130.68	
6"	\$2,261.37	
8"	\$3,618.18	

Phase I: Rates Effective April 4, 2016

Meter Size	Monthly Minimum Charge (Includes 0 gallons)	Gallonage Charge
5/8"	\$51.78	\$7.84 per 1,000 gallons from 0 to 2,000 gallons
3/4"	\$77.68	\$9.66 per 1,000 gallons from 2,001 to 10,000 gallons
1"	\$129.46	\$10.96 per 1,000 gallons from 10,001 to 20,000 gallons
1-1/2"	\$258.52	\$11.67 per 1,000 from 20,001 and thereafter
2"	\$414.27	

3"	\$776.75
4"	\$1,294.58
6"	\$2,589.17
8"	\$4,142.67

Phase II: Rates Effective April 4, 2017

<u>Meter Size</u>	<u>Monthly Minimum Charge (Includes 0 gallons)</u>	<u>Gallage Charge</u>
5/8"	\$52.35	
3/4"	\$78.52	<u>\$7.93 per 1,000 gallons from 0 to 2,000 gallons</u> <u>\$9.77 per 1,000 gallons from 2,001 to 10,000 gallons</u> <u>\$11.08 per 1,000 gallons from 10,001 to 20,000 gallons</u> <u>\$11.79 per 1,000 from 20,001 and thereafter</u>
1"	\$130.87	
1-1/2"	\$261.74	
2"	\$418.79	
3"	\$785.23	
4"	\$1,308.71	
6"	\$2,617.43	
8"	\$4,187.89	

Phase 3: Rates Effective April 4, 2018

<u>Meter Size</u>	<u>Monthly Minimum Charge (Includes 0 gallons)</u>	<u>Gallage Charge</u>
5/8"	\$52.92	
3/4"	\$79.38	<u>\$8.02 per 1,000 gallons from 0 to 2,000 gallons</u> <u>\$9.88 per 1,000 gallons from 2,001 to 10,000 gallons</u> <u>\$11.20 per 1,000 gallons from 10,001 to 20,000 gallons</u> <u>\$11.92 per 1,000 from 20,001 and thereafter</u>
1"	\$132.30	
1-1/2"	\$264.60	
2"	\$423.36	
3"	\$793.80	
4"	\$1,323.00	
6"	\$2,646.00	
8"	\$4,233.59	

REGULATORY ASSESSMENT1.0%
PUC rules require the utility to collect a fee of one percent of the retail monthly bill.

FORM OF PAYMENT: THE UTILITY WILL ACCEPT THE FOLLOWING FORM(S) OF PAYMENT:

Cash Check , Money Order , MasterCard , Visa , and Electronic Fund Transfer

The Utility may require exact change for payments and may refuse to accept payment made using more than \$1.00 in small coins. A written receipt will be given for cash payments. At the customer's option, any billing transaction or communication may be performed on the internet. This includes the utility sending paperless bills by email.

SECTION 1.0 - RATE SCHEDULE (Cont.)

Section 1.02 - Miscellaneous Fees

TAP FEE \$700.00
Tap fee is based on the average of the utility's actual cost for materials and labor for standard residential connection of 5/8" meter plus unique costs.

TAP FEE (unique costs permitted by PUC rule) Actual Cost
For example, a road bore for customers outside of subdivisions or residential areas.

LARGE METER TAP FEE Actual Cost
TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8 " METERS.

RECONNECTION FEE
THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill..... \$25.00
- b) Customer's request \$50.00
Or other reasons listed under section 2.0 of this tariff

TRANSFER FEE \$45.00
The transfer fee will be charged for changing an account name at the same service location when the service is not disconnected.

LATE CHARGE..... 10% of the delinquent bill
A one-time penalty may be made on delinquent bills but may not be applied to any balance to which the penalty was applied in a previous billing.

RETURNED CHECK CHARGE \$25.00

CUSTOMER DEPOSIT - RESIDENTIAL \$50.00

CUSTOMER DEPOSIT - NON-RESIDENTIAL 1/6TH EST. ANNUAL BILL

METER TEST FEE (actual cost of testing the meter up to) \$25.00
This fee may be charged if a customer requests a second meter test within a two-year period and the test indicates that the meter is recording accurately.

SECTION 1.0 - RATE SCHEDULE (Cont.)

SEASONAL RECONNECTION FEE

Base rate for meter size times number of months off the system not to exceed six months when leave and return within a twelve-month period.

METER RELOCATION FEE..... Actual cost to relocate that meter
This fee may be charged if a customer requests relocation of an existing meter.

METER CONVERSION FEE Actual cost to convert that meter
This fee may be charged if a customer requests change of size of an existing meter or change is required by material change in customer's service demand.

LINE EXTENSION AND CONSTRUCTION CHARGES:

Refer to Section 2.12 Specific Utility Service Rules and Section 3.02 Utility Specific Extension Policy for terms, conditions, and charges.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

Increases in inspection fees and water testing costs imposed by state or federal law may be passed through as an adjustment to the monthly base rate charge under the terms and conditions of 30 TAC 291.21(k)(2) after notice to customers and upon written approval by the PUC.

SUPPLEMENTAL EMERGENCY SERVICE FEE

Applicable to nonresidential water service customers that require supplemental service over and above their existing water service from time to time. Usage to be determined by customer. The minimum diameter for supplemental service meter shall be 2 inches.

MONTHLY SUPPLEMENTAL SERVICE RATE	\$13.43
	<u>Phase 1 \$15.27</u>
	<u>Phase 2 \$15.44</u>
	<u>Phase 3 \$15.60</u>

per inch diameter of
service connection pipemeter
and usage is billed at highest tier

SECTION 1.0 - RATE SCHEDULE (Cont.)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE—ALL WATER SUPPLY SUBJECT TO FEE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through utility wide as an adjustment to the water gallonage charge according to the following formula:

- AC = $C + B / (1 - L)$, where
- AC = adjusted gallonage charge, rounded to the nearest one cent;
- C = approved gallonage charge (per 1,000 gallons);
- B = change (per 1,000 gallons) due to purchased water/district gallonage changes; and
- L = system average line loss for preceding 12 months not to exceed 0.15.

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE—PORTION OF WATER SUPPLY SUBJECT TO FEE:

Upon notice from a water supplier of either an increase or decrease in the cost of purchased water, the Utility shall provide notice to customers and the Commission of its intent to implement rates imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through Utility wide as an adjustment to the water gallonage charge according to the following formula:

- Adjustment to the gallonage rate = $AG = (CP/GB) \times 1,000$
- Adjustment to the minimum bill = $AMB = GMB \times AG$
- CP = $CP_1 - CP_0$ = change in cost of purchased water;
- CP1 = Cost of purchased water during the most recent 12 month period at the new rate;
- CP0 = Cost of purchased water during the most recent 12 month period at the previous rate;
- GMB = Number of gallons in the minimum bill, divided by 1,000; and
- GB = Number of gallons billed to customers in excess of the amount included in the monthly minimum bill for the 12 month period used above.

WATER PASS-THROUGH GALLONAGE CHARGE ADJUSTMENT:

CHANGES IN FEES IMPOSED BY ANY NON-AFFILIATED THIRD PARTY WATER SUPPLIER OR UNDERGROUND WATER DISTRICTS HAVING JURISDICTION OVER THE UTILITY SHALL BE CHARGED THROUGH THE WATER PASS-THROUGH GALLONAGE CHARGE ADJUSTED ANNUALLY ACCORDING TO THE FOLLOWING TRUE-UP FORMULA INTENDED TO BALANCE REVENUE FROM THE CHARGE AGAINST ACTUAL PAYMENTS AND COLLECTIONS FROM THE PRIOR YEAR:

$WPC = (E + (AP - AC)) / (ME \times AU)$ Where:

WPC = Water Pass-Through Gallonage Charge per 1,000 gallons, rounded to the nearest cent
E = Projected sum for upcoming 12 months of Purchase Water and District costs
AP = Actual Payments by utility for prior 12 months for Purchase Water and District costs
AC = Actual Collections by utility in prior 12 months from the previously approved water pass-through gallonage charge
AP-AC= Difference between actual payments and actual collections from the previously approved water pass-through gallonage charge for the prior 12 months
ME = Year End Meter Equivalent
AU = Average Annual Usage per meter equivalent, in 1,000 gallons, from most recent rate case

The WPC must be trued up and adjusted every twelve months.

To implement, all notice requirements must be met. The utility may begin to charge the new filed WPC on the proposed effective date in the notice. Implementation of this WPC adjustment provision shall be governed by P.U.C. Subst. R. 24.21(h).

With each annual WPC adjustment, the utility must file a true-up report with the Commission that shows the calculation for the next 12-month WPC reflected in the notice. The report shall contain up to five years' worth of data, as available, showing the annual and accumulated difference between WPC amounts collected from customers and amounts actually paid to the entities whose charges are included in the WPC. The report shall also show how the new WPC was calculated according to the adjustment formula above.

SECTION 1.0 - RATE SCHEDULE (Cont.)

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = \frac{cgc + (pr)(cgc)(r)}{(1.0-r)}$$

Where:

- TGC = temporary gallonage charge;
- cgc = current gallonage charge;
- r = water use reduction expressed as a decimal fraction (the pumping restriction); and
- pr = percentage of revenues to be recovered expressed as a decimal fraction. For this tariff, pr shall equal 0.5.

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 30 TAC 291.21(l).

METER TAMPERING, DAMAGE OR SERVICE DIVERSION PENALTY:

One time penalty per occurrence for tampering with or damaging a water meter or any appurtenance thereto including locks and meter boxes or service diversion of one hundred dollars (\$100.00).

