

ATTACHMENT RLK-4

Civil Solutions Inc
Surveyors Engineers Planners

Opinion of Probable Cost

Project: Blue Mound Water System

Project No.: 10-007

Owner: Monarch Utilities I, L.P.

Prepared By: bb

Subject: Water Facilities

Date: 7/19/2010

Item	Description	Quantity	Unit	Unit Price	Amount
Blue Mound Road from Independence to Cantrell Sampson					
1	8" Water Line	800.00	L.F.	40.00	32,000
2	Creek Crossing	1.00	L.S.	35,000.00	35,000
3	8" Gate Valve	1	Ea.	2,000	2,000
4	Driveway Repair	4.00	Ea.	250.00	1,000
5	Repair/replace Fire Hydrant	3.00	Ea.	4,500.00	13,500
Cantrell Sampson Blue Mound Road to Second Fire Hydrant					
1	8" Water Line	1,625.00	L.F.	40.00	65,000
2	8" Gate Valve	2.00	Ea.	625.00	1,250
3	Repair/replace Fire Hydrant	6.00	Ea.	4,500.00	27,000
Elevated Storage Tank at Fagan Drive Plant					
1	150,000 Gallon Elevated Storage Tank	1.00	Ea.	485,000.00	485,000
2	Yard Piping	1.00	Ea.	35,000.00	35,000
3	Controls	1.00	L.S.	35,000.00	35,000
Repair/Replace Existing Gate Valves					
		15.00	Ea.	2,500.00	37,500

611x791

Sub-Total	\$	1,108,738
Contingencies		402,000
Engineering		100,000
Other		
Total	\$	1,698,738

ATTACHMENT RLK-5

**SUMMARY OF EARNINGS AT PROPOSED RATES
BEFORE AND AFTER THEORETICAL DEPRECIATION RESERVE ADJUSTMENT**

	Before Theoretical Depr. Reserve Adjustment (a)		After Theoretical Depr. Reserve Adjustment (b)		Difference (b - a)	
	Water	Waste/Water	Water	Waste/Water	Water	Waste/Water
1	Proposed Operating Revenues					
2	\$26,869,999	\$4,627,557	\$25,932,032	\$4,513,140	(\$937,968)	(\$114,416)
3	Other Revenues					
	\$1,088,161	\$210,354	\$1,088,161	\$210,354	\$0	\$0
4	Total Proposed Revenues					
	\$27,958,160	\$4,837,911	\$27,020,192	\$4,723,495	(\$937,968)	(\$114,416)
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						

	Water	Waste/Water
401 Operating Expenses	\$12,590,418	\$2,213,784
403 Depreciation Expenses	\$2,852,730	\$585,029
407 Amortization Expense	\$608	(\$25,736)
408 Taxes Other Than on Income	\$484,743	\$33,385
427 Interest Expense	(\$18,365)	(\$16,948)
GENERAL Expense category (excl. interest Exp.) per T/B	\$3,918,591	\$746,398
Total Expenses before Income Tax	\$19,970,599	\$3,549,739
CURRENT INCOME TAX	\$2,030,649	\$327,501
Total Expenses	\$22,001,249	\$3,877,240
Net Operating Income/(Loss)	\$5,956,912	\$960,671
Rate Base	\$67,915,838	\$10,951,568
Rate of Return, Percent	8.77%	8.77%



**Monarch
Utilities I, L.P.**

A SouthWest Water Company

12535 Reed Road
Sugar Land, TX 77478
Phone: 866.654.7992
www.swwc.com

February 29, 2016

Dear Valued Customer:

On February 29, 2016, Monarch Utilities I, L.P. filed a request with the Public Utility Commission (PUC) for a rate increase. You are receiving notice of this rate application because you are a current Monarch Utilities customer, and I want to answer questions that you may have.

When will my rates change?

As a result of legislation passed in the 2013 Texas legislative session, water and wastewater rate increase requests now go through a review process at the Public Utility Commission (PUC). Customers will not pay any increase until the rate request has been completely vetted by the PUC. The review process takes up to 185 days, and the increase likely will not happen until late 2016.

Why are my rates changing?

Monarch Utilities acquired your utility in 2004. Since then, we have invested almost \$71 million to bring the system up to state and federal regulatory standards and improve customer service. These significant improvements have been the major driver for rate increases.

I am pleased to share with you that we have now completed our capital improvements program. While we will continue to make prudent capital improvements to our facilities, unless unforeseen state and federal regulatory changes necessitate further capital improvements, we do not anticipate additional efforts of this size and scope.

Monarch has tightly controlled operating expenses such that they are not increasing over the prior rate application.

What other improvements has Monarch made?

Monarch has invested significantly to improve customer service, including our billing systems, meter reading and payment options. Some specific improvements include:

After-hours service: This upgrade has allowed for improved response times and 24/7 customer support.

E-billing: Customers now have the option to receive their bills faster and electronically.

Enhanced customer communications: We have added customer education materials, quarterly newsletters and bill inserts to keep you more informed about water and wastewater services.

High-bill alerts: This service allows us to alert a customer with a high reading before even receiving a bill. This helps catch leaks quickly.

Winter average automation: This process eliminates the possibility of manual errors and provides increased accuracy.

By how much will my rates change?

To minimize the impact on our customers, we are proposing a three-phase rate increase. The proposed first phase for water rates is an increase of 14.50 percent, the second phase is an increase of 1.09 percent over phase one rates, and the third phase is an increase of 1.09 percent over phase two rates.

The proposed first phase for sewer rates is an increase of 14.50 percent, the second phase is an increase of 6.18 percent over phase one rates, and the third phase is an increase of 6.18 percent over phase two rates. The second and third phases will be effective on the anniversary of the first phase increase.

Below please find a table that summarizes bills for customers served with a 5/8 inch meter (not including the 1 percent TCEQ Regulatory Assessment). On average, Monarch customers use slightly less than 5,000 gallons of water per month, and the sewer winter average is about 4,000 gallons. Water bills at 2,000 gallons are included below because many Monarch customers use 2,000 gallons of water or less per month.

