

WP-LG-7

MONARCH'S RESPONSES TO COMMISSION STAFF'S FIFTEENTH REQUEST FOR INFORMATION (July 25, 2016)

Monarch Utilities I, L.P

Application for Water and Sewer Rate/Tariff Change

SOAH Docket No. 473-16-2873.WS

PUC Docket No. 45570

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

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APPLICATION OF MONARCH § BEFORE THE STATE OFFICE
UTILITIES I, L.P. TO CHANGE RATES § OF
FOR WATER AND SEWER SERVICE § ADMINISTRATIVE HEARINGS

**MONARCH UTILITIES I, L.P.'S RESPONSES TO
COMMISSION STAFF'S FIFTEENTH 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 Fifteenth Requests for Information received July 15, 2016. This response is timely filed. This response may be treated by all parties as if it were filed under oath.

Respectfully submitted,

**LLOYD, GOSSELINK,
ROCHELLE & TOWNSEND, P.C.**
816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-0532



LAMBETH TOWNSEND
State Bar No. 20167500
ltownsend@lglawfirm.com

GEORGIA N. CRUMP
State Bar No. 05185500
gcrump@lglawfirm.com

WILLIAM A. FAULK, III
State Bar No. 24075674
cfaulk@lglawfirm.com

ATTORNEYS FOR MONARCH UTILITIES I, LP

1 24/0000401

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of July, 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

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

**MONARCH'S RESPONSES TO
STAFF'S FOURTEENTH REQUESTS FOR INFORMATION**

STAFF RFI 15-1: Refer to Errata – Schedule II-D-9.1.f, Payroll Detail – *Test Year vs. Requested Reconciliation* sponsored by Carmelitha Bordelon-Taylor. The schedule indicates and head count of the 137 full headcount FTE Texas Utilities. With regard to the 137 headcount, please provide the following:

- a. The number of direct employees that work for Monarch Utilities I, L.P., TX Utility Group, SWWC Utilities, Inc., and other utilities but not limited to Windermere, Hornsby Bend, Diamond, Water Services, Mid-Tex, Huntington, Inverness, SWUT, Metro, and Tenkiller for June 30, 2015 and June 30, 2016.
- b. The number of employees that work for more than one utility company and the specific utilities that employ such employees.
- c. The job titles and position of the employees listed in response to Staff RFI No. 15-1(a) and (b).

RESPONSE:

- a. See Attachment Staff 15-1.a for responsive data for June 30, 2015 and Attachment Staff 15-1.b for responsive data for June 30, 2016.
- b. See Attachment Staff 15-1.a for responsive data for June 30, 2015 and Attachment Staff 15-1.b for responsive data for June 30, 2016.
- c. See Attachment Staff 15-1.a for responsive data for June 30, 2015 and Attachment Staff 15-1.b for responsive data for June 30, 2016.

Prepared by: Edward Taussig
Sponsored by: Carmelitha Bordelon-Taylor

Monarch Utilities I, L.P.
 Docket No. 45570
 Fiscal Year Ending 6/30/2015
 Attachment Staff 15-1.a
 List of direct employees
 June 30, 2015

(a)	(b)	(c)	(d)	(e)	(f)
Job	Position	Home Utility	Work for more than one Utility	Other Utility	
1	Administrative Assistant	Executive Assistant	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
2	Administrative Assistant	HR Admin	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
3	Accountant	Accountant	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
4	Manager	Human Resources Manager	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
5	Analyst	Communications Specialist	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
6	Vice President	Executive Vice President	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
7	Manager	Manager, EHS	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
8	Vice President	Regional Vice President	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
9	Administrative Assistant	Administrative Assistant III	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
10	Director	Director, Finance	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
11	Manager	Manager, Regulatory Affairs	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
12	Analyst	Billing and Collections Analyst I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
13	Analyst	Billing & Credit Analyst	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
14	Representative/Customer Care	Customer Service Representative I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
15	Administrator	Client Relations Specialist	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
16	Representative/Customer Care	Representative/Customer Care	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
17	Representative/Customer Care	Customer Service Representative I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
18	Representative/Customer Care	Customer Service Representative I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
19	Representative/Customer Care	Customer Service Representative I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
20	Analyst	Senior Payment Processor	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
21	Analyst	Billing and Collection Analyst I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
22	Manager	Manager, Customer Service	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
23	Representative/Customer Care	Customer Service Representative II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
24	Analyst	Customer Service Analyst I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
25	Supervisor	Supervisor, Customer Service	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
26	Representative/Customer Care	Customer Service Representative III	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
27	Director	Director, Cust Serv & Comm	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
28	Representative/Customer Care	Customer Service Representative I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
29	Operator Water	Operator I	SWWC Utilities, Inc	No	
30	Foreman	Foreman	SWWC Utilities, Inc	No	
31	Administrative Assistant	Administrative Assistant I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
32	Vice President	VP, SWWC Utilities, Inc.	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
33	Manager	Manager, Design and Construction	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
34	Clerk	AP Clerk II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
35	Administrative Assistant	Administrative Assistant III	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
36	Supervisor	Supervisor, Compliance and Construction	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
37	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
38	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
39	Technician	Maintenance Tech II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
40	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
41	Foreman	Maintenance Crew Leader	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
42	Operator Wastewater	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
43	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
44	Technician	Maintenance Technician	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
45	Operator Wastewater	Operator In Training	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
46	Operator Wastewater	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
47	Foreman	Maintenance Crew Leader	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
48	Manager	Manager, South Field	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
49	Foreman	Foreman, Maintenance	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
50	Operator Wastewater	Operator II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
51	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
52	Manager	Manager, North Field	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
53	Operator Wastewater	Operator II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
54	Technician	Maintenance Technician	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP

Monarch Utilities I, L.P.
 Account No. 45570
 Fiscal Year Ending 6/30/2015
 Attachment Staff 15-1.a
 List of direct employees
 June 30, 2015

(a)	(b)	(c)	(d)	(e)	(f)
Job	Position	Home Utility	Work for more than one Utility	Other Utility	
55 Operator Water	Operator II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
56 Operator Water	Operator in Training	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
57 Operator Wastewater	Operator II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
58 Electrician	Electrician	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
59 Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
60 Operator Water	Operator II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
61 Manager	Manager, West Field	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
62 Foreman	Foreman, Maintenance	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
63 Accountant	Staff Accountant	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
64 Accountant	Staff Accountant	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
65 Clerk	AP Clerk III	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
66 Manager	Accounting Manager	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
67 Accountant	Accountant Senior	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
68 Operator Wastewater	Operator Wastewater II	Monarch Utilities I, LP	No		
69 Operator Water	Operator I	Monarch Utilities I, LP	No		
70 Operator Water	Operator in Training	Monarch Utilities I, LP	No		
71 Operator Water	Operator I	Monarch Utilities I, LP	No		
72 Manager	Area Manager	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	
73 Operator Water	Operator Water I	Monarch Utilities I, LP	No		
74 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
75 Representative/Customer Care	Field Customer Service Rep II	Monarch Utilities I, LP	No		
76 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
77 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
78 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
79 Operator Wastewater	Operator Water II	Monarch Utilities I, LP	No		
80 Operator Water	Operator I	Monarch Utilities I, LP	No		
81 Operator Water	Operator II	Monarch Utilities I, LP	No		
82 Operator Wastewater	Operator II	Monarch Utilities I, LP	No		
83 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
84 Operator Water	Operator II	Monarch Utilities I, LP	No		
85 Operator Water	Operator I	Monarch Utilities I, LP	No		
86 Utility Worker	Utility Worker II	Monarch Utilities I, LP	No		
87 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
88 Operator Water	Operator I	Monarch Utilities I, LP	No		
89 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
90 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
91 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
92 Operator Water	Operator II	Monarch Utilities I, LP	No		
93 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
94 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
95 Foreman	Foreman, Operations	Monarch Utilities I, LP	No		
96 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
97 Utility Worker	Operator II	Monarch Utilities I, LP	No		
98 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
99 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
100 Operator Wastewater	Operator II	Monarch Utilities I, LP	No		
101 Operator Wastewater	Operator II	Monarch Utilities I, LP	No		
102 Utility Worker	Utility Worker II	Monarch Utilities I, LP	No		
103 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
104 Operator Water	Operator I	Monarch Utilities I, LP	No		
105 Manager	Area Manager	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	
106 Operator Water	Operator II	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	
107 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	
108 Operator Water	Utility Worker I	Monarch Utilities I, LP	No		

Monarch Utilities I, L.P.
 Account No. 45570
 Fiscal Year Ending 6/30/2015
 Attachment Staff 15-1.a
 List of direct employees

June 30, 2015

(a)	(b)	(c)	(d)	(e)	(f)
Job	Position	Home Utility	Work for more than one Utility	Other Utility	
109 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
110 Operator Water	Operator II	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	5
111 Operator Water	Operator I	Monarch Utilities I, LP	No		
112 Operator Water	Operator I	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	4
113 Utility Worker	Utility Worker I	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	7
114 Operator Wastewater	Operator in Training	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	8
115 Operator Water	Operator II	Monarch Utilities I, LP	No		
116 Operator Wastewater	Operator II	Monarch Utilities I, LP	No		
117 Technician	Field Technician I	Monarch Utilities I, LP	No		
118 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
119 Utility Worker	Utility Worker I	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	9
120 Operator Water	Operator II	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	10
121 Utility Worker	Utility Worker II	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	4
122 Administrative Assistant	Administrative Assistant III	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	12
123 Director	Director, Texas Utilities East	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	17
124 Administrative Assistant	Administrative Assistant	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	14
125 Engineer	Project Engineer	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	15