FRANCHISE FEE PASS THROUGH CLAUSE:

Charges a municipality makes for use of streets and alleys pursuant to Tax Code §182.025 or other applicable state law not to exceed 2% or the actual amount charged by the municipality shall be passed through utility-wide as an adjustment to the water gallonage charge according to the following formula:

- AG = G + B, where,
- AG = adjusted gallonage charge, rounded to the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons); and
- B = projected franchise fees payable (per 1,000 gallons).

SEWER UTILITY TARIFF FOR

Monarch Utilities I, L.P.
(Utility Name)

12535 Reed Rd.
(Business Address)

Sugar Land, TX 77478-2837
(City, State, Zip Code)

(866) 654-7992
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

20899

This tariff is effective in the following counties:

Chambers, Grayson, Henderson, Medina, Montgomery, San Jacinto, Trinity, Wood

This tariff is effective in the following cities or unincorporated towns (if any):

This tariff is only effective in the portions of the subdivisions or systems in the environs.

This tariff is effective in the following subdivisions or systems:

See Attached List

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES.....	5
SECTION 2.12 -- SPECIFIC UTILITY SERVICE RULES AND REGULATIONS....	9
SECTION 3.0 -- EXTENSION POLICY	15
SECTION 3.02 -- SPECIFIC EXTENSION POLICY.....	16

APPENDIX A -- CONTRACT/APPLICATION FOR UTILITY SERVICE

COUNTY	UTILITY	SYSTEMS
Chambers	Tower Terrace	Houston Raceway Park, Tower Terrace, West Chambers County Estates
Grayson	Tanglewood-on Texoma	Eagle Chase, Fairway Hollow, Greenway Bend, Highport, Sunrise Circle, Tanglewood Hills, Tanglewood Resort
Henderson	Beachwood Estates	Beachwood Estates, Brentwood Estates, Deep Water Estates, Forest Shores, Greenwood Cove, Hidden Harbor, Indian Oaks, Oak Forest Estates, Pebble Beach, Seis Hombres, Three-Way View, Treasure Isle, Waterboard, Key Ranch Estates
	Cherokee Shores	Cherokee Shores, Deep Water Bay, Deer Island, Diamond Oaks, Glenn Road, Grandview Terrace, Moon Waters, Nee Toni Jo, Robinson Tract/Country Estates, Spillview Estates II, Taylor Tract, Timber Bay, Waterfront Shores, Wood Canyon Waters
	Carolynn Estates	Pinnacle Club
Medina	Holiday Villages of Medina Lake	Holiday Villages of Medina
Montgomery	Decker Hills	Champions Glen, Decker Hills, Hidden Lake Estates, Inverness Crossing
San Jacinto	Blue Water Cove	Blue Water Cove
	Holiday Villages of Lake Livingston	Holiday Villages of Livingston, Somerset Shores
Trinity	Harbor Point	Harbor Point
Wood	Lake Fork Estates	Holiday Villages of Fork

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Phase I - Rates Effective January 1, 2014

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$65.83	\$2.31 per 1,000 gallons
3/4"	\$98.75	
1"	\$164.58	
1 1/2"	\$329.15	
2"	\$526.64	
3"	\$987.45	
4"	\$1,645.75	
6"	\$3,291.50	
8"	\$5,266.40	

Phase II - Rates Effective January 1, 2015

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$67.80	\$2.38 per 1,000 gallons
3/4"	\$101.71	
1"	\$169.51	
1 1/2"	\$339.02	
2"	\$542.44	
3"	\$1,017.07	
4"	\$1,695.12	
6"	\$3,390.25	
8"	\$5,424.39	

Phase 1: Rates Effective April 4, 2016

Meter Size	Monthly Minimum Charge (Includes 0 gallons)	Gallage Charge (per 1,000 gallons)
5/8"	\$77.63	All gallons \$2.73
3/4"	\$116.45	
1"	\$194.08	
1 1/2"	\$388.16	
2"	\$621.05	
3"	\$1,164.47	
4"	\$1,940.78	
6"	\$3,881.56	

8"	\$6,210.50	
----	------------	--

Phase 2: Rates Effective April 4, 2017

Meter Size	Monthly Minimum Charge (Includes 0 gallons)	Gallonage Charge (per 1,000 gallons)
5/8"	\$79.34	All gallons \$2.79
3/4"	\$119.01	
1"	\$198.36	
1 1/2"	\$396.71	
2"	\$634.74	
3"	\$1,190.13	
4"	\$1,983.55	
6"	\$3,967.10	
8"	\$6,347.37	

Phase 3: Rates Effective April 4, 2018

Meter Size	Monthly Minimum Charge (Includes 0 gallons)	Gallonage Charge (per 1,000 gallons)
5/8"	\$81.09	All gallons \$2.85
3/4"	\$121.64	
1"	\$202.73	
1 1/2"	\$405.45	
2"	\$648.72	
3"	\$1,216.36	
4"	\$2,027.26	
6"	\$4,054.53	
8"	\$6,487.24	

Residential sewer service will be billed year round using that service connection's average winter water consumption during December, January and February. Single family residential service connections without a historic average will have an imputed average of 5,000 gallons until they have established an average. A new single family residential customer may request a true-up based on their first actual winter average for the months that an imputed average was applied. Such request must be made within 60 days of the billing date of the customer's first bill with their actual winter average. Multi-family residential service connections without a historic winter average will have an imputed average of 5,000 gallons per residential unit until they have established an average.

Non-residential service connections will be billed on actual monthly water consumption without the use of winter averaging.

FORM OF PAYMENT: The utility will accept the following forms of payment:
 Cash , Check , Money Order , MasterCard , Visa , Electronic Fund Transfer

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

REGULATORY ASSESSMENT 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 – Miscellaneous Fees

TAP FEE (Gravity sewer, street or easement installation) \$700.00

TAP FEE (Pressure sewer, non-rock installation) \$1,525.00
 TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

TAP FEE (Pressure sewer, rock installation) \$3,776.00
 TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

TAP FEE (Large Connection Tap) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

ACCOUNT SET UP FEE \$25.00
 FEE TO SET UP ACCOUNT FOR NEW CUSTOMER APPLYING FOR SEWER SERVICE ONLY.

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill (Maximum \$25.00). \$25.00
- b) Customer's request \$50.00
 or other reasons listed under section 2.0 of this tariff.

TRANSFER FEE \$45.00
 THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE 10%
 A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$25.00

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT 1/6TH ESTIMATED ANNUAL BILL

SERVICE RELOCATION FEE Actual cost to relocate that service connection

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING SERVICE CONNECTION.

SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 2.12 SPECIFIC UTILITY SERVICE RULES AND SECTION 3.02 UTILITY SPECIFIC EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

INCREASE IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE RATE CHARGE UNDER THE TERMS AND CONDITIONS OF 30 TAC 291.21(k)(2) AFTER NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE PUC.

DAMAGE OR SERVICE DIVERSION FEE \$100.00

ONE TIME PENALTY FOR TAMPERING WITH OR DAMAGING A SEWER SERVICE CONNECTION, OR ANY APPURTENANCE THERETO, INCLUDING PUMPS OR SERVICE DIVERSION.

FRANCHISE FEE PASS THROUGH CLAUSE:

Charges a municipality makes for use of streets and alleys pursuant to tax code §182.025 or other applicable state law not to exceed 2% or the actual amount charged by the municipality shall be passed through utility-wide as an adjustment to the sewer gallonage charge according to the following formula:

$$AG = G + B$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons) and
- B = projected franchise fees payable (per 1,000 gallons).

~~**PURCHASED SEWER PASS THROUGH CLAUSE:**~~

~~Changes in fees imposed by any non-affiliated third party wholesale sewer service provider shall be passed through utility-wide as an adjustment to the sewer gallonage charge according to the following formula:~~

~~$$AG = G + B$$~~

~~Where:~~

- ~~- AG = adjusted gallonage charge, rounded to the nearest one cent;
 - G = approved gallonage charge (per 1,000 gallons) and
 - B = change in purchased sewer service gallonage charge (per 1,000 gallons).~~

SEWER PASS-THROUGH GALLONAGE CHARGE ADJUSTMENT:

CHANGES IN FEES IMPOSED BY ANY NON-AFFILIATED THIRD PARTY SEWAGE TREATMENT ENTITY SHALL BE CHARGED THROUGH THE SEWER PASS-THROUGH GALLONAGE CHARGE ADJUSTED ANNUALLY ACCORDING TO THE FOLLOWING TRUE-UP FORMULA INTENDED TO BALANCE REVENUE FROM THE CHARGE AGAINST ACTUAL PAYMENTS AND COLLECTIONS FROM THE PRIOR YEAR:

SPC = $(E + (AP - AC)) / (ME \times AU)$ Where:

- SPC = Sewer Pass-Through Gallonage Charge per 1,000 gallons, rounded to the nearest cent
- E = Projected sum for upcoming 12 months of Purchase Sewer costs
- AP = Actual Payments by utility for prior 12 months for Purchase Sewer costs
- AC = Actual Collections by utility in prior 12 months from the previously approved sewer pass-through gallonage charge
- AP-AC= Difference between actual payments and actual collections from the previously approved sewer pass-through gallonage charge for the prior 12 months
- ME = Year End Meter Equivalents
- AU = Average Annual Usage per meter equivalent, in 1,000 gallons, from most recent rate case

The SPC must be trued up and adjusted every twelve months.

To implement, all notice requirements must be met. The utility may begin to charge the new filed SPC on the proposed effective date in the notice. Implementation of this SPC adjustment provision shall be governed by P.U.C. Subst. R. 24.21(h).