Description	Gallons Used	Monthly Bill at			
		Current Rates	Phase One Rates	Phase Two Rates	Phase Three Rates
Water	2,000	\$58.93	\$67.46	\$68.21	\$68.96
Water	5,000	\$84.25	\$96.44	\$97.52	\$98.60
Sewer	4,000	\$77.32	\$88.55	\$93.99	\$99.80

What if I need assistance paying my bill?

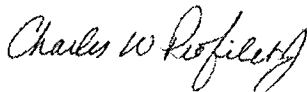
We understand the state of the economy may have caused a payment challenge for some. Founded in 2012, our company-funded Help2Others (H2O) program provides recurring bill-payment assistance to our water and sewer customers who meet certain income requirements. Please call 866-654-7992 for more information or to apply for H2O.

Attached is a copy of the Notice of Proposed Rate Change as required by the PUC. Please review this notice carefully, as it provides additional information about Monarch’s request and the processing of this application by the PUC.

Monarch will continue to maintain and improve your water and sewer system to deliver to you and the environment the best possible water quality while remaining mindful of costs under our control.

Thank you for the opportunity to be your water and sewer services provider.

Sincerely,



Charles W. Profilet, Jr., P.E.
President
Monarch Utilities I, L.P.

Enc: Notice of Proposed Rate Change

P.U.C. DOCKET NO. 45570 ·

**NOTICE OF PROPOSED RATE CHANGE
PURSUANT TO TEX. WATER CODE § 13.187**

Monarch Utilities I, LP

12983 and 20899

Company Name

CCN Number(s)

has filed a rate change application with the Public Utility Commission of Texas (Commission or PUC). The application may be reviewed online at interchange.puc.texas.gov. You may also inspect a copy of the rate change application at your utility's office at the address below or at the Commission's office (1701 N. Congress Ave, Austin, TX 78701). The proposed rates will apply to service received after the effective date provided below, unless modified or suspended by the Commission. Persons wishing to intervene in, or comment on, these proceedings should notify the Commission as soon as possible, by filling out the form on the next page as an intervention deadline will be imposed.

Phase 1 effective date is 04-04-2016

Phase 2 effective date is 04-04-2017

Phase 3 effective date is 04-04-2018

EFFECTIVE DATE OF PROPOSED INCREASE:

(must be at least 35 days after notice is provided to customers and 35 days after application is filed)

(Proposed rates requested by the utility are not final. The Commission may modify the rates and order a refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest.)

Reason(s) for proposed Rate Change:

Monarch has invested almost \$71 million since acquisition to bring the water and wastewater systems up to state and federal regulatory standards and improve customer service. Monarch has tightly controlled operating expenses such that they are not increasing over the prior rate application.

BILLING COMPARISON

SEE ATTACHED PAGES FOR BILL COMPARISONS

Water

Existing	5,000 gallons:	\$ _____ /mo	Proposed	5,000 gallons:	\$ _____ /mo
Existing	10,000 gallons:	\$ _____ /mo	Proposed	10,000 gallons:	\$ _____ /mo
Existing	30,000 gallons:	\$ _____ /mo	Proposed	30,000 gallons:	\$ _____ /mo

Sewer

Existing	5,000 gallons:	\$ _____ /mo	Proposed	5,000 gallons:	\$ _____ /mo
Existing	10,000 gallons:	\$ _____ /mo	Proposed	10,000 gallons:	\$ _____ /mo

SEE ATTACHED LISTS

Subdivision(s) or System(s) Affected by Rate Change

12535 Reed Road	Sugar Land	TX	77478
Company Address	City	State	Zip

(281) 207-5800

Company Phone Number

Ph 1: \$3,720,411, Ph 2: \$524,231, Ph 3: \$542,527

2/29/2016

Annual Revenue Increase

Date Notice Delivered

1/1/2015

read once per month - reading throughout month

Date of Last Rate Change

Date Meters Typically Read

* Prior to providing notice, the utility shall file a request for the assignment of a docket number for the application.

P.U.C. DOCKET NO. 45570

RATEPAYER COMMENTS/REQUESTS TO INTERVENE

(please circle one)

If you wish to comment on, or intervene in, the proposed rate change, submit this form and 10 copies to:

**Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326**

CUSTOMER INFORMATION (to be completed by customers submitting comments or requests to intervene)

First Name: _____ Last Name: _____

Phone Number: _____ Fax Number: _____

Address, City, State: _____

Location where service is received: _____

(if different from the mailing address)

PLEASE SELECT ONE OF THE FOLLOWING:

I wish to be a COMMENTER. I understand that: I am NOT a party to this case; my comments are not considered evidence in this case; and I have no further obligation to participate in the proceeding. Public comments may help inform the PUC of the public concerns and identify issues to be explored. Please provide comments below. Attach a separate page, if necessary.

I am requesting to INTERVENE in this proceeding. As an INTERVENOR, I understand that: I am a party to the case; I am required to respond to all discovery requests from other parties; I may be required to attend hearings, and if I file testimony, I may be cross-examined in the hearing; if I file any documents in the case, I must provide a copy to every other party in the case; and I acknowledge that I am bound by the Procedural Rules of the PUC and the State Office of Administrative Hearings (SOAH).