67 - SWWC
 58 - Monarch
125

IX
 Monarch

58
 - 15 - work for one of
 more affiliates
43 FTE Monarch

Monarch Utilities I, L.P.
 Document No. 45570
 Fiscal Year Ending 6/30/2015
 Attachment Staff 15-1.b
 List of direct employees

June 30, 2016

(a)	(b)	(c)	(d)	(e)	(f)
Employee ID	Job	Position	Home Utility	Work for more than one Utility	Other Utility
1	Administrative Assistant	Administrative Assistant III	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
2	HR Generalist	Associate HRBP	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
3	Manager	Human Resources Manager	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
4	Administrative Assistant	Administrative Assistant II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
5	Analyst	Communications Specialist	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
6	Vice President	Executive Vice President	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
7	Manager	Manager, EHS	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
8	Vice President	Regional Vice President	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
9	Director	Director, Finance	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
10	Manager	Manager, Regulatory Affairs	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
11	Analyst	Billing and Collections Analyst I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
11	Analyst	Billing & Credit Analyst	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
12	Administrator	Client Relations Specialist	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
13	Representative/Customer Care	Representative/Customer Care	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
14	Representative/Customer Care	Customer Service Representative I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
15	Representative/Customer Care	Customer Service Representative I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
16	Representative/Customer Care	Customer Service Representative I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
17	Representative/Customer Care	Customer Service Representative I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
18	Analyst	Complaint Resolution Coordinator	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
19	Representative/Customer Care	Lead Customer Service Rep	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
20	Representative/Customer Care	Customer Service Representative I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
21	Analyst	Senior Payment Processor	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
22	Manager	Manager, Customer Service	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
23	Representative/Customer Care	Customer Service Representative II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
24	Analyst	Customer Service Analyst I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
25	Supervisor	Supervisor, Customer Service	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
26	Director	Director, Cust Serv & Comm	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
27	Analyst	Billing and Collections Analyst I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
28	Operator Water	Operator I	SWWC Utilities, Inc	No	
29	Foreman	Foreman	SWWC Utilities, Inc	No	
30	Administrative Assistant	Administrative Assistant I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
31	Vice President	VP, SWWC Utilities, Inc.	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
32	Manager	Manager, Design and Construction	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
33	Administrative Assistant	Administrative Assistant II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
34	Administrative Assistant	Administrative Assistant III	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
35	Supervisor	Supervisor, Compliance and Construction	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
36	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
37	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
38	Technician	Maintenance Tech II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
39	Foreman	Maintenance Crew Leader	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
40	Technician	Maintenance Technician	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
41	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
42	Operator Wastewater	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
43	Foreman	Maintenance Crew Leader	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
44	Operator Water	Operator In Training	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
45	Operator Wastewater	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
46	Operator Water	Operator In Training	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
47	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
48	Operator Wastewater	Maintenance Technician I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
49	Manager	Manager, South Field	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
50	Electrician	Electrical Technician	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
51	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
52	Manager	Manager, North Field	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
53	Operator Wastewater	Operator II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
54	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
55	Operator Water	Operator II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
56	Operator Wastewater	Operator II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
57	Foreman	Maintenance Foreman	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
58	Operator Wastewater	Operator II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP
59	Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP

Monarch Utilities I, L.P.
 Docket No. 45570
 Fiscal Year Ending 6/30/2015
 Attachment Staff 15-1.b
 List of direct employees

June 30, 2016

(a)	(b)	(c)	(d)	(e)	(f)
Job	Position	Home Utility	Work for more than one Utility	Other Utility	
60 Utility Worker	Utility Worker I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
61 Electrician	Electrician	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
62 Operator Water	Operator I	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
63 Supervisor	Supervisor, Field Office	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
64 Manager	Manager, West Field	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
65 Accountant	Accountant II	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
66 Accountant	Accountant Senior	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
67 Accountant	Sr. Accountant	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
68 Accountant	Staff Accountant	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
69 Accountant	Staff Accountant	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
70 Clerk	AP Clerk III	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
71 Manager	Accounting Manager	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
72 Accountant	Senior Regulatory Specialist	SWWC Utilities, Inc	Yes	Monarch Utilities I, LP	
73 Operator Wastewater	Operator Wastewater II	Monarch Utilities I, LP	No		
74 Operator Water	Operator I	Monarch Utilities I, LP	No		
75 Operator Water	Operator in Training	Monarch Utilities I, LP	No		
76 Operator Water	Operator I	Monarch Utilities I, LP	No		
77 Manager	Area Manager	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	/
78 Operator Water	Operator Water I	Monarch Utilities I, LP	No		
79 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
80 Representative/Customer Care	Field Customer Service Rep II	Monarch Utilities I, LP	No		
81 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
82 Operator Water	Operator I	Monarch Utilities I, LP	No		
83 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
84 Operator Wastewater	Operator Water II	Monarch Utilities I, LP	No		
85 Operator Water	Operator II	Monarch Utilities I, LP	No		
86 Operator Wastewater	Operator II	Monarch Utilities I, LP	No		
87 Operator Wastewater	Operator II	Monarch Utilities I, LP	No		
88 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
89 Operator Water	Operator II	Monarch Utilities I, LP	No		
90 Operator Water	Operator II	Monarch Utilities I, LP	No		
91 Technician	Field Technician II	Monarch Utilities I, LP	No		
92 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
93 Operator Water	Operator I	Monarch Utilities I, LP	No		
94 Utility Worker	Utility Worker I	Monarch Utilities I, LP	No		
95 Manager	Area Manager	Monarch Utilities I, LP	No		
96 Technician	Field Technician II	Monarch Utilities I, LP	No		
97 Technician	Field Technician I	Monarch Utilities I, LP	No		
98 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
99 Operator Water	Operator II	Monarch Utilities I, LP	No		
100 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
101 Utility Worker	Utility Worker II	Monarch Utilities I, LP	No		
102 Utility Worker	Operator II	Monarch Utilities I, LP	No		
103 Utility Worker	Utility Worker II	Monarch Utilities I, LP	No		
104 Technician	Maintenance Technician II	Monarch Utilities I, LP	No		
105 Operator Wastewater	Operator II	Monarch Utilities I, LP	No		
106 Supervisor	Supervisor, Field Operations	Monarch Utilities I, LP	No		
107 Utility Worker	Utility Worker II	Monarch Utilities I, LP	No		
108 Technician	Field Technician II	Monarch Utilities I, LP	No		
109 Manager	Area Manager	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	2
110 Operator Water	Operator II	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	3
111 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	4
112 Technician	Field Technician II	Monarch Utilities I, LP	No		
113 Operator Water	Operator I	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	5
114 Technician	Field Technician I	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	6
115 Technician	Field Technician I	Monarch Utilities I, LP	No		
116 Technician	Field Technician II	Monarch Utilities I, LP	No		
117 Technician	Field Technician I	Monarch Utilities I, LP	No		
118 Technician	Field Technician I	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	7
119 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		

Monarch Utilities I, L.P.
 Account No. 45570
 Fiscal Year Ending 6/30/2015
 Attachment Staff 15-1.b
 List of direct employees

June 30, 2016

(a)	(b)	(c)	(d)	(e)	(f)
Job	Position	Home Utility	Work for more than one Utility	Other Utility	
120 Technician	Field Technician I	Monarch Utilities I, LP	No		
121 Technician	Field Technician II	Monarch Utilities I, LP	No		
122 Technician	Field Technician II	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	8
123 Supervisor	Supervisor, Field Office	Monarch Utilities I, LP	No		
124 Technician	Field Technician I	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	9
125 Technician	Field Technician II	Monarch Utilities I, LP	No		
126 Administrative Assistant	Administrative Assistant III	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	10
127 Director	Director, Texas Utilities East	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	4
128 Engineer	Project Engineer	Monarch Utilities I, LP	Yes	SWWC Utilities, Inc	12

K + M
 72 - SWWC
 56 - Monarch
128 total employees

Monarch
 56
 - 12

 44 FTE
 Monarch

WP-LG-8

MONARCH'S RESPONSES TO COMMISSION STAFF'S TWELFTH REQUEST FOR INFORMATION (July 19, 2016)

Monarch Utilities I, L.P

Application for Water and Sewer Rate/Tariff Change

SOAH Docket No. 473-16-2873.WS

PUC Docket No. 45570

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

RECEIVED
2016 JUL 19 PM 12:23

APPLICATION OF MONARCH § BEFORE THE STATE OFFICE BY COMMISSION
UTILITIES I, L.P. TO CHANGE RATES § OF FILING CLERK
FOR WATER AND SEWER SERVICE § ADMINISTRATIVE HEARINGS

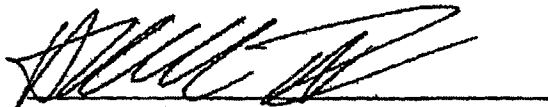
**MONARCH UTILITIES I, L.P.'S RESPONSES TO
COMMISSION STAFF'S TWELFTH REQUEST FOR INFORMATION**

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 Twelfth Requests for Information received July 8, 2016. This response
is timely filed. This response may be treated by all parties as if it were filed under oath.