With each annual SPC adjustment, the utility must file a true-up report with the Commission that shows the calculation for the next 12-month SPC reflected in the notice. The report shall contain up to five years' worth of data, as available, showing the annual and accumulated difference between SPC amounts collected from customers and amounts actually paid to the entities whose charges are included in the SPC. The report shall also show how the new SPC was calculated according to the adjustment formula above.

SECTION 2.0-- SPECIFIC SERVICE RULES AND REGULATIONS (Continued)

Section 2.12--Specific Utility Service Rules and Regulations (Continued)

RESIDENTIAL SINGLE FAMILY GRINDER / SEWAGE STATIONS

The Utility will install the grinder pumps, storage tanks, controls and other appurtenances necessary to provide pressurized sewer service to a residential connection. ~~The customer will have ownership of all Utility installed grinder pumps, receiving tanks, lift stations or controls on the customer's property, and all maintenance, repairs, replacement, and eE Electric bills are the customer's responsibility. The repairs may be performed by anyone selected by the customer, who is competent to perform such repairs.~~ The Utility requires that parts and equipment meet the minimum standards approved by the TCEQ, to insure proper and efficient operation of the sewer system.

MULTI-FAMILY AND COMMERCIAL RECEIVING TANK / LIFT STATIONS

The customer will have the option to install the grinder pumps, storage tanks, controls, and other appurtenances necessary to provide pressurized sewer service to a multi-family or commercial service connection. Prior to the installation of a grinder/sewage station, the Utility must be given a complete listing of all materials and equipment that will be used, along with the storage for that development.

In order to minimize inflow and infiltration into the collection system, the installation and materials must comply with standard specifications approved by the TCEQ.

After the Utility has approved the proposed grinder/sewage station, the construction may begin. Once the work has been completed, the Utility will do an inspection of the grinder/sewage station to ensure the complete installation was as specified.

Before approval for the installation and use of an existing receiving tank or lift station that is being used as an interceptor tank for primary treatment, wastewater storage or pump tanks prior to discharge into an alternative or conventional sewage system must be cleaned, inspected, repaired, modified, or replaced if necessary to minimize inflow and infiltration into the collection system.

Existing pumps and tanks must be of adequate size to insure proper pumpage in the event of high flow or if one pump is out of service. If the existing pumps and receiving tanks or lift stations are of inadequate size the Utility will not accept liability for backups due to: high flows, one pump out of service, rainfall causing inflow or infiltration, power outages, lack of proper storage capacity, etc.

~~Regardless of who performs the initial installation, the customer shall hold title to and the responsibility to maintain and repair all equipment necessary to connect that service location to the Utility's pressurized collection line.~~ The customer shall be shall be responsible for the monthly electric bill.

SECTION 2.0-- SPECIFIC SERVICE RULES AND REGULATIONS (Continued)

Section 2.12--Specific Utility Service Rules and Regulations (Continued)

If the collection system that discharges into the receiving tank / lift station has an inflow or infiltration problem and collects rainfall discharge, the owner or P.O.A. will correct it within go days of written notice from the Utility. If no action is taken to correct the problem within 90 days, the Utility may take the responsibility to make corrections at the owner's or P.O.A.'s expense. The Utility is not responsible for the collection system that discharges into the receiving tank / lift station.

An adequate easement must encompass the receiving tank / lift station by a 15 foot radius and also a 15 foot access easement to the receiving tank / lift station site. If this easement does not exist, one must be created and filed of record.

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule II-H-1 Cost of Service
 Witness: Robert Kelly

MONARCH UTILITIES I, LP
COST OF SERVICE STUDY (TY 7/2014 - 6/2015)

Line No. (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k)

COST OF CAPITAL (Exhibit PRM-1, Page 1 of 25, Schedule 1)

(a)	(b)	(c)	(d)	(e)	(f)
Summary as of	Ratios	Cost Rate	Weighted Cost		
6/30/2015			Rate		
Type of Capital:					
Debt	46.00%	6.45%	2.97%		
Equity	54.00%	10.75%	5.81%		
Total	100.00%				
Proposed Rate of Return				8.77%	

RATE BASE (Schedule II-B)

	Water	WasteWater
Original Cost of Utility Plant	\$ 116,290,690	\$ 20,359,143
Less: Accumulated Depreciation	\$ (43,672,447)	\$ (7,191,114)
Net Plant in Service	\$ 72,618,243	\$ 13,168,029

Other Rate Base Items		
Construction Work in Progress	\$ -	\$ -
Plant Held for Future Use	\$ -	\$ -
Accumulated Provisions	\$ -	\$ -
Materials & Supplies	\$ 299,601	\$ 52,507
Working Capital	\$ 427,304	\$ 46,089
Prepayments	\$ 52,369	\$ 5,830
Storm Damage and Extraordinary Property Loss	\$ -	\$ -
Other Rate Base Items	\$ (4,783,112)	\$ (1,268,093)
Regulatory Assets	\$ -	\$ -
Accumulated Deferred Income Taxes	\$ (630,918)	\$ (1,120,523)
Total Other Rate Base Items	\$ (4,634,755)	\$ (2,284,190)
Total Rate Base	\$ 67,983,488	\$ 10,883,839
	8.77%	8.77%

RETURN (c) = (a) x (b) \$ 5,963,512 \$ 964,730

INTEREST & FIT EXPENSES CALCULATION

Total Rate Base	(a)	\$ 67,983,488	\$ 10,883,839
Weighted Cost of Debt	(d)	2.97%	2.97%
Interest Expense	(e) = (a) x (d)	\$ 2,017,070	\$ 322,924
Income After Tax	(f) = (c) - (e)	\$ 3,946,441	\$ 631,807
Federal Tax Rate	(g)	34%	34%
Income Tax	(h) = (g) / (1-g)	\$ 51,515,22%	\$ 51,515,22%
	(i) = (f) x (h)	\$ 2,033,015	\$ 325,476

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule II-H-I Cost of Service
 Witness: Robert Kelly

**MONARCH UTILITIES I, LP
 COST OF SERVICE STUDY (TY 7/2014 - 6/2015)**

Line No. (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k)
COMPARISON OF PRESENT AND PROPOSED RATES

	WATER			WASTEWATER		
	Present	Proposed	Increase %	Present	Proposed	Increase %
Revenues from:						
RESIDENTIAL CUSTOMERS:						
Service Charge	\$ 11,998,516	\$ 17,282,781	\$ 5,284,265	\$ 2,860,214	\$ 2,860,154	\$ (60) 0%
Usage Charge	\$ 7,629,160	\$ 8,406,926	\$ 777,766	\$ 326,596	\$ 1,185,914	\$ 859,318 263%
	\$ 19,627,676	\$ 25,689,706	\$ 6,062,030	\$ 3,186,810	\$ 4,046,067	\$ 859,258 27%
NON-RESIDENTIAL CUSTOMERS:						
Service Charge	\$ 820,086	\$ 643,458	\$ (176,628)	\$ 229,444	\$ 127,700	\$ (101,744) -44%
Usage Charge	\$ 1,434,713	\$ 1,368,589	\$ (66,144)	\$ 80,111	\$ 296,478	\$ 216,368 270%
	\$ 2,254,799	\$ 2,012,027	\$ (242,772)	\$ 309,555	\$ 424,178	\$ 114,624 37%
Total Revenues	\$ 21,882,475	\$ 27,701,733	\$ 5,819,258	\$ 3,496,364	\$ 4,470,246	\$ 973,882 28%

	WATER			WASTEWATER		
	Present	Proposed	Increase %	Present	Proposed	Increase %
RESIDENTIAL CUSTOMERS:						
Service Charge	\$ 11,998,516	\$ 17,282,781	\$ 5,284,265	\$ 2,860,214	\$ 2,860,154	\$ (60) 0%
Usage Charge	\$ 7,629,160	\$ 8,406,926	\$ 777,766	\$ 326,596	\$ 1,185,914	\$ 859,318 263%
NON-RESIDENTIAL CUSTOMERS:						
Service Charge	\$ 820,086	\$ 643,458	\$ (176,628)	\$ 229,444	\$ 127,700	\$ (101,744) -44%
Usage Charge	\$ 1,434,713	\$ 1,368,589	\$ (66,144)	\$ 80,111	\$ 296,478	\$ 216,368 270%
Total Revenues	\$ 21,882,475	\$ 27,701,733	\$ 5,819,258	\$ 3,496,364	\$ 4,470,246	\$ 973,882 28%

WATER - NUMBER OF CUSTOMERS (Excluding BLUE MOUND, including Contractuals)

Meter size	(a)		Total	(b)		Total Meter Equivalent	(c) = (a) x (b)	
	Residential	Non-Residential		Residential	Non-Residential		Residential	Non-Residential
5/8"	21,824	657	22,481	1.00	21,824	657		
3/4"	44	9	53	1.50	66	14		
1"	69	79	148	2.50	173	198		
1 1/2"	4	20	24	5.00	20	100		
2"	3	46	49	8.00	24	368		
3"		3	3	15.00	-	45		
4"		2	2	25.00	-	50		
6"		1	1	80.00	-	80		
8"		1	1	80.00	-	80		
	21,944	817	22,761		22,107	1,511		

WATER - SERVICE CHARGE REVENUE CALCULATION

Fixed Expenses =	\$ 17,981,197
Adjustment for Cost of Service per Original Filing	\$ (54,959)
Fixed Expenses per Original Filing	\$ 17,926,238

