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

MONARCH UTILITIES I, L.P.'S LIST OF ISSUES TO BE ADDRESSED

Monarch Utilities I, L.P., ("Monarch") files its identification of threshold matters, and its proposed list of issues to be addressed, in accordance with the Commission's Order of Referral.

ISSUES TO BE ADDRESSED

1. What are the just and reasonable rates for the utility that are sufficient, equitable, and consistent in application to each class of consumers and that are not unreasonably preferential, prejudicial, or discriminatory as required by Texas Water Code ("TWC") § 13.182?

2. What revenue requirement will give the utility a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses while preserving the financial integrity of the utility, under TWC § 13.183(a) and 16 Tex. Admin. Code § 24.32(a) ("TAC")?

3. Are Monarch's proposed revisions to its tariffs and rate schedules appropriate?

4. What is the reasonable and necessary cost of providing water and sewer service calculated in accordance with 16 TAC § 24.31?

5. What adjustments, if any, should be made to the utility's proposed test-year data? TWC § 13.185(d)(1) and 16 TAC § 24.31(b).

6. What is the appropriate overall rate of return, return on equity, cost of debt, and capital structure for Monarch?

7. What is the reasonable and necessary depreciation expense? For each class of property, what are the proper and adequate depreciation rates (including service lives and salvage values) and methods for depreciation? TWC § 13.185(j) and 16 TAC § 24.31(b)(1)(B).

8. Has Monarch met the standard for recovery of affiliate expenses under TWC § 13.185(e) and Commission requirements?

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9.   What is the reasonable and necessary amount for assessment and taxes, other than federal income taxes? 16 TAC § 24.31(b)(1)(C).

10. What is the reasonable and necessary amount for the utility's federal income tax expense? 16 TAC § 24.31(b)(1)(D) and, if applicable, TWC § 13.185(f).

11. Are Monarch's proposed operations and maintenance (O&M) expenses necessary and reasonable?

12. Are Monarch's proposed pro forma rate-base adjustments and expense adjustments reasonable and necessary?

13. What amounts of Monarch's plant in service and other elements of rate base are used and useful in providing service to the public?

14. Are Monarch's rate case expenses reasonable and necessary and does the requested amount of rate case expenses include any anticipated expenses to appeal this docket? How should the utility recover its necessary and reasonable expenses incurred in this proceeding?

15. If a refund or surcharge results from this proceeding, how and over what period of time should that be made? TWC § 13.187.

16. Is phasing in of rates over three years reasonable and appropriate? 16 TAC § 24.34.

PRAYER

Monarch respectfully requests that the Commission include the foregoing list of issues as matters to be decided in this case and grant Monarch any other relief to which it shows itself justly entitled.
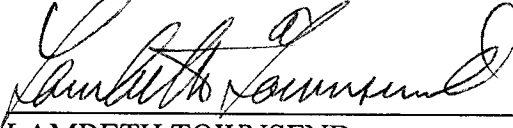
Respectfully submitted,

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LAMBETH TOWNSEND
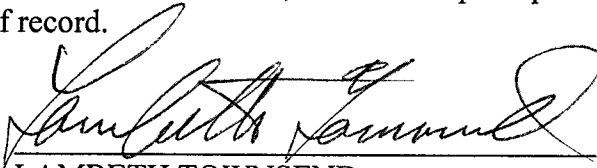State Bar No. 20167500

GEORGIA N. CRUMP
State Bar No. 05185500

WILLIAM A. FAULK, III
State Bar No. 24075674

ATTORNEYS FOR MONARCH UTILITIES I, LP

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of March, 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

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