Respectfully submitted,

**LLOYD, GOSSELINK,
ROCHELLE & TOWNSEND, P.C.**
816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-0532



LAMBETH TOWNSEND
State Bar No. 20167500
ltownsend@lglawfirm.com

GEORGIA N. CRUMP
State Bar No. 05185500
gcrump@lglawfirm.com

WILLIAM A. FAULK, III
State Bar No. 24075674
cfaulk@lglawfirm.com

ATTORNEYS FOR MONARCH UTILITIES I, LP

238
0000111

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of July, 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

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

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

STAFF RFI 12-1: Reference Errata – Schedule II-A-1, Cost of Service by Water/Sewer, Updated 6/2/2016, of the \$333,022 total bad debts (Account 670/770), how much of the total amount is due to or allocable to Blue Mound and Midway?

RESPONSE: The \$333,022 does not include any bad debt related to Midway. The table below is an estimate of the amount of bad debt expense that can be attributed to Blue Mound.

Type	Total TY Revenue	Total TY Bad Debt Expense	Blue Mound Revenue	% Blue Mound	Blue Mound Bad Debt Expense
Water	23,143,745	276,967	825,723	4%	9,882
Sewer	4,284,407	51,273	751,040	18%	8,988
Shared	399,692	4,783		0%	
	\$27,827,844	\$333,022	\$1,576,763	6%	\$18,869

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

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

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

STAFF RFI 12-2: Please see Monarch's response to Staff RFI 2-39, which details setting up the allowance for probable losses or bad debts. Please describe in detail Monarch's accounting policies, not only for setting up bad debts, but for writing-off bad debts. In responding, please provide any written policy or documents that describe Monarch's procedures for writing-off bad debts from the allowance for bad debts and receivable account.

RESPONSE: After the final billing dunning process, if a balance remains unpaid on a customer's account, then an automatic write-off will occur and the balance will be charged to allowance for doubtful accounts. Balances above \$25 are normally sent to a third party collection agency. Any amounts collected by the third party collection agency are remitted to Monarch, less a 19% fee. Amounts recovered are credited to the allowance account.

Prepared by: Tina Vu
Sponsored by: Carmelitha Bordelon-Taylor

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

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

STAFF RFI 12-3: Please provide the accounting entries made to record the bad debts with a total of \$333,022 for the test year (provide monthly totals of accounts debited and accounts credited).

RESPONSE:

Period	<u>670 - Bad Debt Expense</u>	<u>143 - Accumulated Provision for Uncollectible Accounts</u>
Jul-14	26,061	(26,061)
Aug-14	8,970	(8,970)
Sep-14	29,505	(29,505)
Oct-14	31,881	(31,881)
Nov-14	53,504	(53,504)
Dec-14	23,815	(23,815)
Jan-15	28,566	(28,566)
Feb-15	35,905	(35,905)
Mar-15	(1,689)	1,689
Apr-15	31,281	(31,281)
May-15	38,643	(38,643)
Jun-15	26,581	(26,581)
Total Monarch	\$333,022	\$(333,022)

Prepared by: Tina Vu
Sponsored by: Carmelitha Bordeion-Taylor

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

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

STAFF RFI 12-4: Please provide the beginning balance of Monarch's allowance for doubtful/uncollectible accounts on July 1, 2014. Please provide the total by month for debits and credits to allowance for doubtful/uncollectible accounts for the test year.

RESPONSE:

Period	Debit	Credit	Total
Beginning Balance			(60,824)
14-Jul	19,983	(26,061)	(66,902)
14-Aug	3,650	(8,970)	(72,222)
14-Sep	19,829	(29,505)	(81,898)
14-Oct	31,316	(31,881)	(82,463)
14-Nov	53,981	(53,504)	(81,987)
14-Dec	23,381	(23,815)	(82,420)
15-Jan	26,237	(28,566)	(84,749)
15-Feb	46,907	(43,901)	(81,743)
15-Mar	1,689	(1,126)	(81,180)
15-Apr	32,933	(31,281)	(79,528)
15-May	31,098	(38,643)	(87,073)
15-Jun	13,234	(26,581)	(100,420)
	\$301,422	\$(341,018)	

Prepared by: Tina Vu
Sponsored by: Carmelitha Bordelon-Taylor

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

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

STAFF RFI 12-5: Admit or deny that the allowance for bad debts or uncollectible accounts as of June 30, 2015 is \$100,420 (credit).

RESPONSE: Admit.

Prepared by: Tina Vu
Sponsored by: Carmelitha Bordelon-Taylor

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

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

STAFF RFI 12-6: Please provide the accounting entries and the total amount by month of bad debts directly written off from the receivable accounts for the test year.

RESPONSE:

<u>Period</u>	143 Accumulated Provision for Uncollectible Accounts	141 Customer Accounts Receivable
Jul-14	19,983	(19,983)
Aug-14	3,650	(3,650)
Sep-14	19,829	(19,829)
Oct-14	31,316	(31,316)
Nov-14	53,981	(53,981)
Dec-14	23,381	(23,381)
Jan-15	26,237	(26,237)
Feb-15	46,907	(46,907)
Mar-15	(1,126)	1,126
Apr-15	32,933	(32,933)
May-15	31,098	(31,098)
Jun-15	13,234	(13,234)
Total Monarch	\$301,422	\$(301,422)

Prepared by: Tina Vu
Sponsored by: Carmelitha Bordelon-Taylor

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

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

STAFF RFI 12-7: Admit or deny that the bad debts account amounting to \$333,022 includes amounts allocated from the other Texas Utilities or SWWC Utilities.

RESPONSE: Denied.

**Prepared by: Carmelitha Bordelon-Taylor
Sponsored by: Carmelitha Bordelon-Taylor**

WP-LG-9

MONARCH'S RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION (April 12, 2016)

(Selected pages only)

Monarch Utilities I, L.P

Application for Water and Sewer Rate/Tariff Change

SOAH Docket No. 473-16-2873.WS

PUC Docket No. 45570

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

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

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§

PUBLIC UTILITY COMMISSION
BEFORE THE STATE CLERK
OF
ADMINISTRATIVE HEARINGS

**MONARCH UTILITIES I, L.P.'S RESPONSES TO
COMMISSION STAFF'S SECOND 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 Second Requests for Information received March 31, 2016. This
response is timely filed. This response may be treated by all parties as if it were filed under oath.

Respectfully submitted,

**LLOYD, GOSSELINK,
ROCHELLE & TOWNSEND, P.C.**
816 Congress Avenue, Suite 1900.
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-0532



LAMBETH TOWNSEND
State Bar No. 20167500
ltownsend@lglawfirm.com

GEORGIA N. CRUMP
State Bar No. 05185500
gcrump@lglawfirm.com


WILLIAM A. FAULK, III
State Bar No. 24075674
cfaulk@lglawfirm.com

ATTORNEYS FOR MONARCH UTILITIES I, LP

118

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of April, 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

3176/18/7069965

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

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

STAFF RFI 2-39: Please explain and provide any study, analysis, basis, or policy used in calculating allowance for probable losses and writing-off bad debts.

RESPONSE: Bad debt write-off is based on Monarch's internal policy. Monarch reserves according to these percentages of Accounts Receivable that are past due: 25% of 31-60 Day Balance + 50% of 61-90 Day Balance + 100% of > 90 Day Balance. Each month we compare the balance in the reserve account to the amount we expect to be uncollectible using the above percentages. We then adjust this balance to the expected amount and offset the difference to Bad Debt Expense.

Prepared by: Tina Vu
Sponsored by: Carmelitha Bordelon-Taylor

WP-LG-10

MONARCH'S AMENDED RESPONSES TO OFFICE OF THE PUBLIC UTILITY COUNSEL'S SECOND REQUEST FOR INFORMATION

Amended Attachment OPUC RFI 2-14.b

(June 6, 2016)

Monarch Utilities I, L.P

Application for Water and Sewer Rate/Tariff Change

SOAH Docket No. 473-16-2873.WS

PUC Docket No. 45570

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

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2016 JUN -6 PM 4: 21

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

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PUBLIC UTILITY COUNSEL'S
BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

**MONARCH UTILITIES I, L.P.'S AMENDED RESPONSES TO OFFICE OF
PUBLIC UTILITY COUNSEL'S SECOND REQUEST FOR INFORMATION**

To: Office of Public Utility Counsel, by and through its attorney of record, Christian Siano,
Assistant Public Counsel, 1701 North Congress Avenue, Suite 9-180, P. O. Box 12397,
Austin, Texas 78711-2397.

Monarch Utilities I, L.P. ("Monarch") files its Amended Responses to the Office of
Public Utility Counsel's ("OPUC") Second Requests for Information received April 11, 2016.
This response is timely filed. This response may be treated by all parties as if it were filed under
oath.