	Residential	Non-Residential	Total
Number of Customers	21,944	817	22,761
Fixed Expenses Allocation (a)	\$ 17,282,781	\$ 643,458	\$ 17,926,238
Total Meter Equivalent (b)	22,107	1,511	
Annual Meter Equivalent (c) = (b x12)	265,278	18,132	
Service charge for 5/8" Meter Size/Month (a/c)	\$ 65.15	\$ 35.49	

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule II-H-1 Cost of Service
 Witness: Robert Kelly

**MONARCH UTILITIES I, LP
 COST OF SERVICE STUDY (TY 7/2014 - 6/2015)**

Line No.	(a)	(b)	(c)	(d)		(e)		(f)		(g)		(h)		(i)		(j)		(k)	
				Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential		
	Present Rates Res = Non-Res	Meter Equivalent	Meter Size	Monthly Service Charge (c)		Present Annual Service Charge Revenues (e) x (d) x 12		Present Annual Service Charge Revenues (e) x (f) x 12		Proposed Annual Service Charge Revenues (a) x (c) x 12		Proposed Annual Service Charge Revenues (a) x (g) x 12		Proposed Annual Service Charge Revenues (a) x (i) x 12		Proposed Annual Service Charge Revenues (a) x (j) x 12		TOTAL	
78	\$45.23	1.00	5/8"	\$ 65.15	\$ 35.49	\$ 11,845,194	\$ 356,593	\$ 17,061,923	\$ 12,201,788	\$ 17,061,923	\$ 279,783	\$ 17,341,706	\$ 17,341,706						
79	\$67.84	1.50	3/4"	\$ 97.72	\$ 53.23	\$ 35,820	\$ 7,327	\$ 51,599	\$ 43,146	\$ 51,599	\$ 5,749	\$ 57,348	\$ 57,348						
80	\$113.07	2.50	1"	\$ 162.87	\$ 88.72	\$ 93,622	\$ 107,190	\$ 134,860	\$ 200,812	\$ 134,860	\$ 84,105	\$ 218,965	\$ 218,965						
81	\$226.14	5.00	1 1/2"	\$ 325.75	\$ 177.44	\$ 10,855	\$ 54,274	\$ 15,636	\$ 65,128	\$ 15,636	\$ 42,585	\$ 58,221	\$ 58,221						
82	\$361.82	8.00	2"	\$ 521.20	\$ 283.90	\$ 13,026	\$ 199,725	\$ 18,763	\$ 212,760	\$ 18,763	\$ 156,712	\$ 175,475	\$ 175,475						
83	\$678.41	15.00	3"	\$ 977.25	\$ 532.31	\$ -	\$ 24,423	\$ -	\$ 24,423	\$ -	\$ 19,163	\$ 19,163	\$ 19,163						
84	\$1,130.68	25.00	4"	\$ 1,628.74	\$ 887.18	\$ -	\$ 27,136	\$ -	\$ 27,136	\$ -	\$ 21,292	\$ 21,292	\$ 21,292						
85	\$2,261.37	50.00	6"	\$ 3,257.48	\$ 1,774.37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
86	\$3,618.18	80.00	8"	\$ 5,211.98	\$ 2,838.99	\$ -	\$ 43,418	\$ -	\$ 43,418	\$ -	\$ 34,068	\$ 34,068	\$ 34,068						
87						\$ 11,998,516	\$ 820,066	\$ 17,282,781	\$ 12,818,602	\$ 17,282,781	\$ 643,458	\$ 17,926,238	\$ 17,926,238						
88																			

check \$

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule II-H-1 Cost of Service
 Witness: Robert Kelly

**MONARCH UTILITIES I, LP
 COST OF SERVICE STUDY (TY 7/2014 - 6/2015)**

Line No. (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k)

WATER USAGE CHARGE REVENUE CALCULATION

All Usage	7/14 - 6/15 Recorded Usage		Adjustment		Normalized Usage (Including Contractuals)		TOTAL
	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential	
In Thousand Gallons							
Tier 1 0 - 2	374,349	28,749	(7,861)	(604)	397,672	29,353	427,024
Tier 2 2,001 - 10	457,436	52,807	(9,606)	(1,109)	493,621	53,570	547,191
Tier 3 10,001 - 20	57,022	9,988	(1,197)	(210)	62,317	16,257	78,574
Tier 4 Over 20,001	7,757	64,031	(163)	(1,345)	36,700	65,698	102,398
	896,564	155,574	(18,827)	(3,288)	990,310	164,877	1,155,187
Percentage					86.0%	14.0%	100.0%
Variable Expenses					\$ 8,448,866.45	\$ 1,375,397	\$ 9,824,263
Adjustment for Cost of Service per Original Filing							\$ (48,766)
Variable Expenses per Original Filing					\$ 8,406,926	\$ 1,368,569	\$ 9,775,495

Contractual Usage	7/14 - 6/15 Recorded Usage		INHE		PMCK		Total Contractual	
	INHE	PMCK	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential
In Thousand Gallons								
Tier 1 0 - 2	9,691	22,701	9,249	442	21,935	766	31,184	1,208
Tier 2 2,001 - 10	9,411	38,252	9,136	275	36,655	1,597	45,791	1,872
Tier 3 10,001 - 20	1,022	6,562	1,000	22	5,492	1,070	6,492	6,479
Tier 4 Over 20,001	545	31,573	420	125	28,686	2,887	29,106	3,012
	5,387	99,088	18,805	864	60,475	38,613	112,573	12,571

Present Rate/Thousand Gallons	Present Revenues		Proposed Revenues		Proposed Rates/Thousand Gallons	
	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential
Tier 1 \$ 6.650	\$ 2,644,516	\$ 195,194	\$ 2,914,115	\$ 186,195	\$ 7.328	\$ 6.343
Tier 2 \$ 8.190	\$ 4,042,756	\$ 438,735	\$ 4,454,901	\$ 418,508	\$ 9.025	\$ 7.812
Tier 3 \$ 9.290	\$ 578,925	\$ 151,028	\$ 637,944	\$ 144,065	\$ 10.237	\$ 8.862
Tier 4 \$ 9.890	\$ 382,963	\$ 649,756	\$ 399,966	\$ 619,801	\$ 10.898	\$ 9.434
Target Revenues per original filing	\$ 7,629,160	\$ 1,434,713	\$ 8,406,926	\$ 1,368,569		
Additional/(Reduction) Revenues	\$ 8,406,926	\$ 1,368,569	\$ 777,766	\$ (66,144)		

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule II-H-1 Cost of Service
 Witness: Robert Kelly

**MONARCH UTILITIES I, LP
 COST OF SERVICE STUDY (TY 7/2014 - 6/2015)**

Line No. (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k)

WATER - COMPARISON PRESENT AND PROPOSED RATES ON MONTHLY BILL WITH 5/8" METER SIZE

Per Thousand Gallons	Tier 1	Tier 2	Tier 3	Tier 4
0-2	2,001 - 10	10,001 - 20	over 20,001	

Usage in 000 gals.	RESIDENTIAL			NON-RESIDENTIAL		
	Present Rates	Proposed Rates	Increase	Present Rates	Proposed Rates	Increase
0	\$45.23	\$65.15	\$19.92	\$45.23	\$35.49	(\$9.74)
2	\$58.53	\$79.81	\$21.28	\$58.53	\$48.17	(\$10.36)
5	\$83.10	\$106.88	\$23.78	\$83.10	\$71.61	(\$11.49)
7	\$99.48	\$124.93	\$25.45	\$99.48	\$87.24	(\$12.24)
10	\$124.05	\$152.01	\$27.96	\$124.05	\$110.67	(\$13.38)
12	\$142.63	\$172.48	\$29.85	\$142.63	\$128.40	(\$14.23)
15	\$170.50	\$203.19	\$32.69	\$170.50	\$154.98	(\$15.52)
17	\$189.08	\$223.66	\$34.58	\$189.08	\$172.71	(\$16.37)
20	\$216.95	\$254.38	\$37.43	\$216.95	\$199.29	(\$17.66)
25	\$266.40	\$308.87	\$42.47	\$266.40	\$246.46	(\$19.94)
30	\$315.85	\$363.36	\$47.51	\$315.85	\$283.63	(\$32.22)
40	\$414.75	\$472.34	\$57.59	\$414.75	\$387.97	(\$26.78)
			Percent			Percent
			44.0%			-21.5%
			36.3%			-17.7%
			28.6%			-13.8%
			25.5%			-12.3%
			22.5%			-10.8%
			20.9%			-10.0%
			19.2%			-9.1%
			18.3%			-8.7%
			17.3%			-8.1%
			15.9%			-7.5%
			15.0%			-7.0%
			13.9%			-6.5%

WASTEWATER - NUMBER OF CUSTOMERS (Excluding BLUE MOUND, Including Contractuals)

Meter size	(a)		Total	Meter Equivalent	(b)		Total Meter Equivalent
	Residential	Non-Residential			Residential	Non-Residential	
5/8"	3,467	126	3,593	1.00	3,467	126	
3/4"	19	3	22	1.50	29	5	
1"	8	11	19	2.50	20	28	
1 1/2"		7	7	5.00	-	35	
2"		8	8	8.00	-	64	
3"			-	15.00	-	-	
4"		1	1	25.00	-	25	
6"			-	50.00	-	-	
8"			-	80.00	-	-	
	3,494	156	3,650		3,516	282	

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule II-H-1 Cost of Service
 Witness: Robert Kelly