Signature of Commenter or Intervenor: _____

Date: _____

Si desea informacion en Espanol, puede llamar al
1-888-782-8477

Hearing- and speech-impaired individuals with text telephones may contact the PUC's Customer Assistance
Hotline at
512-936-7136

NOTICE OF PROPOSED RATE CHANGE - WATER

CURRENT RATES		PROPOSED RATES PHASE 1 eff: 04-04-2016		PROPOSED RATES PHASE 2 eff: 04-04-2017		PROPOSED RATES PHASE 3 eff: 04-04-2018	
Monthly base rate including 0 gallons		Monthly base rate including 0 gallons		Monthly base rate including 0 gallons		Monthly base rate including 0 gallons	
Meter Size	Charge	Meter Size	Charge	Meter Size	Charge	Meter Size	Charge
5/8"	\$45.23	5/8"	\$51.78	5/8"	\$52.35	5/8"	\$52.92
3/4"	\$67.84	3/4"	\$77.68	3/4"	\$78.52	3/4"	\$79.38
1"	\$113.07	1"	\$129.46	1"	\$130.87	1"	\$132.30
1 1/2"	\$226.14	1 1/2"	\$258.92	1 1/2"	\$261.74	1 1/2"	\$264.60
2"	\$361.82	2"	\$414.27	2"	\$418.79	2"	\$423.36
3"	\$678.41	3"	\$776.75	3"	\$785.23	3"	\$793.80
4"	\$1,130.68	4"	\$1,294.58	4"	\$1,308.71	4"	\$1,323.00
6"	\$2,261.37	6"	\$2,589.17	6"	\$2,617.43	6"	\$2,646.00
8"	\$3,618.18	8"	\$4,142.67	8"	\$4,187.89	8"	\$4,233.60
Other Suppl	\$13.43/m dia	Other Suppl	\$15.27/m dia	Other Suppl	\$15.44/m dia	Other Suppl	\$15.60/m dia
Emergency Service		Emergency Service		Emergency Service		Emergency Service	
GALLONAGE CHARGE:		GALLONAGE CHARGE: eff: 04-04-2016		GALLONAGE CHARGE: eff: 04-04-2017		GALLONAGE CHARGE: eff: 04-04-2018	
TIER VOLUME	CHARGE per 1000 gals.	TIER VOLUME	CHARGE per 1000 gals.	TIER VOLUME	CHARGE per 1000 gals.	TIER VOLUME	CHARGE per 1000 gals.
Tier 1	0 to 2,000 gals \$6.85/1000 gals	Tier 1	0 to 2,000 gals \$7.84/1000 gals	Tier 1	0 to 2,000 gals \$7.93/1000 gals	Tier 1	0 to 2,000 gals \$8.02/1000 gals
Tier 2	2,001 to 10,000 gals \$8.44/1000 gals	Tier 2	2,001 to 10,000 gals \$9.66/1000 gals	Tier 2	2,001 to 10,000 gals \$9.77/1000 gals	Tier 2	2,001 to 10,000 gals \$9.88/1000 gals
Tier 3	10,000 to 20,000 gals \$9.57/1000 gals	Tier 3	10,000 to 20,000 gals \$10.96/1000 gals	Tier 3	10,000 to 20,000 gals \$11.08/1000 gals	Tier 3	10,000 to 20,000 gals \$11.20/1000 gals
Tier 4	over 20,000 gals \$10.19/1000 gals	Tier 4	over 20,000 gals \$11.67/1000 gals	Tier 4	over 20,000 gals \$11.79/1000 gals	Tier 4	over 20,000 gals \$11.92/1000 gals
MISCELLANEOUS FEES		MISCELLANEOUS FEES (no change)		MISCELLANEOUS FEES (no change)		MISCELLANEOUS FEES (no change)	
Tap Fee Residential	\$700.00	Tap Fee Residential	\$700.00	Tap Fee Residential	\$700.00	Tap Fee Residential	\$700.00
Tap Fee Large Meter	actual costs	Tap Fee Large Meter	actual costs	Tap Fee Large Meter	actual costs	Tap Fee Large Meter	actual costs
Reconnect Fee Non-Payment	\$25.00	Reconnect Fee Non-Payment	\$25.00	Reconnect Fee Non-Payment	\$25.00	Reconnect Fee Non-Payment	\$25.00
Reconnect Fee Customer's	\$50.00	Reconnect Fee Customer's Request	\$50.00	Reconnect Fee Customer's Request	\$50.00	Reconnect Fee Customer's	\$50.00
Transfer Fee	\$45.00	Transfer Fee	\$45.00	Transfer Fee	\$45.00	Transfer Fee	\$45.00
Late Charge	10% of delinquent bill	Late Charge	10% of delinquent bill	Late Charge	10% of delinquent bill	Late Charge	10% of delinquent bill
Returned Check Charge	\$25.00	Returned Check Charge	\$25.00	Returned Check Charge	\$25.00	Returned Check Charge	\$25.00
Deposit Residential	\$50.00	Deposit Residential	\$50.00	Deposit Residential	\$50.00	Deposit Residential	\$50.00
Deposit Non-residential	1/6 estimated annual bill	Deposit Non-residential	1/6 estimated annual bill	Deposit Non-residential	1/6 estimated annual bill	Deposit Non-residential	1/6 estimated annual bill
Meter Test Fee	\$25.00	Meter Test Fee	\$25.00	Meter Test Fee	\$25.00	Meter Test Fee	\$25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

If applicable, list any bill payment assistance programs to low income Ratepayers.

Help2Others (H2O) is a company funded assistance program designed to assist qualifying customers pay their monthly water utility bill. Customers who qualify for the H2O program will receive a monthly \$40 credit (\$20 for water and \$20 for sewer) through the duration of their enrollment as long as they continue to pay their bill and remain current. The program is designed to assist customers whose total combined household income does not exceed 125% of the current Federal Poverty Guidelines