Respectfully submitted,

**LLOYD, GOSSELINK,
ROCHELLE & TOWNSEND, P.C.**
816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-0532



LAMBETH TOWNSEND
State Bar No. 20167500
ltownsend@lglawfirm.com

GEORGIA N. CRUMP
State Bar No. 05185500
gcrump@lglawfirm.com

WILLIAM A. FAULK, III
State Bar No. 24075674
cfaulk@lglawfirm.com

ATTORNEYS FOR MONARCH UTILITIES I, LP

Amended Attachment OPUC RFI 2-14.b (6/6/16)

Erata - TXU Shared Allocation Inputs (inclusive of Blue Mount and Midway)

Management Fee Allocation
 Shared Services
 West Shared Service

100.00%
 100.00%
 100.00%

TXU Shared Allocation	Test Year Costs	Mon Wtr	Mon WW	Dia	WS	HR Wtr	HR WW	Wind Wtr	Wind WW	FCUC Wtr	FCUC WW	Hunt	Inv	Mgt's Wtr	Mgt's WW	SWU	TK Wtr	TK WW	Metro	Total
TXU Mgrk 20000033	2,613,672	46.94%	7.43%	1.69%	4.02%	4.40%	4.28%	11.67%	11.21%	3.89%	3.89%	0.25%	0.25%	0.21%	0.20%	0.10%	0.57%	0.51%	2.37%	100.00%
TXU BAC 20000098	600,912	46.94%	7.43%	1.69%	4.02%	4.40%	4.28%	11.67%	11.21%	3.89%	3.89%	0.25%	0.25%	0.21%	0.20%	0.10%	0.57%	0.51%	2.37%	100.00%
TXU Call Center 20000034	1,358,052	46.94%	7.43%	1.69%	4.02%	4.40%	4.28%	11.67%	11.21%	3.89%	3.89%	0.25%	0.25%	0.21%	0.20%	0.10%	0.57%	0.51%	2.37%	100.00%
TXU PSC 20000900	652,522	46.94%	7.43%	1.69%	4.02%	4.40%	4.28%	11.67%	11.21%	3.89%	3.89%	0.25%	0.25%	0.21%	0.20%	0.10%	0.57%	0.51%	2.37%	100.00%
TXU IT Direct 20000903	292,235	46.94%	7.43%	1.69%	4.02%	4.40%	4.28%	11.67%	11.21%	3.89%	3.89%	0.25%	0.25%	0.21%	0.20%	0.10%	0.57%	0.51%	2.37%	100.00%
	5,572,384	46.94%	7.43%	1.69%	4.02%	4.40%	4.28%	11.67%	11.21%	3.89%	3.89%	0.25%	0.25%	0.21%	0.20%	0.10%	0.57%	0.51%	2.37%	100.00%

54.37%
 2.37%
 1.08%
 42.18%
 100.00%

Allocated to Monarch from SWWC Utilities, Inc.
 Allocated to Metro HD from SWWC Utilities, Inc.
 Allocated to Tenkiller Utility (Oklahoma) from
 Allocated within SWWC Utilities, Inc.

East Shared Services (2014/2015 Average Allocation)	Test Year Costs	Mon Wtr	Mon WW	Dia	WS	HR Wtr	HR WW	Wind Wtr	Wind WW	FCUC Wtr	FCUC WW	Hunt	Inv	Mgt's Wtr	Mgt's WW	SWU	TK Wtr	TK WW	Metro	Total
East Shared 30200301	543,303	82.57%	14.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.26%	1.19%	1.07%	0.00%	100.00%
Control Shared 30200937	1,630,081	66.53%	29.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.26%	1.19%	1.07%	0.00%	100.00%
Barbours Shared 30200995	1,493,509	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Midbank Shared 30200996	1,374,950	77.38%	22.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Pottersboro Shared 30200994	540,535	82.23%	3.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.65%	6.85%	0.00%	100.00%
	5,602,378	82.23%	14.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	1.77%	1.58%	0.00%	100.00%

1.85%

1/54.37%
 1/54.37%

Allocated to Monarch from SWWC Utilities, Inc.
 Allocated to Metro HD from Monarch
 Allocated to Tenkiller Utility (Oklahoma) from
 Allocated within SWWC Utilities, Inc.

Austin Shared Services (2014/2015 Average Allocation)	Test Year Costs	Mon Wtr	Mon WW	Dia	WS	HR Wtr	HR WW	Wind Wtr	Wind WW	FCUC Wtr	FCUC WW	Hunt	Inv	Mgt's Wtr	Mgt's WW	SWU	TK Wtr	TK WW	Metro	Total
West Shared 20000201	816,488	14.36%	0.54%	3.24%	7.69%	8.43%	8.20%	22.35%	21.47%	7.43%	7.43%	0.49%	0.50%	0.41%	0.37%	0.00%	0.00%	0.00%	4.55%	100.00%
Austin Ops Shared	1,263,546	13.65%	0.00%	0.00%	0.00%	8.43%	8.54%	26.02%	24.99%	8.67%	8.67%	0.57%	0.57%	0.48%	0.44%	0.00%	0.00%	0.00%	5.28%	100.00%
San Antonio Ops Shared	809,007	18.65%	3.81%	22.87%	54.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
	2,889,041	15.55%	1.45%	8.74%	20.73%	8.08%	8.91%	18.12%	18.49%	8.37%	8.37%	0.35%	0.38%	0.39%	0.27%	0.00%	0.00%	0.00%	3.28%	100.00%

16.47%
 3.60%
 0.00%
 79.93%
 100.00%

Allocated to Monarch from SWWC Utilities, Inc.
 Allocated to Metro HD from SWWC Utilities, Inc.
 Allocated to Tenkiller Utility (Oklahoma) from
 Allocated within SWWC Utilities, Inc.

Amended Attachment OPUC RFI 2-14.b (6/16/16)
 Errata - TXU Shared Allocation Inputs exclusive of Blue Mountain - Mid Midway

Management Fee Allocation	2014 Total Allocations	Test	Allocations
Can Shared Services	1,480,220.46	1,542,782.92	3,003,003.38
West Shared Service	(48,649.21)	(55,846.7)	(104,495.91)
	229,157.1	746,771.3	475,809.12
	1,641,128.99	1,733,207.56	3,374,316.54

TXUG MGMT Fee 2015

	Mon Wtr	Feb Wtr	Mar Wtr	Apr Wtr	May Wtr	Jun Wtr	Jul Wtr	Aug Wtr	Sep Wtr	Oct Wtr	Nov Wtr	Dec Wtr	Total
TXU Mgmt 20000033	1,203,650	7,48%	1,70%	3,97%	4,15%	4,41%	11,66%	11,15%	3,96%	0,25%	0,25%	0,25%	100,00%
TXU BSC 20000098	161,074	46,73%	1,70%	3,97%	4,15%	4,41%	11,66%	11,15%	3,96%	0,25%	0,25%	0,25%	100,00%
TXU Call Center 20000034	294,442	46,73%	1,70%	3,97%	4,15%	4,41%	11,66%	11,15%	3,96%	0,25%	0,25%	0,25%	100,00%
TXU FSC 20000900	293,326	46,73%	1,70%	3,97%	4,15%	4,41%	11,66%	11,15%	3,96%	0,25%	0,25%	0,25%	100,00%
TXU IT Direct 20000903	141,929	46,73%	1,70%	3,97%	4,15%	4,41%	11,66%	11,15%	3,96%	0,25%	0,25%	0,25%	100,00%
	2,694,631												

Allocated to Monarch from SWMC Utilities, Inc.
 Allocated to Metro H2O from SWMC Utilities, Inc.
 Allocated to Tenhill Utilities (Oklahoma) from
 Allocated within SWMC Utilities, Inc.

East Shared Services 2015

	Mon Wtr	Feb Wtr	Mar Wtr	Apr Wtr	May Wtr	Jun Wtr	Jul Wtr	Aug Wtr	Sep Wtr	Oct Wtr	Nov Wtr	Dec Wtr	Total
East Shared 30200301	184,073	82,43%	15,72%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
Comcast Shared 30200097	600,987	69,05%	30,18%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
Bentley Shared 30200095	705,238	77,21%	22,79%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
Mitsubishi Shared 30200096	713,368	82,33%	3,23%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
Portsmouth Shared 30200094	252,963	82,20%	14,26%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
	2,668,316												

Allocated to SWMC Utili... Inc. from Monarch
 Allocated to Metro H2O from Monarch
 Allocated to Tenhill Utili... (Oklahoma) from
 Allocated within SWMC Utilities, Inc.

Austin Shared Services 2015

	Mon Wtr	Feb Wtr	Mar Wtr	Apr Wtr	May Wtr	Jun Wtr	Jul Wtr	Aug Wtr	Sep Wtr	Oct Wtr	Nov Wtr	Dec Wtr	Total
West Shared 20000201	317,274	14,36%	3,24%	7,56%	8,07%	8,42%	22,22%	21,26%	7,55%	0,48%	0,49%	0,49%	100,00%
Austin Ops Shared	656,694	13,68%	0,00%	0,00%	10,07%	9,78%	25,82%	24,60%	8,77%	0,55%	0,56%	0,56%	100,00%
San Antonio Ops Shared	408,533	18,59%	3,77%	23,31%	54,38%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
	1,392,501	19,54%	3,41%	8,85%	20,65%	6,25%	18,01%	15,32%	5,44%	0,34%	0,35%	0,35%	100,00%
	218,577.74												
	48,645.38												
	0.00												
	1,114,257.77												
	2,889,941.30												

Allocated to Monarch from SWMC Utili... Inc.
 Allocated to Metro H2O from SWMC Utilities, Inc.
 Allocated to Tenhill Utili... (Oklahoma) from
 Allocated within SWMC Utilities, Inc.