**MONARCH UTILITIES I, LP
 COST OF SERVICE STUDY (TY 7/2014 - 6/2015)**

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
155	WASTEWATER - SERVICE CHARGE REVENUE CALCULATION										
156	Fixed Expenses =	\$	2,987,854								
158	Number of Customers		156								
159	Fixed Expenses Allocation (a)		3,494								
160	Total Meter Equivalent (b)		3,650								
161	Annual Meter Equivalent (c) = (b x 12)		42,186								
162	Service charge for 5/8" Meter Size/Month (a/c)		67.80								

Present Rates Res = Non-Res	Meter Equivalent	Meter Size	Monthly Service Charge		Present Annual Service Charge Revenues		Proposed Annual Service Charge Revenues		
			Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential	
(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
164	\$67.80	1.00	5/8"	\$ 67.80	\$ 37.74	\$ 2,820,751	\$ 102,514	\$ 2,820,695	\$ 57,057
165	\$101.71	1.50	3/4"	\$ 101.70	\$ 56.60	\$ 23,190	\$ 3,662	\$ 23,187	\$ 2,038
166	\$189.51	2.50	1"	\$ 169.50	\$ 94.34	\$ 16,273	\$ 22,375	\$ 16,272	\$ 12,453
167	\$339.02	5.00	1 1/2"	\$ 338.99	\$ 188.68	\$ -	\$ 28,478	\$ -	\$ 15,849
168	\$542.44	8.00	2"	\$ 542.39	\$ 301.89	\$ -	\$ 52,074	\$ -	\$ 28,982
169	\$1,017.07	15.00	3"	\$ 1,016.98	\$ 566.05	\$ -	\$ 20,341	\$ -	\$ -
170	\$1,695.12	25.00	4"	\$ 1,694.97	\$ 943.41	\$ -	\$ -	\$ -	\$ 11,321
171	\$3,390.25	50.00	6"	\$ 3,389.93	\$ 1,886.82	\$ -	\$ -	\$ -	\$ -
172	\$5,424.30	80.00	8"	\$ 5,423.89	\$ 3,018.91	\$ -	\$ -	\$ -	\$ -
173						\$ 2,860,214	\$ 229,444	\$ 2,860,154	\$ 127,700
174									
175									
176									
177									
178									
179									
180									
181									
182									
183									
184									
185									
186									
187									
188									
189									
190									
191									
192									
193									

WASTEWATER USAGE CHARGE REVENUE CALCULATION

All Usage In Thousand Gallons	7/14 - 6/15 Recorded Usage		TOTAL
	Residential	Non-Residential	
	137,225	33,660	170,885
	137,225	33,660	170,885
Percentage	80.0%	20.0%	100.0%
Variable Expenses	\$ 1,185,914	\$ 296,478	\$ 1,482,392

Present Rate/Thousand Gallons (Residential = Non-Residential)	Present Revenues		Proposed Revenues	
	Residential	Non-Residential	Residential	Non-Residential
\$ 2.380	\$ 326,596	\$ 80,111	\$ 1,185,914	\$ 296,478
	\$ 1,185,914	\$ 296,478	\$ 1,185,914	\$ 296,478
Additional/(Reduction) Revenues	\$ 859,318	\$ 216,368	\$ -	\$ -

Proposed Rates/Thousand Gallons	Proposed Revenues	
	Residential	Non-Residential
	\$ 8,642	\$ 8,808

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule II-H-1 Cost of Service
 Witness: Robert Kelly

**MONARCH UTILITIES I, LP
 COST OF SERVICE STUDY (TY 7/2014 - 6/2015)**

Line No.	(a)	(b)	(c)	(d)		(e)		(f)		(g)	(h)	(i)		(k)
				Present Rates	Proposed Rates	Dollars	Percent	Dollars	Percent			Dollars	Percent	
		Usage in 000 gals.												
194		0	\$67.80	\$67.80	(\$0.00)	0.0%	\$67.80	\$67.80						
195		2	\$72.56	\$85.08	\$12.52	17.3%	\$72.56	\$85.08						
196		5	\$79.70	\$111.01	\$31.31	39.3%	\$79.70	\$111.01						
197		7	\$84.46	\$128.29	\$43.83	51.9%	\$84.46	\$128.29						
198		10	\$91.60	\$154.22	\$62.62	68.4%	\$91.60	\$154.22						
199		12	\$96.36	\$171.50	\$75.14	78.0%	\$96.36	\$171.50						
200		15	\$103.50	\$197.43	\$93.93	90.8%	\$103.50	\$197.43						
201		17	\$108.26	\$214.71	\$106.45	98.3%	\$108.26	\$214.71						
202		20	\$115.40	\$240.64	\$125.24	108.5%	\$115.40	\$240.64						
203		25	\$127.30	\$283.85	\$156.55	123.0%	\$127.30	\$283.85						
204		30	\$139.20	\$327.06	\$187.86	135.0%	\$139.20	\$327.06						
205		40	\$163.00	\$413.48	\$250.48	153.7%	\$163.00	\$413.48						
206		50	\$186.80	\$499.90	\$313.10	167.6%	\$186.80	\$499.90						
207														
208														
209														
210														
211														

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule II-H-1(W) Cost of Service - Water
 Witness: Robert Kelly

Application for a Rate/Tariff Change - Monarch Utilities I, LP - Water
Utility Income and Expense Information

Revenue Requirement
 Please provide the following information regarding the cost to the utility of providing water utility service over your selected twelve-month "test-year".

Line	Item	12 Month "Test Year" per books	K&M Changes	Revenue Requirement for Next Yr	Fixed Expenses	Variable Expenses
	a	b	c	d	e	
[A]	Salaries and Wages	\$ 2,599,117	\$ 196,268	\$ 2,795,386	\$ 1,397,693	\$ 1,397,693
[B]	Contract Labor	\$ -	\$ -	\$ -	\$ -	\$ -
[C]	Purchased Water	\$ 2,200,251	\$ (129,797)	\$ 2,070,454	\$ -	\$ 2,070,454
[D]	Chemicals and Treatment	\$ 423,846	\$ (15,419)	\$ 408,427	\$ -	\$ 408,427
[E]	Utilities	\$ 875,266	\$ (54,940)	\$ 820,327	\$ -	\$ 820,327
[F]	Repairs/Maintenance/Supplies	\$ 1,485,273	\$ (30,855)	\$ 1,454,418	\$ 727,209	\$ 727,209
[G]	Office Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
[H]	Accounting and Legal Fees	\$ 27,597	\$ (23,708)	\$ 3,889	\$ 3,889	\$ -
[I]	Insurance	\$ 55,598	\$ -	\$ 55,598	\$ 55,598	\$ -
[J]	Rate Case Expense	\$ -	\$ -	\$ -	\$ -	\$ -
[K]	Miscellaneous	\$ 8,428,769	\$ 106,201	\$ 8,534,971	\$ 4,267,485	\$ 4,267,485
[L]	Subtotal - [A] thru [K]	\$ 16,095,719	\$ 47,751	\$ 16,143,470	\$ 6,451,875	\$ 9,691,595
[M]	Payroll Taxes	\$ 241,002	\$ 24,334	\$ 265,336	\$ 132,668	\$ 132,668
[N]	Property and Other Taxes	\$ 642,690	\$ (46,311)	\$ 596,379	\$ 596,379	\$ -
[O]	Annual Dep & Amort	\$ 2,754,445	\$ 77,656	\$ 2,832,100	\$ 2,832,100	\$ -
[P]	Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
[Q]	Return from Table IV.E	\$ -	\$ 2,033,015	\$ 2,033,015	\$ 2,033,015	\$ -
[R]	Subtotal - [L] thru [Q]	\$ 19,733,856	\$ 8,099,957	\$ 27,833,812	\$ 18,009,549	\$ 9,824,263
[S]	Other Revenues	\$ 28,352	\$ -	\$ 28,352	\$ 28,352	\$ -
[T]	Revenues Held in Abeyance	\$ -	\$ -	\$ -	\$ -	\$ -
[U]	Total Cost = [R] - [S] - [T]	\$ 19,705,504	\$ 8,099,957	\$ 27,705,461	\$ 17,981,197	\$ 9,824,263

Calculation of Fixed/Variable 64.91% 35.46%

Line No. 1
 2
 3
 4
 5
 6
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule II-H-1(S) Cost of Service - Sewer
 Witness: Robert Kelly

Application for a Rate/Tariff Change - Monarch Utilities I, LP - Wastewater
Utility Income and Expense Information

Revenue Requirement

Please provide the following information regarding the cost to the utility of providing water utility service over your selected twelve-month "test-year".