NOTICE OF PROPOSED RATE CHANGE - SEWER

CURRENT RATES		PROPOSED RATES PHASE 1 eff: 04-04-2016		PROPOSED RATES PHASE 2 eff: 04-04-2017		PROPOSED RATES PHASE 3 eff: 04-04-2018	
Monthly base rate including 0 gallons		Monthly base rate including 0 gallons		Monthly base rate including 0 gallons		Monthly base rate including 0 gallons	
Meter Size:		Meter Size:		Meter Size:		Meter Size:	
5/8"	\$67.80	5/8"	\$77.63	5/8"	\$82.43	5/8"	\$87.52
3/4"	\$101.71	3/4"	\$116.45	3/4"	\$123.64	3/4"	\$131.28
1"	\$169.51	1"	\$194.08	1"	\$206.07	1"	\$218.79
1 1/2"	\$339.02	1 1/2"	\$388.16	1 1/2"	\$412.13	1 1/2"	\$437.59
2"	\$542.44	2"	\$621.05	2"	\$659.41	2"	\$700.14
3"	\$1,017.07	3"	\$1,164.47	3"	\$1,236.39	3"	\$1,312.76
4"	\$1,695.12	4"	\$1,940.78	4"	\$2,060.65	4"	\$2,187.93
6"	\$3,390.25	6"	\$3,881.56	6"	\$4,121.31	6"	\$4,375.86
8"	\$5,424.39	8"	\$6,210.50	8"	\$6,594.09	8"	\$7,001.38
GALLONAGE CHARGE:		GALLONAGE CHARGE: eff: 04-04-2016		GALLONAGE CHARGE: eff: 04-04-2017		GALLONAGE CHARGE: eff: 04-04-2018	
\$2.38 per 1,000 gallons		\$2.73 per 1,000 gallons		\$2.89 per 1,000 gallons		\$3.07 per 1,000 gallons	
Residential service will be billed year round using the service connection's average winter water consumption during December, January, and February		Residential service will be billed year round using the service connections average winter water consumption during December, January, and February		Residential service will be billed year round using the service connection's average winter water consumption during December, January, and February		Residential service will be billed year round using the service connection's average winter water consumption during December, January, and February	
Non-residential service will be billed on actual monthly water consumption without the use of winter averaging.		Non-residential service will be billed on actual monthly water consumption without the use of winter averaging.		Non-residential service will be billed on actual monthly water consumption without the use of winter averaging.		Non-residential service will be billed on actual monthly water consumption without the use of winter averaging.	
MISCELLANEOUS FEES		MISCELLANEOUS FEES (no change)		MISCELLANEOUS FEES (no change)		MISCELLANEOUS FEES (no change)	
Tap Fee: Residential	\$700.00	Tap Fee: Residential	\$700.00	Tap Fee: Residential	\$700.00	Tap Fee: Residential	\$700.00
Tap Fee: Large connection	actual costs	Tap Fee: Large connection	actual costs	Tap Fee: Large connection	actual costs	Tap Fee: Large connection	actual costs
Tap Fee: Pressure sewer, non-rock	\$1,525.00	Tap Fee: Pressure sewer, non-rock	\$1,525.00	Tap Fee: Pressure sewer, non-rock	\$1,525.00	Tap Fee: Pressure sewer, non-rock	\$1,525.00
Tap Fee: Pressure sewer, rock installation	\$3,776.00	Tap Fee: Pressure sewer, rock installation	\$3,776.00	Tap Fee: Pressure sewer, rock installation	\$3,776.00	Tap Fee: Pressure sewer, rock installation	\$3,776.00
Account Setup Fee: sewer	\$25.00	Account Setup Fee: sewer service only	\$25.00	Account Setup Fee: sewer service only	\$25.00	Account Setup Fee: sewer	\$25.00
Reconnect Fee: Non-Payment	\$25.00	Reconnect Fee: Non-Payment	\$25.00	Reconnect Fee: Non-Payment	\$25.00	Reconnect Fee: Non-Payment	\$25.00
Reconnect Fee: Customer's Request	\$50.00	Reconnect Fee: Customer's Request	\$50.00	Reconnect Fee: Customer's Request	\$50.00	Reconnect Fee: Customer's Request	\$50.00
Transfer Fee	\$45.00	Transfer Fee	\$45.00	Transfer Fee	\$45.00	Transfer Fee	\$45.00
Late Charge	10% of delinquent bill	Late Charge	10% of delinquent bill	Late Charge	10% of delinquent bill	Late Charge	10% of delinquent bill
Returned Check Charge	\$25.00	Returned Check Charge	\$25.00	Returned Check Charge	\$25.00	Returned Check Charge	\$25.00
Deposit: Residential	\$50.00	Deposit: Residential	\$50.00	Deposit: Residential	\$50.00	Deposit: Residential	\$50.00
Deposit: Non-residential	1/6 estimated annual bill	Deposit: Non-residential	1/6 estimated annual bill	Deposit: Non-residential	1/6 estimated annual bill	Deposit: Non-residential	1/6 estimated annual bill
Meter Test Fee	\$25.00	Meter Test Fee	\$25.00	Meter Test Fee	\$25.00	Meter Test Fee	\$25.00
Damage or Service Diversion	\$100.00	Damage or Service Diversion Fee	\$100.00	Damage or Service Diversion Fee	\$100.00	Damage or Service	\$100.00

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

If applicable, list any bill payment assistance programs to low income Ratepayers.

Help2Others (H2O) is a company funded assistance program designed to assist qualifying customers pay their monthly water utility bill. Customers who qualify for the H2O program will receive a monthly \$40 credit (\$20 for water and \$20 for sewer) through the duration of their enrollment as long as they continue to pay their bill and remain current. The program is designed to assist customers whose total combined household income does not exceed 125% of the current Federal Poverty Guidelines.