PUC Docket No. 45570
 Amended Attachment OPUC RFI 2-14.b (6/6/16)
 Errata - TXU Shared Allocation Inputs exclusive of Blue Mound and Midway

201 Total Allocations
 1,542,782
 Allocation (53,846.74)
 East Shared Services 48,271.37
 West Shared Services 733,207.56

TXU Management 2014

	MON WTR	Mon WW	Dns	WS	HB WTR	HB WW	Wind WTR	Wind WW	FCUC WTR	FCUC WW	Low	METS WTR	METS WW	SWU	TK WTR	TK WW	Metro	Total
TXU HUNT 20000033	1,305,813	7,413%	1,65%	4,07%	4,25%	4,15%	11,69%	11,27%	3,82%	0,26%	0,26%	0,21%	0,21%	0,10%	0,27%	0,57%	2,41%	100,00%
TXU B&C 20000098	47,15%	7,41%	1,65%	4,07%	4,25%	4,15%	11,69%	11,27%	3,82%	0,26%	0,26%	0,21%	0,21%	0,10%	0,27%	0,57%	2,41%	100,00%
TXU Call Center 20000034	563,611	7,41%	1,65%	4,07%	4,25%	4,15%	11,69%	11,27%	3,82%	0,26%	0,26%	0,21%	0,21%	0,10%	0,27%	0,57%	2,41%	100,00%
TXU FSC 20000090	359,116	7,41%	1,65%	4,07%	4,25%	4,15%	11,69%	11,27%	3,82%	0,26%	0,26%	0,21%	0,21%	0,10%	0,27%	0,57%	2,41%	100,00%
TXU IT Direct 20000093	155,259	7,41%	1,65%	4,07%	4,25%	4,15%	11,69%	11,27%	3,82%	0,26%	0,26%	0,21%	0,21%	0,10%	0,27%	0,57%	2,41%	100,00%
	2,827,773																	100,00%

Allocated to Monarch from SWWC Utilities, Inc. 54,566
 Allocated to Met H2O from SWWC Utilities, Inc. 2,613
 Allocated to Tenkiller Utilities (Oklahoma) from SWWC Utilities, Inc. 1,196,188.77
 Allocated within SWWC Utilities, Inc. 100,000% 2,878,088.89

East Shared Services 2014

	MON WTR	Mon WW	Dns	WS	HB WTR	HB WW	Wind WTR	Wind WW	FCUC WTR	FCUC WW	Low	METS WTR	METS WW	SWU	TK WTR	TK WW	Metro	Total
East Shared 30200301	359,231	14,83%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
Comroe Shared 30200097	649,094	70,01%	29,21%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
Bankrock Shared 30200095	786,780	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
Midbank Shared 30200096	693,234	77,55%	23,45%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
Portland Shared 30200094	277,372	82,13%	3,33%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
	2,934,061.98																	100,00%

Allocated to SWWC Utilities, Inc. from Monarch 7,741.40
 Allocated to Met H2O from Monarch 0,000
 Allocated to Tenkiller Utilities (Oklahoma) from SWWC Utilities, Inc. 48,505.34
 Allocated within SWWC Utilities, Inc. 94,100% 78,215.2
 100,000% 2,934,061.98

Austin Shared Services 2014

	MON WTR	Mon WW	Dns	WS	HB WTR	HB WW	Wind WTR	Wind WW	FCUC WTR	FCUC WW	Low	METS WTR	METS WW	SWU	TK WTR	TK WW	Metro	Total
West Shared 20000201	499,214	14,95%	3,23%	7,82%	8,16%	2,83%	21,47%	21,67%	7,46%	0,50%	0,50%	0,39%	0,39%	0,00%	0,00%	0,00%	4,63%	100,00%
Austin Ops Shared 20000277	596,854	13,61%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,46%	0,46%	0,00%	0,00%	0,00%	5,45%	100,00%
S&D Antonio Ops Shared 20000278	400,473	19,71%	3,90%	22,63%	24,76%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
	1,496,541																	100,00%

Allocated to Monarch from SWWC Utilities, Inc. 246,273.3
 Allocated to Met H2O from SWWC Utilities, Inc. 53,343.61
 Allocated to Tenkiller Utilities (Oklahoma) from SWWC Utilities, Inc. 0,000
 Allocated within SWWC Utilities, Inc. 79,853% 1,194,925.63
 100,000% 1,496,540.61

WP-LG-11

MONARCH'S COST ALLOCATION MANUAL

Book 4 of 5, pp. 994 – 1005 (February 29, 2016)

Monarch Utilities I, L.P

Application for Water and Sewer Rate/Tariff Change

SOAH Docket No. 473-16-2873.WS

PUC Docket No. 45570

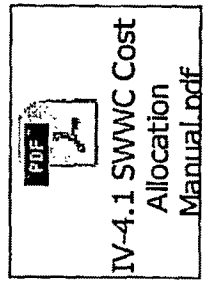
Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule IV-4 Description of Services
Witness: Charles Profilet

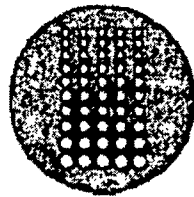
Southwest and certain subsidiaries perform various management services for Monarch, including financial and risk management, corporate secretary services, human resources support, income tax preparation and legal support services. The amounts charged to Monarch represent both direct and indirect costs. Indirect costs are allocated to Monarch based on an allocation formula developed by Southwest. During 2014 and 2013, shared services and management fees of \$6.5 million and \$7.2 million were allocated to Monarch by Southwest and affiliated entities. These fees are included in operating expenses in the consolidated statements of operations.

See Cost Allocation Manual in Schedule IV-4.1 for a detailed description of allocated costs between affiliates.

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

See attached Cost Allocation Manual





**SouthWest
Water Company**

Cost Allocation Manual

Effective Date: January 18, 2016



Table of Contents

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1. Introduction

The purpose of this Cost Allocation Manual ("CAM") is to document the cost allocation processes of SouthWest Water Company ("SouthWest") and its affiliates from recording the original transaction through the allocation of costs to entities receiving services from SouthWest and its affiliates. The CAM is to ensure that expenses are allocated as necessary to the appropriate entity. The process of properly allocating costs is important in setting just and reasonable rates as well as in minimizing the opportunity for cost subsidies among entities. There are three elements of cost allocations in SouthWest, namely; Corporate cost allocation, Utility Group Allocation, and Texas Utilities cost allocation. Those three types of cost allocations are discussed later in this CAM.

SouthWest will periodically evaluate its cost allocation methodologies to determine if changes to such processes are appropriate, and revise those methodologies as necessary.

1.1 Definitions

The following terms and abbreviations are used within this CAM document:

Cost allocation is the distribution of common cost to or from more than one activity.

Cost center is an account coding that denotes cost responsibility primarily for management purposes.

Direct costs are those costs that are specifically associated with an identified operating entity or group of identified operating entities. This means that it is known exactly to which operating entity or group of operating entities these costs relate.

Indirect costs are those costs that are not associated with an identified operating entity. This means that the costs indirectly support all entities or directly support the operation of SouthWest.

TXU Admin	Texas Utility Administration
CC.	Cost Center
CSC.	Customer Service Center
DOA	Delegation of Authority
EHS.	Employee Health and Safety
FSC.	Financial Service Center
IT	Information Technology
OPS	Operations
PO	Purchase Order
SAP.	Systems, Applications and Products in data processing
FICO	Financial Accounting and Controlling
WW.	Waste Water

1.2 Process Used To Segregate Between Indirect And Direct Costs

Invoices are received by mail and/or electronically. They are distributed for approval and for coding by the appropriate persons. If the invoice includes charges directly traceable to a specific business unit, it is coded directly to the business unit. If the charges cannot be traceable or is related to corporate, the invoice is approved and coded to the responsible corporate area.