Line	Test Year 06/30/2015	12 Month "Test Year" per books	K&M Changes	Revenue Requirement for Next Yr	Fixed Expenses	Variable Expenses
Item	a	b	c	d	e	
[A] Salaries and Wages	\$ 382,486	\$ 34,797	\$ 417,283	50	\$ 208,641	\$ 208,641
[B] Contract Labor	\$ -	\$ -	\$ -	90	\$ -	\$ -
[C] Purchased Water	\$ 261,760	\$ (179,183)	\$ 82,577	0	\$ -	\$ 82,577
[D] Chemicals and Treatment	\$ 157,863	\$ (1,226)	\$ 156,637	0	\$ -	\$ 156,637
[E] Utilities	\$ 147,915	\$ -	\$ 147,915	0	\$ -	\$ 147,915
[F] Repairs/Maintenance/Supplies	\$ 219,965	\$ (3,305)	\$ 216,659	50	\$ 108,330	\$ 108,330
[G] Office Expenses	\$ -	\$ -	\$ -	50	\$ -	\$ -
[H] Accounting and Legal Fees	\$ 8,798	\$ (8,713)	\$ 86	100	\$ 86	\$ -
[I] Insurance	\$ 9,520	\$ -	\$ 9,520	100	\$ 9,520	\$ -
[J] Rate Case Expense	\$ -	\$ -	\$ -	100	\$ -	\$ -
[K] Miscellaneous	\$ 1,737,413	\$ (224,022)	\$ 1,513,391	50	\$ 756,695	\$ 756,695
[L] Subtotal - [A] thru [K]	\$ 2,925,720	\$ (381,653)	\$ 2,544,067		\$ 1,083,272	\$ 1,460,795
[M] Payroll Taxes	\$ 39,233	\$ 3,961	\$ 43,194	50	\$ 21,597	\$ 21,597
[N] Property and Other Taxes	\$ 51,711	\$ (152)	\$ 51,558	100	\$ 51,558	\$ -
[O] Annual Dep & Amort	\$ 487,310	\$ 68,525	\$ 555,835	100	\$ 555,835	\$ -
[P] Income Taxes	\$ -	\$ 325,476	\$ 325,476	100	\$ 325,476	\$ -
[Q] Return from Table IV.E	\$ -	\$ 954,730	\$ 954,730	100	\$ 954,730	\$ -
[R] Subtotal - [L] thru [Q]	\$ 3,503,974	\$ 970,887	\$ 4,474,861		\$ 2,992,469	\$ 1,482,392
[S] Other Revenues	\$ 4,615	\$ -	\$ 4,615	100	\$ 4,615	\$ -
[T] Revenues Held In Abeyance	\$ -	\$ -	\$ -		\$ -	\$ -
[U] Total Cost = [R] - [S] - [T]	\$ 3,499,359	\$ 970,887	\$ 4,470,246		\$ 2,987,854	\$ 1,482,392
[V] Calculation of Fixed/Variable					66.84%	33.16%

Line No.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22

Monarch Utilities I, L.P.
 Docket No. - 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (W) Water Rate Design
 Witness: George Freitag

Line No	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
---------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

COST OF CAPITAL (Exhibit PRM-1, Page 1 of 25, Schedule 1)

Summary as of 6/30/2015	Ratios	Cost Rate	Weighted Cost Rate
Type of Capital:			
Debt	46.00%	6.45%	2.97%
Equity	54.00%	10.75%	5.81%
Total	100.00%		
Proposed Rate of Return			8.77%

RATE BASE (Schedule I-B)

12	Net Plant in Service															
13	Original Cost of Utility Plant	\$	115,290,690													
14	Less: Accumulated Depreciation	\$	(43,672,447)													
15	Net Plant in Service	\$	72,618,243													
16	Other Rate Base Items															
17	Construction Work in Progress	\$	-													
18	Plant Held for Future Use	\$	-													
19	Accumulated Provisions	\$	299,601													
20	Materials & Supplies	\$	427,304													
21	Working Capital	\$	52,369													
22	Prepayments	\$	-													
23	Storm Damage and Extraordinary Property Loss	\$	(4,783,112)													
24	Other Rate Base Items	\$	-													
25	Regulatory Assets	\$	(630,918)													
26	Accumulated Deferred Income Taxes	\$	(5,367,720)													
27	Total Other Rate Base Items	\$	67,983,487													
28	Total Rate Base	\$	140,601,730													

Include Theoretical Depreciation Reserve Adjustment	Water
	\$ 116,290,690
	\$ (41,516,669)
	\$ 74,774,021

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (W) Water Rate Design
 Witness: George Freitag

Line No	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
33															
34															
35															

NET TO GROSS MULTIPLIER Calculation

36	1	Uncollectibles rate													
37	2	1 minus line 1	1.1884%												
38	3	Local Franchise (x line 2)	0.968116												
39	4	Business License (x line 2)	1.8032%												
40	5	Subtotal (ln 1 + ln 3 + ln 4)	0%												
41	6	Remaining Amount (1 minus line 5)	2.9915%												
42	7	Line 6 Subject to State Tax & FIT	0.9701												
43	8	State Tax (x line 6)	0%												
44	9	FIT (x line 6)	34%												
45	10	Total Taxes Paid (ln 5 + ln 8 + ln 9)													
46	11	Net After Taxes (1- line 10)	35.9744%												
47	12	Net To Gross Multiplier (1 / line 11)	0.64026												
48			1.56188												

Calculation Basis for Items:

PER RFP (Original Filing)
 Updated as of 5-14-2016

Total Monarch	General	Water	Wastewater
\$27,827,844	\$399,692	\$23,143,745	\$4,284,407
		\$335,742	\$55,957
		\$23,479,487	\$4,340,364

1. Uncollectibles rate
 Test Year Balances (Normalized)

51															
52															
53															
54															
55															
56															
57															
58															
59															
60															
61															
62															
63															

3. Local Franchise (Water)

64															
65															
66															
67															
68															
69															
70															
71															
72															
73															

Aggregate Local Franchise percentage 1.8245%

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (W) Water Rate Design
 Witness: George Freitag

Line No	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
74	REVENUE REQUIREMENT CALCULATION														
75	Rate Base														
76	Rate of Return requested														
77	Utility Operating Income Required														
78	Utility Operating Income At Present Rates														
79	Operating Income Additional Required														
80	Net-To-Gross Multiplier														
81	Gross Revenues														
82	Additional Required														
83	Adjustment for Cost of Service that Exceeds our Notice														
84	Additional Required per Notice														
85	At Present Rates														
86	Total Revenues														
87	Percent Increase (a/b)														
88															
89															
90															
91															
92															
93															
94															

After K&M Adjustment	Water	Wastewater
84%	\$22,161,640	
16%	1,088,161	
	\$23,249,800	

95	Operating Revenues (Calculated at Present Rates)														
96	Other Operating Revenues														
97	Total Operating Revenues														
98	Operating Expenses														
99	Depreciation Expenses														
100	Amortization Expenses														
101	Taxes Other Than on Income														
102	Interest Expense														
103	GENERAL Expenses category (excl. Interest Expense) per TB														
104	Total Expenses before Income Tax														
105	CURRENT INCOME TAX														
106	Total Expenses														
107	Net Operating (Income)/Loss														
108	Rate Base														
109	Rate of Return, Percent														
110	Detailed of Summary of Earnings Components:														
111	Current Income Tax														
112	Total Operating Revenues														
113	Total Expenses before Income Tax														
114	Interest Expense														
115	Subtotal Deduction														
116	Taxable Income/(Loss)														
117	Federal Income Tax (FIT) Rate														
118	Current Income Tax														
119	Water														
120	\$23,249,800														
121	\$19,927,457														
122	\$2,017,070														
123	\$21,944,527														
124	\$1,305,273														
125	3.4%														
126	\$443,793														
127															
128															
129															
130															

Monarch Utilities I, L.P.
 Docket No. - 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (W) Water Rate Design
 Witness: George Freitag

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
131															
132															
SUMMARY OF EARNINGS AT PROPOSED RATES															
133															
134															
135	1	Proposed Operating Revenues													
136	2	Other Revenues													
137	3	Total Proposed Revenues													
138	4	Water													
139		1.1884%													
140	5	1.8249%													
141	6	Operating Expenses													
142	7	Depreciation Expenses													
143	8	Amortization Expense													
144	9	Taxes Other Than on Income													
145	10	Interest Expense													
146	11	GENERAL Expense category (excl. interest Exp.) per T/B													
147	12	Total Expenses before Income Tax													
148	13	CURRENT INCOME TAX													
149	14	Total Expenses													
150															
151	15	Net Operating Income/(Loss)													
152	16	Rate Base													
153	16	Rate Base													
154															
155	17	Rate of Return, Percent													
156	18														
157															
158	13	TAXES OF PROPOSED INCOME COMPUTATION													
159		Total Proposed Revenues													
160															
161		Total Expenses before Interest Expense													
162		Interest Expense													
163		Subtotal deduction													
164															
165		Taxable Income/(Loss)													
166		FIT Rate													
167		FIT Expense													
168															
169															

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (W) Water Rate Design
 Witness: George Freitag

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
170															

COST OF SERVICE CALCULATION

171	Revenue requirement	\$27,988,160
172	Less other revenues	(\$1,088,161)
173	Less 2016 contractual revenues	\$0
174	Remaining revenues recoverable from rates (a)	\$26,899,999
175	Less Theoretical Reserve Adjustment	(\$937,968)
176	Remaining revenues recoverable from rates After adjustment (b)	\$25,962,032
177		
178		
179	Present rate revenues from:	
180	Emergency services	5,441
181	Service charge	\$12,817,404
182	Usage charge	\$9,338,784
183	Total present rate revenues (c)	\$22,161,640
184		100.00%
185	Balanced revenues subject to rate increase (b - c)	\$3,770,392
186		
187	Proposed additional revenues from:	
188	Emergency services	\$926
189	Service charge	\$2,180,644
190	Usage charge	\$1,588,823
191	Proposed annual rate increase:	\$3,770,392
192		17.01%
193		
194		
195		
196		
197	Proposed revenues from:	
198	Emergency services	\$6,367
199	Service charge	\$14,988,048
200	Usage charge	\$10,927,617
201	Less 2016 contractual revenues	\$0
202	check	\$25,932,032
203		\$25,932,032
204		
205		

14.50%	1.09%	1.09%	17.01%
14.500%	1.091%	1.091%	
\$	3,213,438	\$	276,966
		\$	279,989
			\$
			3,770,392

