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

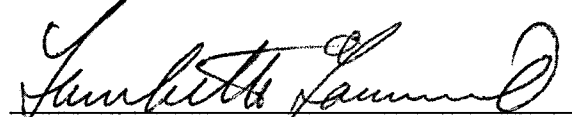
BEFORE THE STATE OFFICE
PUBLIC UTILITY COMMISSION
OF
ADMINISTRATIVE HEARINGS
FILING CLERK

MONARCH UTILITIES I, L.P.'S ERRATA NO. 10
TESTIMONY OF CARMELITHA BORDELON-TAYLOR

Monarch Utilities I, L.P.'s ("Monarch") files the attached errata to the testimony of Carmelitha Bordelon-Taylor. The errata to Ms. Bordelon-Taylor's testimony is attached as Pages 7 and 9, and should be substituted for the testimony included within Monarch's rate filing package. The errata (1) deletes number 9 on page 7, line 22 and (2) adds clarification regarding the determination of meter equivalents on page 9, lines 2 and 3.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of June, 2016, a true and correct copy of the foregoing document has been sent via facsimile, certified mail, return receipt requested, first class mail, or hand-delivered to all parties of record.


LAMBETH TOWNSEND

1 year unless otherwise directed by these instructions.” General Instruction 6 allows
2 “adjustments for known and measurable changes”

3 **Q. PLEASE DESCRIBE THE KNOWN AND MEASURABLE CHANGES IN**
4 **THIS FILING.**

5 **A.** Known and measurable changes in this filing are listed in Schedule II-D-1.2, and can
6 be summarized as follows:

- 7 1. Disposition of Blue Mound (See Direct Testimony of Robert Kelly).
- 8 2. Disposition of Midway (See Direct Testimony of Robert Kelly).
- 9 3. Weather Normalization Adjustment (See Direct Testimony of John
10 Hutts).
- 11 4. Additional payroll due to merit increases. Normal mid-year salary
12 increases adjusted to reflect full year.
- 13 5. Increase headcount by five employees to account for frictional
14 vacancies.
- 15 6. Increase in audit fees based on latest increase in fees from the
16 accounting firm PwC.
- 17 7. Decrease in lease expense due to Conroe office lease ending in August
18 2015.
- 19 8. Increase in shared services costs due to salary increases, also change
20 the allocation methodology to align with the approach previously
21 established in another jurisdiction.

1 Schedule II-F-b.f provides a description of, and rationale for, the factors. Monarch
2 has determined that meter equivalents as of December 31, 2014, excluding meters
3 related to Blue Mound and Midway systems, which are based on representative
4 delivery capacity of the meters as of that date and which are the most equitable and
5 administratively efficient form of distributing shared costs in this filing. This
6 functionalization is used wherever costs are shared between water and wastewater.

7 **VIII. ADJUSTMENTS TO TEST YEAR BALANCES**

8 **Q. PLEASE DESCRIBE ADJUSTMENTS TO TEST YEAR BALANCES**
9 **REQUIRED BY GENERAL INSTRUCTION 8.**

10 **A.** Schedules II-A-2 and II-A-3 show adjustments to test year balances to remove and
11 recast items not included in Monarch's cost of service either by statute or commission
12 rule, or that required recasting to more properly reflect regulatory accounting. In
13 addition, adjustments were made to reinstate costs that had been removed from test
14 year balances due to requirements of generally accepted accounting principles, but
15 which are includable in cost of service. The following are examples of removed,
16 recasted, and reinstated costs:

- 17 • **Examples of Removed Costs**—Rate case expenses relating to prior Monarch
18 rate cases, asset retirement obligations, parent company allocations of
19 depreciation expense to Monarch, portions of trade association dues relating
20 to lobbying expenses, and fines and penalties all have been removed from test
21 year costs.
- 22 • **Examples of Recasted Costs**—Leases accounted for in the test year as
23 capitalized leases have been recasted as conventional operating leases. This