2. Corporate Cost Allocation

Currently, SouthWest affiliates are grouped under three major business segments. Those segments are:


- Suburban Water Systems ("Suburban")—a regulated class A water utility in California
- Texas Utilities—regulated water and wastewater utilities and related customer service operations throughout Texas
- Southeast Utilities—representing water, wastewater, and to a much smaller extent operations and maintenance contracts in Alabama

Allocation of Parent Company expenses is based on a 3-factor allocation methodology as approved by the California Public Utilities Commission ("CPUC") in Decision 14-12-038 "Decision Adopting Settlement between Suburban Water Systems and Office of Ratepayer Advocates (ORA) and Determining Unsettled Issues". Calculations are in accordance with the general methodology described in the CPUC's July 26, 1956, four-factor procedure "Allocation of Administrative and General Expenses and Common Utility Plant" By "general methodology" we mean that the CPUC excluded the fourth factor, connections. Also, recently discontinued Blue Mound and soon to be discontinued Midway, are excluded. Below is the adopted computation of allocation percentages:

Company	Per Settlement Agreement with ORA						Per Settlement Agreement with ORA	
	Direct Operating Expense Recorded 2012		Payroll Recorded 2012		End of Year Gross Plant Recorded 2012		Total	Average
	Amount, \$	Percent	Amount, \$	Percent	Amount, \$	Percent	Percent	(Percent)
ALLOCATION FACTORS								
Suburban Water Systems	34,410,818	48.3%	7,749,136	48.7%	207,858,138	42.8%	139.7%	48.57%
Texas Utilities								
Monarch Utilities	18,816,862	28.4%	5,384,058	33.7%	131,108,018	27.0%	87.1%	29.03%
Windsor	4,181,215	5.9%	448,808	2.8%	44,439,171	9.2%	17.8%	5.95%
Hornsby Bend	2,418,216	3.4%	213,338	1.3%	27,047,852	5.6%	10.3%	3.43%
Diamond	892,938	1.3%	318,840	2.0%	3,811,628	0.8%	4.0%	1.35%
Water Services Inc	964,327	1.4%	202,263	1.3%	8,302,072	1.7%	4.3%	1.44%
Huntington	32,215	0.0%	5,809	0.0%	635,387	0.1%	0.2%	0.07%
Inverness	158,821	0.2%	28,755	0.2%	1,774,758	0.4%	0.8%	0.28%
Mid-Tex	3,388	0.0%		0.0%	0	0.0%	0.0%	0.00%
SW Utility	17,111	0.0%	4,857	0.0%	99,881	0.0%	0.1%	0.02%
Tenkifer	263,800	0.4%	95,943	0.6%	1,048,325	0.2%	1.2%	0.40%
Metro - Continued Operations	697,271	1.0%	13,481	0.1%	4,528,076	0.9%	2.0%	0.68%
Southeast Utilities								
Riverview Wastewater	1,995,458	2.8%	135,811	0.8%	31,680,288	6.5%	10.2%	3.38%
North Shelby & Other	4,472,883	6.3%	878,867	5.5%	22,257,237	4.6%	18.4%	5.48%
North County Water	201,819	0.3%	16,255	0.1%	1,337,438	0.3%	0.7%	0.22%
11 Contracts (per Rebuttal)	1,783,205	2.5%	433,896	2.7%			5.2%	1.75%
	71,317,262	100.0%	15,909,402	100.0%	486,814,028	100.0%	300.0%	100.0%

SouthWest's allocable indirect costs by functions are as follows:

1. Executive—the executive team and the Board of Directors responsible for providing strategic vision, business strategy, management oversight and overall direction to the company.
2. Legal—responsible for providing counsel on legal matters as well as litigation strategy and management.
3. Information Technology ("IT")—responsible for operating and maintaining a uniform, efficient and flexible IT platform capable of addressing the increasingly complex current and future operational, financial, and business needs of SouthWest.


- 
4. Finance—responsible for the accurate and timely accounting for corporate transactions, preparation of financial statements, preparation of budgets and forecasts, accounts payable, payroll, treasury, risk management, audit, tax, and providing management with the financial information necessary for informed operating and financial decision making.
 5. Human resources—responsible for employment policies, practices and employee related matters; arranging for both company and employee-paid benefits such as medical, dental, vision, life, and disability insurance; and for managing the company's workers compensation obligations.
 6. Facilities—responsible for expenses of the corporate office facilities such as lease, repairs & maintenance, supplies, utilities, and telecom voice lines.
 7. Internal Audit—responsible for evaluating design and effectiveness of compliance with established policies and procedures.

Transaction flow for common costs to business units:

Invoices are received by mail and/or electronically. Invoices received without a PO number are distributed to the appropriate persons for coding and approval. Invoices with a PO number are forwarded to Accounts Payable (AP).

Corporate invoices (without a PO number) are coded and approved by the appropriate persons and forwarded to AP. AP reviews the invoice to verify authorization and documentation for adherence to DOA and stamped with the date of receipt. AP enters each invoice into SAP to (1) process for payment to vendor and (2) post into SAP general ledger per the coding.

Invoices with PO numbers are processed in alignment with the approved PO in SAP.



Salary and wages are posted directly into SAP when the payroll department executes payroll for each pay period. Corporate employees are set up in SAP by the Human Resources department under specific functional areas or cost centers described above. When the payroll department executes payroll each pay period, the salaries and wages are posted into the corporate cost centers.

Corporate expense items not included in an AP's entry that are entered into SAP may be manually accrued as part of the month end close process related to indirect costs.

Prepaid items are amortized by journal entry for corporate expense.

Once the invoices and manual journal entries for month end have been posted into SAP, the SAP general ledger is closed for the month.

Total corporate operating expense amounts (see listing above) are allocated by SAP each month to business units applying the 3-factor percentages to recorded corporate costs.

3. Texas Utilities (TXU) Cost Allocation

The Texas Utilities (TXU) is a business segment of SouthWest Water Company consisting of 9 PUCT-regulated utilities, one Oklahoma regulated water utility, one Oklahoma non-regulated wastewater utility, and one wholesale water supplier with rates determined by contractual agreement. The regulated utilities listed below show the type of service, whether rate-making is set by a regulator, and the states where the businesses operate:

Company Name	Type	Rate-Making Regulated by PUC	State of Operations
Tenkiller Utility Co.	Water	Yes	Oklahoma
Tenkiller Utility Co.	WW	No	Oklahoma
Diamond Water Co.	Water	Yes	Texas
Hornsby Bend Utility Co.	Water/WW	Yes	Texas
Huntington Utility Co., L.L.C.	Water	Yes	Texas
Inverness Utility Co, Inc.	Water	Yes	Texas
Mid-Tex Utilities, Inc.	Water/WW	Yes	Texas
Monarch Utilities I, LP	Water/WW	Yes	Texas
SW Utility Co.	Water	Yes	Texas
Water Services, Inc.	Water	Yes	Texas
Windermere Utility Co.	Water/WW	Yes	Texas
Metro H2O, LTD	Water	No	Texas

Texas Utilities costs are allocated based on meter equivalent factors calculated using prior year end 'active' connections. This method was developed to reasonably distribute these costs across each Texas utility with meter equivalents being a fair approach for allocating these expenses. Meter equivalents are based on active connections multiplied by each connection's meter equivalent using the standard published by the American Water Works Association ("AWWA"), as shown in the table below.

Meter Size	Meter Equivalent factor based on 5/8"
5/8 inch	1.00
3/4 inch	1.50
1 inch	2.50
1-1/2 inch	5.00
2 inch	8.00
3 inch	15.00
4 inch	25.00
6 inch	50.00
8 inch	80.00

Source: AWWA

Then, a spreadsheet is prepared showing all the meter equivalent ratios for the 12 utilities. Sources of Texas Utilities indirect costs are allocated to benefiting utilities based on each utility's percent of total meter equivalents.

Sources of Texas Utilities costs:

- Administration
 Direct Overhead Costs consists of direct support of the following services, and allocated across all G/L accounts using total meter equivalent ratios:
 - Management
 - Information Technology (IT)
 - Employee, Health and Safety (EHS)
 - Financial Service Center (FSC)
 - Customer Service Center (CSC)

TXU Administration Direct Overhead Costs		
Management and EHS CC 2000033, IT 2000903	FSC CC 20000900	CSC CC 20000034

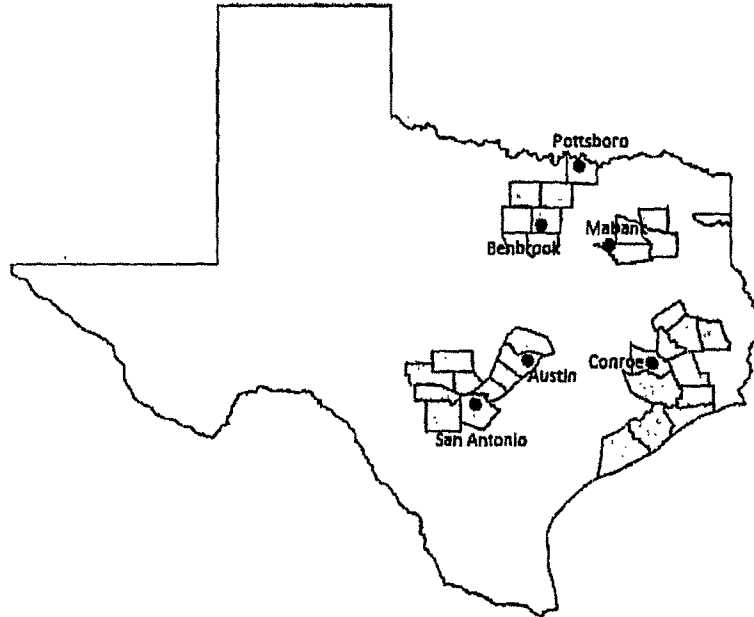
- Field Offices (Operations)**

Direct Overhead Costs that are charged to shared field offices operations centers includes general employee costs, vehicles, supplies, office materials, rent, and other costs that are shared by the systems in these areas.

Direct Overhead Costs are captured using shared cost centers broken down by regional directors (East and West), and field work centers. East Region consists of Benbrook, Conroe, Mabank, and Pottsboro operations. West Region consists of Austin and San Antonio operations. Below is the summary of the field offices and its operations:

TXU Shared Field Offices Direct Overhead Costs	
Regional Director East Shared	Regional Director West Shared
Benbrook Ops Shared	Austin Ops Shared
Conroe Ops Shared	San Antonio Ops Shared
Mabank Ops Shared	
Pottsboro Ops Shared	

Texas Utilities companies serve customers in 32 counties across Texas and 1 in Oklahoma with the shared operations work centers indicated by blue dots.