Billing Comparison - Current vs. Requested

Water Service			
Meter Size	Existing Rates		
	5,000 Gallons/Mo.	10,000 Gallons/Mo.	30,000 Gallons/Mo.
5/8"	\$ 84.25	\$ 126.45	\$ 324.05
3/4"	\$ 106.86	\$ 149.06	\$ 391.89
1"	\$ 152.09	\$ 194.29	\$ 504.96
1½"	\$ 265.16	\$ 307.36	\$ 731.10
2"	\$ 400.84	\$ 443.04	\$ 1,092.92
3"	\$ 717.43	\$ 759.63	\$ 1,771.33
4"	\$ 1,169.70	\$ 1,211.90	\$ 2,902.01
6"	\$ 2,300.39	\$ 2,342.59	\$ 5,163.38
8"	\$ 3,657.20	\$ 3,699.40	\$ 8,781.56
Meter Size	Phase I Rates effective 04-04-16		
	5,000 Gallons/Mo.	10,000 Gallons/Mo.	30,000 Gallons/Mo.
5/8"	\$ 96.44	\$ 144.74	\$ 371.04
3/4"	\$ 122.34	\$ 170.64	\$ 396.94
1"	\$ 174.12	\$ 222.42	\$ 448.72
1½"	\$ 303.58	\$ 351.88	\$ 578.18
2"	\$ 458.93	\$ 507.23	\$ 733.53
3"	\$ 821.41	\$ 869.71	\$ 1,096.01
4"	\$ 1,339.24	\$ 1,387.54	\$ 1,613.84
6"	\$ 2,633.83	\$ 2,682.13	\$ 2,908.43
8"	\$ 4,187.33	\$ 4,235.63	\$ 4,461.93
Meter Size	Phase 2 Rates effective 04-04-17		
	5,000 Gallons/Mo.	10,000 Gallons/Mo.	30,000 Gallons/Mo.
5/8"	\$ 97.52	\$ 146.37	\$ 375.07
3/4"	\$ 123.69	\$ 172.54	\$ 401.24
1"	\$ 176.04	\$ 224.89	\$ 453.59
1½"	\$ 306.91	\$ 355.76	\$ 584.46
2"	\$ 463.96	\$ 512.81	\$ 741.51
3"	\$ 830.40	\$ 879.25	\$ 1,107.95
4"	\$ 1,353.88	\$ 1,402.73	\$ 1,631.43
6"	\$ 2,662.60	\$ 2,711.45	\$ 2,940.15
8"	\$ 4,233.06	\$ 4,281.91	\$ 4,510.61
Meter Size	Phase 3 Rates effective 04-04-18		
	5,000 Gallons/Mo.	10,000 Gallons/Mo.	30,000 Gallons/Mo.
5/8"	\$ 98.60	\$ 148.00	\$ 379.20
3/4"	\$ 125.06	\$ 174.46	\$ 405.66
1"	\$ 177.98	\$ 227.38	\$ 458.58
1½"	\$ 310.28	\$ 359.68	\$ 590.88
2"	\$ 469.04	\$ 518.44	\$ 749.64
3"	\$ 839.48	\$ 888.88	\$ 1,120.08
4"	\$ 1,368.68	\$ 1,418.08	\$ 1,649.28
6"	\$ 2,691.68	\$ 2,741.08	\$ 2,972.28
8"	\$ 4,279.28	\$ 4,328.68	\$ 4,559.88

Billing Comparison - Current vs. Requested

Sewer Service		
Meter Size	Existing Rates	
	5,000 Gallons/Mo.	10,000 Gallons/Mo.
5/8"	\$ 79.70	\$ 91.60
3/4"	\$ 113.61	\$ 125.51
1"	\$ 181.41	\$ 193.31
1½"	\$ 350.92	\$ 362.82
2"	\$ 554.34	\$ 566.24
3"	\$ 1,028.97	\$ 1,040.87
4"	\$ 1,707.02	\$ 1,718.92
6"	\$ 3,402.15	\$ 3,414.05
8"	\$ 5,436.29	\$ 5,448.19
Meter Size	Phase I Rates effective 04-04-2016	
	5,000 Gallons/Mo.	10,000 Gallons/Mo.
5/8"	\$ 91.28	\$ 104.93
3/4"	\$ 130.10	\$ 143.75
1"	\$ 207.73	\$ 221.38
1½"	\$ 401.81	\$ 415.46
2"	\$ 634.70	\$ 648.35
3"	\$ 1,178.12	\$ 1,191.77
4"	\$ 1,954.43	\$ 1,968.08
6"	\$ 3,895.21	\$ 3,908.86
8"	\$ 6,224.15	\$ 6,237.80
Meter Size	Phase 2 Rates effective 04-04-2017	
	5,000 Gallons/Mo.	10,000 Gallons/Mo.
5/8"	\$ 96.88	\$ 111.33
3/4"	\$ 138.09	\$ 152.54
1"	\$ 220.52	\$ 234.97
1½"	\$ 426.58	\$ 441.03
2"	\$ 673.86	\$ 688.31
3"	\$ 1,250.84	\$ 1,265.29
4"	\$ 2,075.10	\$ 2,089.55
6"	\$ 4,135.76	\$ 4,150.21
8"	\$ 6,608.54	\$ 6,622.99
Meter Size	Phase 3 Rates effective 04-04-2018	
	5,000 Gallons/Mo.	10,000 Gallons/Mo.
5/8"	\$ 102.87	\$ 118.22
3/4"	\$ 146.63	\$ 161.98
1"	\$ 234.14	\$ 249.49
1½"	\$ 452.94	\$ 468.29
2"	\$ 715.49	\$ 730.84
3"	\$ 1,328.11	\$ 1,343.46
4"	\$ 2,203.28	\$ 2,218.63
6"	\$ 4,391.21	\$ 4,406.56
8"	\$ 7,016.73	\$ 7,032.08