	Phased in Rate Increase			TOTAL
	Phase I	Phase II	Phase III	
	\$789	\$68	\$69	\$926
	\$1,658,524	\$160,186	\$161,934	\$2,180,644
	\$1,354,125	\$116,712	\$117,986	\$1,588,823
	\$3,213,438	\$276,966	\$279,989	\$3,770,392
	14.50%	1.09%	1.09%	17.01%
	14.500%	1.091%	1.091%	
	\$	3,213,438	\$	276,966
			\$	279,989
				\$
				3,770,392

Cumulative Proposed revenues from:

	Phase I	Phase II	Phase III
	\$6,230	\$6,298	\$6,367
	\$14,675,928	\$14,836,114	\$14,988,048
	\$10,692,920	\$10,809,631	\$10,927,617
	\$25,375,077	\$25,652,043	\$25,932,032

RATE DESIGN CALCULATION

TOTAL Number of Customers less BLUE MOUND		\$13.43 per inch of diameter	
Emergency Line at	TY Begin	TY End	
210 6 inch	1	1	
211 8 inch	1	1	
212 10 inch	2	2	
213			
214			
215 Service Charge by meter size			
216 5/8"	21,628		
217 3/4"	49	22,011	
218 1"	149	53	
219 1 1/2"	22	148	
220 2"	46	24	
221 3"	4	47	
222 4"	2	5	
223 6"	2	2	
224 8"	1	1	
225 Wholesale at 5/8" equiv	452	470	

Present Rate	Annual Revenues
\$13.43	\$967
\$13.43	\$1,289
\$13.27	\$3,185
	\$5,441
\$45.23	\$11,946,690
\$67.84	\$43,146
\$113.07	\$200,812
\$226.14	\$65,128
\$361.82	\$204,066
\$678.41	\$24,423
\$1,130.88	\$27,136
\$2,261.37	\$0
\$3,518.37	\$42,220
\$45.23	\$255,097

	Proposed Rates			Proposed Annual Revenues		
	Phase I	Phase II	Phase III	Phase I	Phase II	Phase III
	\$15.27	\$15.44	\$15.60	\$1,099	\$1,111	\$1,124
	\$15.27	\$15.44	\$15.60	\$3,665	\$3,705	\$3,745
	\$6,230	\$6,298	\$6,367	\$0.00	\$0.00	\$0.00
	\$51.78	\$52.35	\$52.92	\$13,826,937	\$13,977,857	\$14,128,777
	\$77.98	\$78.52	\$79.38	\$49,401	\$49,841	\$50,281
	\$129.46	\$130.87	\$132.30	\$229,918	\$232,428	\$234,965
	\$258.92	\$261.74	\$264.60	\$74,568	\$75,205	\$75,842
	\$414.27	\$418.79	\$423.36	\$23,647	\$23,817	\$23,987
	\$776.75	\$785.23	\$793.80	\$28,268	\$28,577	\$28,886
	\$1,294.59	\$1,308.71	\$1,323.00	\$31,070	\$31,409	\$31,748
	\$2,589.17	\$2,617.43	\$2,646.00	\$0	\$0	\$0
	\$4,142.67	\$4,187.89	\$4,233.60	\$48,712	\$50,255	\$51,803
	\$51.78	\$52.35	\$52.92	\$292,058	\$295,246	\$298,469

226 *Lakeshore Pinnacle + Cedar View (85% of :

227 Sutton	2	
228	1	
229	22,398	
230		22,762

\$361.82	\$8,664
\$0.00	\$0
	\$12,817,404

\$414.27	\$418.79	\$423.36	\$9,942	\$10,051	\$10,161
\$0.00	\$0.00	\$0.00	\$0	\$0	\$0
			\$14,675,928	\$14,836,114	\$14,998,048
			\$0.00	\$0.00	\$0.00
			\$ 14,682,168	\$ 14,842,412	\$ 15,004,415

Total Service Charge Revenues \$ 12,822,845

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (W) Water Rate Design
 Witness: George Freitag

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
----------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

232 RATE DESIGN CALCULATION (Continued)

Line No.	Contractual Usage	Non-Contract Usage	Usage Adj.	Usage After Adj.	TY End
234	32,392	403,097	(8,465)	427,024	1
235	47,663	510,243	(10,715)	547,191	1
236	12,971	67,010	(1,407)	78,574	1
237	32,118	71,788	(1,508)	102,398	2
238					
239					
240					
241					
242					
243			(22,095)	1,155,197	
244					
245					
246					
247					
248					

Phase I	Phase II	Phase III	Total Inches
6	6	6	6
8	8	8	8
20	20	20	20
34	34	34	34
\$6,230	\$5,298	\$6,367	\$6,367
\$15.27	\$15.44	\$15.60	\$15.60

Total Usage Charge Revenues \$9,338,794 100%
 TOTAL REVENUES \$22,161,640

249 SERVICE CHARGE PROPOSED RATE CALCULATION

Line No.	Description	TY End
251	Emergency services	
252	6 inch Emergency Services	1
253	8 inch Emergency Services	1
254	10 inch Emergency Services	2
255		
256		
257	Total inches of diameter	
258	Proposed rate revenue	
259	Computed rate/inch/month	
260		

261 Metered services

Line No.	Meter size	Year End Cust. Count	Phase I	Phase II	Phase III
262	5/8" including wholesale	22,481	22,481	22,481	22,481
263	3/4"	53	80	80	80
264	1"	148	370	370	370
265	1 1/2"	24	120	120	120
266	2"	47	376	376	376
267	3"	3	45	45	45
268	4"	2	50	50	50
269	6"	1	80	80	80
270	8"	2	16	16	16
271		1			
272		1			
273		1			
274		1			
275		1			
276		22,762			

277 Total revenues from recoverable from service charge
 278 Annual Cost per Meter Equivalent, Dollars
 279 Monthly Meter Equivalent Cost, Dollars (Rate for 5/8")

Phase I	Phase II	Phase III	Total
\$14,675,928	\$14,836,114	\$14,998,048	\$44,510,090
\$621.40	\$628.18	\$635.04	\$628.21
\$51.78	\$52.35	\$52.92	\$52.92

282 Usage Charge/thousand gallons

Line No.	Contractual Usage	Non-Contract Usage	Usage Adj.	Usage After Adj.	Present Revenue	Proposed Revenue
283	32,392	403,097	(8,465)	427,024	\$6.85	\$7.84
284	47,663	510,243	(10,715)	547,191	\$8.44	\$9.66
285	12,971	67,010	(1,407)	78,574	\$9.57	\$10.96
286	32,118	71,788	(1,508)	102,398	\$10.19	\$11.67
287					\$9.57	\$11.79
288					\$8.02	\$9.24
289					\$9.88	\$11.20
290					\$11.08	\$12.50
291					\$11.79	\$13.21
292					\$3,349,256	\$3,865,813
293					\$5,287,943	\$5,345,661
294					\$860,986	\$870,384
295					\$1,194,734	\$1,207,774
296					\$10,692,920	\$10,809,631
297					\$10,927,617	\$10,927,617

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (S) Wastewater Rate Design
 Witness: George Freitag

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
----------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

COST OF CAPITAL (Exhibit PRM-1, Page 1 of 25, Schedule 1)

Summary as of 6/30/2015	Ratios	Cost Rate	Weighted Cost Rate
Type of Capital:			
Debt	46.00%	6.45%	2.97%
Equity	54.00%	10.75%	5.81%
Total	100.00%		
Proposed Rate of Return			8.77%

RATE BASE (Schedule II-B)

12	Net Plant In Service														
13	Original Cost of Utility Plant														
14	Less: Accumulated Depreciation														
15	Net Plant in Service														
16															
17															
18	Other Rate Base Items														
19	Construction Work in Progress														
20	Plant Held for Future Use														
21	Accumulated Provisions														
22	Materials & Supplies														
23	Working Capital														
24	Prepayments														
25	Storm Damage and Extraordinary Property Loss														
26	Other Rate Base Items														
27	Regulatory Assets														
28	Accumulated Deferred Income Taxes														
29	Total Other Rate Base Items														
30															
31	Total Rate Base														
32															

Wastewater	
\$ 20,359,143	
\$ (7,191,114)	
\$ 13,168,029	

Include Theoretical Depreciation Reserve Adjustment	
Wastewater	
\$ 20,359,143	
\$ (6,923,493)	
\$ 13,435,651	

\$ -	
\$ -	
\$ -	
\$ 52,507	
\$ 46,089	
\$ 5,830	
\$ -	
\$ (1,268,093)	
\$ -	
\$ (1,120,523)	
\$ (2,284,190)	
\$ 10,883,839	

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (S) Wastewater Rate Design
 Witness: George Freitag

Line No	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
84															

SUMMARY OF EARNINGS AT PRESENT RATES

After K&M Adjustment	
64%	16%
86%	14%
Water	Wastewater
\$3,496,364	\$3,698,659
202,295	

Shared per Original RFP Filing:
 Shared Updated as of 5-14-16

90 1	Operating Revenues (Calculated at Present Rates)	
91 2	Other Operating Revenues	\$3,496,364
92 3	Total Operating Revenues	202,295
93		\$3,698,659
94 4	401 Operating Expenses	
95 5	403 Depreciation Expenses	1,998,369
96 6	407 Amortization Expense	585,029
97 7	408 Taxes Other Than on Income	(25,738)
98 8	427 Interest Expense	33,385
99 9	GENERAL Expenses category (excl interest Expense) per T/B	(16,948)
100 10	Total Expenses before Income Tax	635,236
101 11	CURRENT INCOME TAX	\$56,577
102 12	Total Expenses	\$3,265,910
103		
104 13	Net Operating (Income)/Loss	\$432,749
105		
106 14	Rate Base	\$ 10,863,639
107		
108 15	Rate of Return, Percent	3.98%