East Shared—Cost from East Regional director and staff are allocated to the following utilities:

- a. Monarch
- b. SW Utility
- c. Tenkiller

East Shared (CC 30200301)		
Monarch Co 3020 Water & WW	SW Utility Co 2000	Tenkiller Co 2000

Benbrook Ops Shared—Utilities in the Benbrook operations area (near Dallas/Fort Worth) share resources (employees, vehicles, etc.); therefore cost center 30200095 was established as the home for these costs until they are distributed each month to the various utilities in the service area.

Benbrook Ops Shared (CC 30200095)		
Monarch Co 3020 Water		Monarch Co 3020 WW

Conroe Ops Shared—Utilities in the Conroe operations area (north of Houston) share resources (employees, vehicles, etc.); therefore cost center 30200097 was established as the home for these costs until they are distributed each month to the various utilities in the service area.

Conroe Ops Shared (CC 30200097)		
Monarch Co 3020 Water	SW Utility Co 2000	Monarch Co 3020 WW

Mabank Ops Shared—Utilities in the Mabank operations area (east Texas) share resources (employees, vehicles, etc.); therefore cost center 30200096 was established as the home for these costs until they are distributed each month to the various utilities in the service area.

Mabank Ops Shared (CC 30200096)		
Monarch Co 3020 Water		Monarch Co 3020 WW

Pottsboro Ops Shared—Utilities in the Pottsboro operations area (Texas/Oklahoma border) share resources (employees, vehicles, etc.); therefore cost center 30200094 was established as the home for these costs until they are distributed each month to the various utilities in the service area.

Pottsboro Ops Shared (CC 30200094)		
Monarch Co 3020 Water	Tenkiller Co 2000	Monarch Co 3020 WW

West Shared—Cost from West Regional director and staff are allocated to the following utilities:

- a. Diamond
- b. Hornsby Bend
- c. Huntington
- d. Inverness
- e. Mid-Tex Utility

- f. Metro H2O
- g. Monarch
- h. Water Services
- i. Windermere

Austin Ops Shared—Utilities in the Austin operations area share resources (employees, vehicles, etc.); therefore cost center 20000277 was established as the home for these costs until they are distributed each month to the various utilities in the service area.

Austin Ops Shared (CC 20000277)						
Hornsby Bend Co 2000	Huntington Co 2000	Inverness Co 2000	Mid-Tex Utility Co 2000	Metro H2O Co 5010	Monarch Co 3020 Water & WW	Windermere Co 2000

San Antonio Ops Shared—Utilities in the San Antonio operations area share resources (employees, vehicles, etc.); therefore cost center 20000278 was established as the home for these costs until they are distributed each month to the various utilities in the service area.

San Antonio Ops Shared (CC 20000278)		
Monarch Co 3020	Diamond Co 2000	Water Services Co 2000

4. Utility Group Cost Allocation

In 2003, SouthWest created a new entity, Utility Group, to provide management, regulatory, and communications services to SouthWest's regulated affiliates that are currently located in: Texas, Alabama, California, and Oklahoma. Staffing for this entity are drawn from former employees of Suburban.

In 2010, four Utility Group employees were transferred to Suburban and one position was eliminated. Remaining in Utility Group are the Vice President of Regulatory Affairs, the Manager of Regulatory affairs, the Regulatory Analyst, and a currently vacant position for a Director of Regulatory Affairs. The Utility Group provides regulatory services to SouthWest's regulated affiliates.

Utility Group costs are allocated to other entities using the same 3-factor allocation methodology as described earlier for the corporate cost allocation.

WP-LG-12

COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION TO MONARCH

(April 11, 2016)

Monarch Utilities I, L.P

Application for Water and Sewer Rate/Tariff Change

SOAH Docket No. 473-16-2873.WS

PUC Docket No. 45570

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

RECEIVED

2016 APR 11 PM 1:16

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

STATE OFFICE OF
PUBLIC UTILITY COMMISSION
FILING CLERK

ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S FIFTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 5-1 THROUGH NO. 5-30**

To: Monarch Utilities I, LP. through its counsel of record, Lambeth Townsend, Georgia N. Crump, and William A. Faulk, III, Lloyd, Gosselink, Rochelle & Townsend, P.C. 816 Congress Avenue, Suite 1900, Austin, Texas 78701

Pursuant to 16 Tex. Admin. Code § 22.144, Commission Staff of the Public Utility Commission of Texas requests that Monarch Utilities I, LP provide responses and produce documents in response to Staff's Fifth Request for Information.

Provide an original and three (3) copies of your responses to:

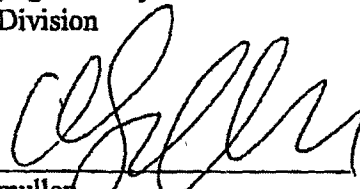
Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78712-3326

Date: April 11, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division



A.J. Smullen
State Bar No. 24083881
Attorney, Legal Division
aj.smullen@puc.texas.gov

Sam Chang
State Bar No. 24078333
Attorney, Legal Division
sam.chang@puc.texas.gov

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

*Commission Staff of the Public Utility
Commission of Texas*

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

CERTIFICATE OF SERVICE

I certify that a copy of this document was served on all parties of record on April 11, 2016 in accordance with 16 Tex. Admin. Code § 22.74.



AJ Smullen

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

**COMMISSION STAFF'S FIFTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 5-1 THROUGH NO. 5-30**

INSTRUCTIONS

1. Monarch Utilities' responses to Staff's 5th RFI shall be provided within the time limit provided by the presiding officer or, if the presiding officer has not provided a time limit, within twenty (20) days.
2. Monarch Utilities' responses to Staff's 5th RFI shall be in sufficient detail to fully present all of the relevant facts.
3. Each response must be made under oath and identify the person that prepared the response or the person under whose direct supervision the response was prepared. Additionally, each response must also identify the sponsoring witness, if any.
4. Copy the specific question or document request immediately above each response. With respect to the production of documents, indicate the specific document request(s) to which the documents are being produced.
5. Monarch Utilities has a continuing duty to supplement its responses to Staff's 5th RFI if it acquires information upon the basis of which it knows or should know that the response was incorrect or incomplete when made or though correct or complete when made, is materially incorrect or incomplete. Monarch Utilities shall amend its prior response within five (5) working days of acquiring the information.
6. If any responsive Document, Electronically Stored Information, or tangible item is withheld under any claim of privilege, provide a privilege log identifying each Document for which a privilege is claimed, together with the following information:
 - a. Date of the Document was created;
 - b. Subject matter of the Document; and
 - c. The basis upon which such privilege is claimed.
7. Electronically Stored Information and Documents in an electronic format shall be produced with metadata intact.
8. If the response to any request is voluminous, provide a detailed index of the voluminous material and the means by which Staff may obtain the voluminous material.
9. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.

10. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
11. The terms 'and' and 'or' shall be construed as either conjunctive or conjunctive as necessary to make the request inclusive rather than exclusive
12. Documents produced in response to Staff's 5th RFI shall be Bates labeled.

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

**COMMISSION STAFF'S FIFTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 5-1 THROUGH NO. 5-30**

DEFINITIONS

1. 'Monarch Utilities' means Monarch Utilities I, LP and any entity or person acting or purporting to act on its behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, independent contractors, or other persons.
2. 'Commission' means the Public Utility Commission of Texas.
3. 'Document' is used in its broadest sense to include, by way of illustration and not limitation, all written or graphic matter of every kind and description, whether printed, produced, or reproduced by any process (visually, magnetically, mechanically, electronically, or by hand); whether a final draft, initial draft, original copy, or reproduction; whether claimed as privileged or otherwise excludable from discovery; and whether or not in your actual or constructive possession, custody, or control. The term includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to Electronically Stored Information, correspondence, e-mails, telegrams, contracts, agreements, notes in any form, memoranda, reports, invoices, ledgers, spreadsheets, data, models, diaries, compilations, voice recording tapes, microfilms, pictures, computer media, workpapers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession.
4. 'Electronically Stored Information' means data that is created, altered, communicated, and stored in digital form.
5. "NARUC" means the National Association of Regulatory Commissioners.