SUBDIVISIONS OR WATER SYSTEMS AFFECTED BY RATE CHANGE

County	Water System	Subdivisions
Bandera	Lake Medina Shores	Lakeshore Beach, Wharton Dock, Lake Medina Shores, Lake Point
Brazoria	Holiday Shores	Holiday Shores
Chambers	Tower Terrace	Houston Raceway Park, West Chambers County Estates, Tower Terrace
Denton	Denton Creek Estates	Denton Creek Estates, Aero Valley Airport
	Ponderosa Addition	Sunrise Circle Estates, Estates, Ponderosa, Wild West Addition,
	Stonecrest Estates	Stonecrest Estates,
	Wynnwood Haven Estates	Wynnwood Haven, Estates, Snug Harbor
Grayson	Ridgecrest (Grayson)	Glen Eden, Hiland Shores, Lakeview, Little Mineral MHP, Millers Estates, Oak Estates, Preston Cove, Preston Forest, Preston Oaks, Preston Point Bend, Ridgecrest, Van Antwerp
	Rocky Point Estates	Hanna Cove Estates, Rocky Point Estates "B", Rock Point "A", Hanna Ranchettes
	Sherwood Shores	Cedar Mills Estates, Hillcrest Shores, Wright Acres, Sherwood Shores
	Tanglewood-on-Texoma	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	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
Henderson	Beachwood Estates	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	Briarwood Harbor
	Carolynn Estates / Pinnacle Club	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	Allen Ranch, Carson Addition, Coleman Tract, La Martinique, Landmarck Passage, Manning Ranch, Robinson Tract (Country Estates), Taylor Tract, Waterfront Shores, Cherokee Shores
	Highsaw	Brierwood Bay, Coffee City*, Diamond Head Bay, Coffee Landing Addition, Fincastle Farms, Highsaw, Hillside Estates
	Lollipop Landing	Lollipop Landing
	Westwood Beach	Cooper Estates, Lakeway, Oak Trail Shores, Shiloh, Waterwood, Wildewood, Westwood Beach

County	Water System	Subdivisions
Hood	Acton (Royal Oaks)	Acton Royal Oaks
	Comanche Cove	Heritage Heights, Scenic View, Comanche Cove
	Comanche Harbor	Comanche Point, Island Village, Ports O'Call, Comanche Harbor
	Granbury Acres	377 Sunset Strip, Granbury Acres
	Hideaway Bay Estates	Hideaway Bay
	Montego Bay Estates	Montego Bay
	Oak Trail Shores	Lake Granbury Estates, Oak Trail Plaza, Oak Trail Shores, Arrowhead Shores, Lake Granbury Harbor
	Rancho Brazos	Rancho Brazos
	Western Hills Harbor	Western Hills Harbor, Whisperview Village, Kings Plaza
Johnson	Crowley One Acre	Blue Grass Estates, Crowley One Acre, Highcrest Estates, Skyline Ranch, Lakeside Estates, Lakeview Ranchettes
	Falcon Crest Addition	Falcon Crest Addition
	Metroplex Homesteads	Metroplex Homesteads, The Homesteads
	Nolan River Estates	Nolan River Estates
	Ridgecrest Estates (Johnson)	Misty Hollow, Ridgecrest
	Southern Acres	Southern Acres
	Sundance Addition	Space Acres North, Space Acres, X-Cell Ranch Estates, Sundance
	Tex-Rides Fifth	Tex-Rides Fifth
	Triple H Estates	Triple H Estates
	Twin Creeks Addition	Rolling Acres, North Hills Estates, Twin Creeks Addition
	West Meadows	West Meadows
	West Park Village	West Park Village
Liberty	Raywood	Raywood
Marion	Indian Hills Harbor	Indian Hills Harbor
	Pine Harbor	Pine Harbor
Matagorda	Camelot Forest	Camelot Forest
Medina	Lake Medina Shores	Holiday Villages of Medina, Lake Medina Shores
Montgomery	Crystal Springs	Crystal Springs
	Decker Hills	Champions Glen, Decker Hills, Hidden Lake Estates, Inverness Crossing, Park Place
	Hulon Lakes	Hilltop Village, Woodcreek Valley, Hulon Lakes
	Oak Woods	Oak Woods
	Serenity Woods	Pine Loch, Serenity Woods
Parker	Green Acres	Green Acres, Robertson Village
	Spanish Park Estates	Spanish Park Estates
	Western Lake Estates	Cedar Ridge (Formerly Ruby Ridge), Brazos Ridge Estates, Western Lake Estates
	Westview (Parker)	Westview
Polk	Chesswood	Chesswood
	Countrywood	Country Wood
	Garden Acres	Garden Acres
	Longhorn Valley	Longhorn Valley
	Phillips Acres	Phillips Acres
	Pinwah Pines	Pinwah Pines

County	Water System	Subdivisions
San Jacinto	Bluewater Cove	Bluewater Cove
	Cedar Valley	Cedar Valley
	Coldspring Terrace	Coldspring Terrace
	Governor's Point	Governor's Point
	Holiday Villages of Livingston	Hidden Coves, Holiday Village of Livingston, Palmetto Point
	Shepherd Hill Estates	Shepherd Hills Estates, Shepherd Ranch Estates
Smith	Lakeway Harbor	Lakeway Harbor
	Pine Trail Shores	Pine Trail Shores
Tarrant	Benbrook Hills	Benbrook Hills
	Markum Ranch Estates	Markum Ranch Estates
	Silver Saddle	Silver Saddle
	Westside Addition	Gun Club, Cabot Estates, Willow Creek Additions, Westside
Trinity	Harbor Point	Harbor Point
Van Zandt	Callender Lake	Callender Lake, Hickory Hills
Wise	Aurora Vista	Aurora Vista*
Wood	Holiday Villages of Fork	Holiday Villages of Fork

SUBDIVISIONS OR SEWER SYSTEMS AFFECTED BY RATE CHANGE

County	Sewer System	Subdivisions
Chambers	Tower Terrace	Houston Raceway Park, Tower Terrace, West Chambers County Estates
Grayson	Tanglewood-on Texoma	Eagle Chase, Fairway Hollow, Greenwood 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