Detailed of Summary of Earnings Components:

110 11	Current Income Tax	
111 12	Total Operating Revenues	Waste Water
112		\$3,698,659
113		
114	Total Expenses before Income Tax	\$3,209,334
115	Interest Expense	\$322,924
116	Subtotal Deduction	\$3,532,257
117		
118	Taxable Income/(Loss)	\$166,402
119	Federal Income Tax (FIT) Rate	34%
120	Current Income Tax	\$56,577
121		
122		

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (S) Wastewater Rate Design
 Witness: George Freitag

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
123															
124	SUMMARY OF EARNINGS AT PROPOSED RATES														
125															
126															
127	1	Proposed Operating Revenues													
128	2	Other Revenues													
129	3	Total Proposed Revenues													
130		Wastewater													
131	4	1.0711%													
132	5	0%													
133	6	Increase in Uncollectible													
134	7	Increase in Franchise Fee													
135	8	Operating Expenses													
136	9	Depreciation Expense													
137	10	Amortization Expense													
138	11	Taxes Other Than on Income													
139	12	Interest Expense													
140	13	GENERAL Expense category (excl. interest Exp.) per 7/B													
141	14	Total Expenses before Income Tax													
142	15	CURRENT INCOME TAX													
143	16	Total Expenses													
144	17	Net Operating Income/(Loss)													
145	18	Rate Base													
146	19	Rate of Return, Percent													
147	20														
148	21														
149	22														
150	23	TAXES OF PROPOSED INCOME COMPUTATION													
151		Total Proposed Revenues													
152		Total Expenses before Interest Expense													
153		Interest Expense													
154		Subtotal deduction													
155		Taxable Income/(Loss)													
156		FIT Rate													
157		34%													
158		FIT Expense													
159															
160															
161															

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (S) Wastewater Rate Design
 Witness: George Freitag

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
----------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

COST OF SERVICE CALCULATION

Revenue requirement \$4,498,105
 Less other revenues (\$202,295)
 Less 2016 contractual revenues \$0
 Remaining revenues recoverable from rates (a) \$4,295,810
 Less Theoretical Reserve Adjustment (\$114,246)
 Remaining revenues recoverable from rates After adjustment (b) \$4,181,565

Present rate revenues from:
 Service charge \$3,089,658 88.37%
 Usage charge \$406,706 11.63%
 Total present rate revenues (c) \$3,496,364 100.00%
 Balanced revenues subject to rate increase (b - c) \$685,201

Proposed additional revenues from:
 Service charge \$605,496
 Usage charge \$79,704
 Proposed annual rate increase: 19.60%
 \$685,201

Proposed revenues from:
 Service charge \$3,695,154
 Usage charge \$486,411
 check (\$114,246)
 Proposed revenues \$4,181,565

	Phased in Rate Increase			TOTAL
	Phase I	Phase II	Phase III	
\$448,000	\$77,880	\$79,605	\$605,496	\$605,496
\$59,972	\$10,253	\$10,479	\$79,704	\$79,704
\$506,973	\$88,144	\$90,084	\$685,201	\$685,201
14.50%	2.20%	2.20%	19.60%	19.60%
14.50%	2.202%	2.202%	18.90%	18.90%
\$	\$66,973	\$8,144	\$90,084	\$685,201

Cumulative Proposed revenues from:

	Phase I	Phase II	Phase III
\$3,537,658	\$3,615,549	\$3,695,154	\$3,695,154
\$465,679	\$475,932	\$486,411	\$486,411
\$4,003,337	\$4,091,481	\$4,181,565	\$4,181,565

\$0

Proposed revenues \$4,181,565

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule III (S) Wastewater Rate Design
 Witness: George Freitag

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
201															
202	RATE DESIGN CALCULATION														
203	TOTAL Number of Customers less BLUE MOUND, incl. Lakeshore Pinnacled														
204															

Line No.	Description	TY Begin	TY End	Present Rate	Annual Revenues	Proposed Annual Revenues		
						Phase I	Phase II	Phase III
205	Monthly Service Charge							
206	5/8"	3,437	3,583	\$57.80	\$2,923,265	\$77.63	\$79.34	\$81.09
207	3/4"	17	22	\$101.71	\$26,651	\$116.45	\$119.01	\$121.63
208	1"	21	19	\$169.51	\$38,648	\$194.08	\$198.35	\$202.72
209	1 1/2"	7	7	\$339.02	\$28,478	\$388.16	\$396.70	\$405.44
210	2"	9	8	\$542.44	\$52,074	\$621.05	\$634.72	\$648.70
211	3"	-	-	\$1,017.07	\$0	\$1,164.47	\$1,190.11	\$1,216.31
212	4"	1	1	\$1,695.12	\$20,341	\$1,940.78	\$1,983.51	\$2,027.19
213	6"	-	-	\$3,390.25	\$0	\$3,881.56	\$3,967.03	\$4,054.37
214	8"	-	-	\$5,424.30	\$0	\$6,210.50	\$6,347.24	\$6,486.99
215								
216	Total Number of Customers	3,492	3,650					
217								
218								
219	Usage Charge/thousand gallons							
220								
221	Gal x 1000							
222	Usage Adj.							
223	After Adj.							
224	Incl. Aqua							
225								
226								
227								
228								
229								
230								
231								
232								
233								
234								
235								
236								
237								
238								
239								
240								
241								
242								
243	Total revenues from recoverable from service charge							
244	Annual Cost per Meter Equivalent, Dollars							
245	Monthly Meter Equivalent Cost, Dollars (Rate for 5/8")							

Line No.	Description	Customer Count Year End	Meter Equivalent (e x b)			Phase I	Phase II	Phase III
			(c)	(d)	(e)			
230		3,583	1.00	3,583	3,583	3,583	3,583	
231		22	1.50	33	33	33	33	
232		19	2.50	48	48	48	48	
233		7	5.00	35	35	35	35	
234		8	8.00	64	64	64	64	
235		-	15.00	0	0	0	0	
236		1	25.00	25	25	25	25	
237		-	50.00	0	0	0	0	
238		-	80.00	0	0	0	0	
239		3,650						
240								
241								
242								
243	Total revenues from recoverable from service charge				3,798	3,798	3,798	
244	Annual Cost per Meter Equivalent, Dollars				\$3,537,658	\$3,615,549	\$3,695,154	
245	Monthly Meter Equivalent Cost, Dollars (Rate for 5/8")				\$931.58	\$952.09	\$973.05	
					\$77.63	\$79.34	\$81.09	

Line No.	Description	Phase I	Phase II	Phase III	Difference
220					
221					
222					
223					
224					
225					
226					
227					
228					
229					
230					
231					
232					
233					
234					
235					
236					
237					
238					
239					
240					
241					
242					
243					
244					
245					

COMPARISON OF PRESENT RATES AND PROPOSED MONTHLY BILL FOR 5/8"

Usage in 000 gals.	Present Rates	Proposed Rates	Phase I Increase Dollars	Percent
0 \$	67.80	77.6312985	9.831298499	0.145004403
2 \$	72.56	83.0814985	10.5214985	0.145004114
5 \$	79.70	91.2567985	11.5567985	0.145003745
7 \$	84.46	96.7069985	12.2469985	0.145003534
10 \$	91.60	104.8822985	13.2822985	0.145003259
12 \$	96.36	110.3324985	13.9724985	0.145003098
15 \$	103.50	118.5077985	15.0077985	0.145002884
17 \$	108.26	123.9579985	15.6979985	0.145002757
20 \$	115.40	132.1332985	16.7332985	0.145002587
25 \$	127.30	145.7587985	18.4587985	0.145002345
30 \$	139.20	159.3842985	20.1842985	0.145002144
40 \$	163.00	186.6352985	23.6352985	0.145001831

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule IV-1
 Witness: Robert Kelly

Affiliate Expenses by NARUC Account

Line No	NARUC Account (a)	Description (b)	Reference Schedule (b)	Test Year Total (c)	1/1/2013-12/31/2013 (d)	1/1/2012-12/31/2012 (e)
1						
2	401	Affiliate Transactions - Parent Operating Expenses	WP/IV-1	3,288,719	3,287,377	3,953,193
3						
4	401	Affiliate Transactions - SWMC Utilities, Inc Operating Expenses	WP/IV-1	3,184,735	4,014,418	4,476,740
5						
6						
7						
8						
9		Total Affiliate Transactions		6,473,454	7,301,795	8,429,932

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Errata - Schedule IV-2 Adjusted Affiliate Expenses
 Witness: Robert Kelly

Line No	MARUC Account (a)	Description (b)	Reference Schedule (c)	Original Trial Balance (d)	Pro-forma Adjustments (e)	K&M Adjustment (f)	Adjusted Monarch Total (g)	Func. Factor (h)	Functionalization Water (i)	Functionalization Wastewater (j)
1										
2	401	Affiliate Transactions - Parent Operating Expenses	WP/IV-2	3,432,277	(80,047)	65,261	3,353,980	WTR-WW	2,884,423	469,557
3										
4	401	Affiliate Transactions - SMMC Utilities, Inc Operating Expenses	WP/IV-2	3,484,979	(300,244)	(110,622)	3,074,113	WTR-WW	2,578,432	495,739
5										
6										
7										
8										
9										
10	401	Total Affiliate Transactions		6,917,256	(380,291)	(45,361)	6,428,093		5,462,855	965,296

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Errata - Schedule IV-4.1 Allocation Manual
Witness: Robert Kelly

See attached Cost Allocation Manual

PDF
Errata IV-4.1
SWWC Cost
Allocation Manual