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

**COMMISSION STAFF'S FIFTH REQUEST
FOR INFORMATION TO MONARCH UTILITIES I, LP
STAFF NOS. 5-1 THROUGH NO. 5-30**

- STAFF 5-1 In reference to the Corporate Cost Allocation Manual, page 1000, Vol 4 of 5, please provide the Direct Operating Expense, Payroll, and End of Year Gross Plant for the year 2013, 2014, and 2015 for the following companies and systems, and any other systems for whom the parent company/Southwest Water Company ("Parent/SouthWest") allocate its costs:
1. Suburban Water Systems;
 2. Texas Utilities – list utility systems and the corresponding information for each system (e.g. Monarch Utilities I, L.P. Windermere, etc.); and
 3. Southeast Utilities – list all systems and the corresponding information for each system
- STAFF 5-2 In reference to WP/ II-A.3.6 – Prepayments, Witness: Carmelita Bordelon-Taylor, please provide copy of subsidiary ledgers with company account numbers for the prepayments, copy of invoices/receipts supporting the prepayments, explain briefly the nature of these accounts, and how many years or months were these amortized and the amount of monthly amortization, as follows:
1. TCEQ Water System/Assessment Fees;
 2. NAWC dues;
 3. Barton Springs – Water Use Fees;
 4. Brazos River Authority; and
 5. Barton Springs – Water Transport Fees
- STAFF 5-3 In reference to WP/II-B-8 – Prepayments, please identify the account, account page, and line number in the rate application in which the amortization of the prepayments (expense) and the unamortized balance of prepayments (asset) are included.
- STAFF 5-4 Please provide an explanation as to why each cost/expense allocated to Monarch Utilities I, L.P. from Parent/SouthWest, SWWC Utilities, and/or any other affiliates are reasonable and necessary to provide service to the ratepayers. Please identify the costs discussed by NARUC/company account.

STAFF 5-5 Please provide list of businesses affiliated with Parent/SouthWest other than SWWC Utilities, Suburban Water Systems and Monarch and an explanation of the type of business.

STAFF 5-6 Please provide the Organizational Chart for the Parent/SouthWest.

STAFF 5-7 Please provide the number of full-time and part-time employees that worked for the Parent/SouthWest for the test year.

STAFF 5-8 Please provide a list of all employees who received salaries, bonuses, allowances, benefits and other remuneration that were included in the cost of service allocated, direct billed, or otherwise charged from Parent/SouthWest. Please provide the following information:

- a) Name;
- b) Position and detailed job description;
- c) Date hired and date of termination, if applicable;
- d) Rate per month or per hour; and
- e) Total number of hours and percentage of time worked per week for you and total number of hours and percentage of time worked per week for any of your affiliated companies.
- f) The application schedule, line number, NARUC/company account name, and number in which each expense is included.

STAFF 5-9 Please provide copy of general ledger for the pa Parent/SouthWest for the test year ending June 30, 2015.

STAFF 5-10 In reference to WP/ IV-2, Adjusted Affiliated Expenses – Parent, please provide a detailed schedule of expenses incurred by the Parent/SouthWest and invoices/receipts supporting each expense over \$5,000 for the test year ending June 30, 2015, as follows:

- | | |
|---|-------------------------|
| 1) Travel and Entertainment of | \$ 181,683; |
| 2) Insurance Expense of | \$ 134,741; |
| 3) Lease Expenses of
(adjustments); | \$ 351,595 + \$52,297 |
| 4) Professional Fees of | \$ 880,964; |
| 5) General and Administrative Expenses of
(adjustments); and | \$1,688,614 + \$345,928 |
| 6) Other Operating Expenses | \$73,896 |

STAFF 5-11 For the years 2014 and 2015, please provide copies of the complete audited financial statements including auditor's reports and all notes for Parent/SouthWest. If audited financial statements are not available, provide the unaudited financial statements.

- STAFF 5-12 Please provide the 2015 Corporate Allocation Factor (CAF) for Parent/SouthWest and all related calculations. If 2015 CAF is not available, please provide the most recent financial information used to calculate the CAF.
- STAFF 5-13 Please reconcile the difference between the payroll recorded 2012 and salaries and wages –employees 1/1/2012-12/31/2012, as follows: In reference Cost Allocation Manual, Vol. 4 of 5 of the application, Bates p. 1000, *Payroll Recorded 2012 of \$5,364,056* and in reference: WP II D-1.1 Historical and Per Book Test Year O&M Expense, Witness: Carmelitha Bordelon-Taylor, *Salaries and Wages – Employees 1/1/2012-12/31/2012 of \$2,869,944*.
- STAFF 5-14 Reference direct testimony of Mr. Robert Kelly:
- a. Please provide list of shareholders and/or owners of the applicant who benefited from the gain from Blue Mound asset sale of \$3,843,970 and Midway asset sale of \$917,017. Please provide the amount of gain allocated to each shareholder; and
 - b. Please provide all the accounting journal entries made to record the sale of Blue Mound and Midway and identify what entity(s) recorded the entry.
- STAFF 5-15 Please identify/provide list of all assets and costs of service incurred by the Cities of Buda, Ivanhoe, and Kyle that were included in this rate change application.
- STAFF 5-16 Please indicate what operating costs or other costs, by dollar amount and NARUC/company account number were reduced by the applicant due to the sale of Blue Mound and Midway assets and related certificate of convenience and necessity.
- STAFF 5-17 Confirm or deny that the gain on the sale of Blue Mound and Midway assets only benefited shareholders. In answering this question, please provide a detailed explanation.
- STAFF 5-18 Please explain how, if at all, the sale of Blue Mound and Midway assets benefited the remaining customers of the applicant.
- STAFF 5-19 Please explain why the sale of Blue Mound and Midway assets should not be shared with the customers of the applicant.
- STAFF 5-20 Please provide the amount of the 1% Regulator Assessment Fee (RAF) paid to TCEQ for 2012, 2013, 2014, and 2015. Please identify to which account in the rate change application is the RAF classified or recorded.

- STAFF 5-21 Please provide the dollar amount of any costs that are included in any pass-through provision of the applicant's approved and proposed tariff that are also included in the applicant's cost of service.
- STAFF 5-22 Please provide one sample bill for each system included in this rate change application.
- STAFF 5-23 Please identify which of the water and/or sewer utility systems that each pass-through provision on the applicant's approved and proposed tariff. Please provide also the name of the entity whose expenses are included in the pass-through provision and the dollar amount per 1,000 gallons that is currently charged to the applicant's customers for each pass-through provision in the approved and proposed tariff.
- STAFF 5-24 Please provide a copy of the contract with PriceWaterhouseCoopers, LLP; schedule of payments made for 2014 and 2015; copies of invoices/receipts of all payments made; and identify the specific locations in the rate change application of each expense for which PriceWaterhouseCoopers, LLP payments are claimed in the cost of service.
- STAFF 5-25 Reference WP/II-D-4 (SH) Summary of Outside Services Employed, please provide brief explanation of the expense, copies of contracts, and invoices/receipts for the following expense/accounts:
1. Cybersource – Bank Charges of \$129,293;
 2. Cybersourcesource – Bank Charges of \$11,091; and
 3. Resource Staffing Houston Inc. – Temporary Labor of \$128,750.
- STAFF 5-26 Reference WP-D-1.1 – Historical and Per Book Test Year O & M Expenses, please provide the calculation of Bad Debts Expense of \$334,142 and the basis for any estimates. If some of these amounts are bad debts written off, please provide list of customers, amount, and brief explanation for the write-off. Also, please provide the accounting journal entries made with the corresponding amounts to record these bad debts expenses accounts.
- STAFF 5-27 Please provide a copy of the aging of receivables for the test year and the corresponding year prior to the test year.
- STAFF 5-28 Please provide copies of invoices/receipts and schedule of all federal and state taxes paid for years 2013, 2014, and 2015.
- STAFF 5-29 In reference II-A-1, please provide copies of invoices/receipts and schedule of all Taxes Other than Federal Income Tax claimed in this application for water and sewer in the amount of \$956,862.

STAFF 5-30

In reference II-A-1, please provide a schedule or breakdown of the Miscellaneous Expenses claimed in this rate application amounting to \$267,014.

WP-LG-13

MONARCH'S RESPONSES TO COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION – STAFF RFI 5-12 (April 22, 2016)

Monarch Utilities I, L.P

Application for Water and Sewer Rate/Tariff Change

SOAH Docket No. 473-16-2873.WS

PUC Docket No. 45570

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RECEIVED

PUC DOCKET NO. 45570
SOAH DOCKET NO. 473-16-2873.WS 2016 APR 22 PM 3: 52

APPLICATION OF MONARCH § PUBLIC UTILITY COMMISSION
UTILITIES I, L.P. TO CHANGE RATES § BEFORE THE STATE OFFICE
FOR WATER AND SEWER SERVICE § OF
ADMINISTRATIVE HEARINGS

**MONARCH UTILITIES I, L.P.'S RESPONSES TO
COMMISSION STAFF'S FIFTH 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 Fifth Requests for Information received April 11 2016. This response is timely filed. This response may be treated by all parties as if it were filed under oath.

Respectfully submitted,

**LLOYD, GOSSELINK,
ROCHELLE & TOWNSEND, P.C.**
816 Congress Avenue, Suite 1900.
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-0532



LAMBETH TOWNSEND
State Bar No. 20167500
ltownsend@lglawfirm.com

GEORGIA N. CRUMP
State Bar No. 05185500
gcrump@lglawfirm.com

WILLIAM A. FAULK, III
State Bar No. 24075674
cfaulk@lglawfirm.com

ATTORNEYS FOR MONARCH UTILITIES I, LP

1 142 0000155

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of April, 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

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

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

STAFF RFI 5-12: Please provide the 2015 Corporate Allocation Factor (CAF) for Parent/SouthWest and all related calculations. If 2015 CAF is not available, please provide the most recent financial information used to calculate the CAF.

RESPONSE: See Schedule IV-4.1 for the Cost Allocation Manual which includes the 2015 cost allocation factors and calculations for Parent/South West.

Prepared by: Kent Cauley
Sponsored by: Robert Kelly