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142	II-E-3.8	Schedule II-E-3.8 ADEIT - Plant Adjustments	Witness: James Warren
143	II-E-3.9	Schedule II-E-3.9 Analysis of ITCs	Witness: James Warren
144	II-E-3.10	Schedule II-E-3.10 ITC Utilized	Witness: James Warren
145	II-E-3.11	Schedule II-E-3.11 ITC Generated But Not Utilized	Witness: James Warren
146	II-E-3.12	Schedule II-E-3.12 ITC Utilized - Stand Alone Basis	Witness: James Warren
147	II-E-3.13	Schedule II-E-3.13 ITC Election	Witness: James Warren
148	II-E-3.14	Schedule II-E-3.14 NADUC Account 235	Witness: James Warren
149	II-E-3.15	Schedule II-E-3.15 Analysis of Additional Depreciation Requested	Witness: James Warren
150	II-E-3.16	Schedule II-E-3.16 Amortization of Protected and Unprotected Excess Deferred Taxes	Witness: James Warren
151	II-E-3.17	Schedule II-E-3.17 Analysis of Excess Deferred Taxes by Timing Difference	Witness: James Warren
152	II-E-3.18	Schedule II-E-3.18 Effects of Post Test Year Adjustment	Witness: James Warren
153	II-E-3.19	Schedule II-E-3.19 List of PIT Testimony	Witness: James Warren
154	II-E-3.20	Schedule II-E-3.20 History of Tax Normalization	Witness: James Warren
155	II-E-3.21	Schedule II-E-3.21 Tax Elections, IRS Audit Status and Private Letter Rulings	Witness: James Warren
156	II-E-3.22	Schedule II-E-3.22 Method of Accounting for ADEIT Related to NOL Carryforward	Witness: James Warren
157	II-E-3.23	Schedule II-E-3.23 Federal Tax Returns	Witness: James Warren
158	II-E-4	Schedule II-E-4 Other Expenses	Witness: Carmelitha Borden-Taylor
159	II-E-4.1	Schedule II-E-4.1 Deferred Expenses from Prior Dockets	Witness: Carmelitha Borden-Taylor
160	II-E-4.2	Schedule II-E-4.2 Below the Line Expenses	Witness: Carmelitha Borden-Taylor
161	II-E-4.3	Schedule II-E-4.3 Nonrecurring or Extraordinary Expenses	Witness: Carmelitha Borden-Taylor
162	II-E-4.4	Schedule II-E-4.4 Rate Case Expenses	Witness: Carmelitha Borden-Taylor
163	II-E-4.5	Schedule II-E-4.5 Extraordinary Property Losses	Witness: Carmelitha Borden-Taylor
164	II-E-4.6	Schedule II-E-4.6 Expenses Previously Denied by the Commission	Witness: Carmelitha Borden-Taylor
165	II-E-5	Schedule II-E-5 Other Revenue Items (Credit)	Witness: Carmelitha Borden-Taylor
166	II-F.a,c,d	Schedule II-F.a,c,d Functionalization Factors	Witness: Carmelitha Borden-Taylor
167	II-F.b,f	Schedule II-F.b,f Functionalization Factors - Description and Rationale of Factors	Witness: Carmelitha Borden-Taylor
168	II-F.e	Schedule II-F.e Enumeration of cost items subject to allocation factor	Witness: Robert Kelly
169	II-F.g	Schedule II-F.g Allocation Factor Calculation	Witness: Robert Kelly
170	II-F.h	Schedule II-F.h Allocation or Classification Factor Special Studies	Witness: George Freitag
171	II-G	Schedule II-G Historic Operating Revenues	Witness: George Freitag
172	II-G(0)	Schedule II-G(0) Historic Operating Revenues	Witness: George Freitag
173	II-G(S)	Schedule II-G(S) Historic Operating Revenues	Witness: George Freitag
174	II-G-1.a (0)	Schedule II-G-1.a(0) Number of Active and Inactive Connections - Water	Witness: George Freitag
175	II-G-1.a (S)	Schedule II-G-1.a(S) Number of Active and Inactive Connections - Sewer	Witness: George Freitag
176	II-G-1.b	Schedule II-G-1.b Average Number of Connections	Witness: George Freitag
177	II-G-1.c-e (0)	Schedule II-G-1.c Gallons Sold by Usage Block (unadjusted)- Water	Witness: George Freitag
178		Schedule II-G-1.d Changes in Volumes due to Abnormal Weather - Water	Witness: George Freitag
179		Schedule II-G-1.e Volume Adjustments due to Changes in Number of Customers - Water	Witness: George Freitag
180	II-G-1.c-e (S)	Schedule II-G-1.c Gallons Sold by Usage Block (unadjusted)- Sewer	Witness: George Freitag
181		Schedule II-G-1.d Changes in Volumes due to Abnormal Weather - Sewer	Witness: George Freitag
182		Schedule II-G-1.e Volume Adjustments due to Changes in Number of Customers - Sewer	Witness: George Freitag
183	II-G-1.f	Schedule II-G-1.f Other Changes in Volume	Witness: George Freitag
184	II-G-1.g(0)	Schedule II-G-1.g(0) Fixed and Variable Revenues - Water	Witness: George Freitag
185	II-G-1.g(S)	Schedule II-G-1.g(S) Fixed and Variable Revenues - Sewer	Witness: George Freitag
186	II-G-1.h	Schedule II-G-1.h Customer Penalties and Miscellaneous Water and/or Sewer Revenues	Witness: George Freitag
187	II-G-1.2 (0)	Schedule II-G-1.2(0) Revenue Impact Data - Water Volume Sales	Witness: George Freitag
188	II-G-1.2 (S)	Schedule II-G-1.2(S) Revenue Impact Data - Wastewater Volumes	Witness: George Freitag
189	II-G-1.3(0)	Schedule II-G-1.3(0) Rate Comparison	Witness: George Freitag
190	II-G-1.3(S)	Schedule II-G-1.3(S) Rate Comparison	Witness: George Freitag
191	II-G-1.4 (0)	Schedule II-G-1.4(0) Customer Consumption	Witness: George Freitag
192	II-G-1.4 (S)	Schedule II-G-1.4(S) Customer Consumption	Witness: George Freitag
193	II-G-1.5	Schedule II-G-1.5 Accrued Revenues	Witness: George Freitag
194	II-G-1.6 (0)	Schedule II-G-1.6(0) Miscellaneous Revenues - Water	Witness: Carmelitha Borden-Taylor
195	II-G-1.6 (S)	Schedule II-G-1.6(S) Miscellaneous Revenues - Wastewater	Witness: Carmelitha Borden-Taylor
196	II-G-2.1 (0)	Schedule II-G-2.1(0) Connections Added and Lost - Wastewater	Witness: George Freitag
197	II-G-2.1 (S)	Schedule II-G-2.1(S) Connections Added and Lost - Wastewater	Witness: George Freitag
198	II-G-2.2 (0)	Schedule II-G-2.2(0) Monthly Water Usage Data - Water	Witness: George Freitag
199	II-G-2.2 (S)	Schedule II-G-2.2(S) Monthly Water Usage Data - Wastewater	Witness: George Freitag
200	II-G-2.3 (0)	Schedule II-G-2.3(0) Customer Classification History - Water	Witness: George Freitag
201	II-G-2.3 (S)	Schedule II-G-2.3(S) Customer Classification History - Wastewater	Witness: George Freitag
202	II-G-2.4	Schedule II-G-2.4 Wholesale/Sales for Retail	Witness: George Freitag
203	II-G-2.5 (0)	Schedule II-G-2.5(0) Large Users - Water	Witness: George Freitag
204	II-G-2.5 (S)	Schedule II-G-2.5(S) Large Users - Wastewater	Witness: George Freitag
205	II-G-2.6	Schedule II-G-2.6 Customer Adjustments	Witness: George Freitag
206	II-G-2.7	Schedule II-G-2.7 Customer Adjustments	Witness: George Freitag
207	II-G-2.8 (0)	Schedule II-G-2.8(0) Test Year Coincident Peak Data - Water	Witness: George Freitag
208	II-G-2.8 (S)	Schedule II-G-2.8(S) Test Year Coincident Peak Data - Wastewater	Witness: George Freitag
209	II-G-3	Schedule II-G-3 Revenue Calculation Methodologies	Witness: George Freitag
210	II-G-4	Schedule II-G-4 Weather Data	Witness: John Huts

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Line No	Tab	Schedule Name	Witness
210	II-G-5	Schedule II-G-5 Miscellaneous Fees	Witness: Carmelita Borden-Taylor
211	II-G-6	Schedule II-G-6 Tariff	Witness: George Freitag
212	II-H-1	Schedule II-H-1 Cost of Service Study	Witness: Robert Kelly
213	II-H-2	Schedule II-H-2 Contracts	Witness: George Freitag
214	III (W)	Schedule III (W) Water Rate Design	Witness: George Freitag
215	III (S)	Schedule III (S) Wastewater Rate Design	Witness: Robert Kelly
216	IV-1	Schedule IV-1 Affiliates Expenses by NAUC Account	Witness: Robert Kelly
217	IV-2	Schedule IV-2 Adjusted Affiliate Expenses	Witness: Charles Profflet
218	IV-3	Schedule IV-3 Organization Chart	Witness: Robert Kelly
219	IV-4	Schedule IV-4 Description of Services	Witness: Robert Kelly
220	IV-4.1	Schedule IV-4.1 Allocation Manual	Witness: Robert Kelly
221	IV-5	Schedule IV-5 Capital Projects	Witness: Robert Kelly
222	IV-6	Schedule IV-6 Adjustment to Test Year Expenses	Witness: Robert Kelly
223	IV-7	Schedule IV-7 Statutory Requirements	Witness: Robert Kelly
224	IV-8	Schedule IV-8 Services Provided to Affiliates	Witness: Robert Kelly
225	IV-9	Schedule IV-9 Allocation of Affiliate Costs	Witness: Robert Kelly
226	IV-10	Schedule IV-10 Controls	Witness: Robert Kelly
227	IV-11	Schedule IV-11 Affiliate Billing Methods	Witness: Robert Kelly
228	IV-12.1	Schedule IV-12.1 Affiliate Multi-jurisdictional Costs	Witness: Robert Kelly
229	IV-12.2	Schedule IV-12.2 Texas Affiliates and Regions	Witness: Robert Kelly
230	IV-13	Schedule IV-13 Affiliate Project Codes Created/Closed in Test Year	Witness: Robert Kelly
231	IV-14	Schedule IV-14 Affiliate Payroll	Witness: Robert Kelly
232	IV-14.1	Schedule IV-14.1 Affiliate Contracts	Witness: Robert Kelly
233	V-1	Schedule V-1 Audit Reports	Witness: Carmelita Borden-Taylor
234	V-2	Schedule V-2 Budget Variance Reports	Witness: Carmelita Borden-Taylor
235	V-3	Schedule V-3 Operating and Capital Budgets	Witness: George Freitag
236	V-4	Schedule V-4 Unaccounted for Water	Witness: George Freitag
237	V-4 (1)	Schedule V-4 (1) Unaccounted for Water - Narrative	Witness: Charles Profflet
238	V-5	Schedule V-5 Corporate History	Witness: Timothy Williford
239	VI-1.a	Schedule VI-1.a Compliance with TCEQ Rules	Witness: Timothy Williford
240	VI-1.b	Schedule VI-1.b Compliance with TCEQ Rules	Witness: Timothy Williford
241	VI-1.c	Schedule VI-1.c Compliance with TCEQ Rules	Witness: Timothy Williford
242	VI-1.d	Schedule VI-1.d Compliance with TCEQ Rules	Witness: Charles Profflet
243	VI-2	Schedule VI-2 Customer Complaint Policy	Witness: Charles Profflet
244	VI-3	Schedule VI-3 Compliance with PUC Subst. R. 24.81(6)(4)	Witness: Charles Profflet
245	VI-4	Schedule VI-4 Water Conservation	Witness: George Freitag
246	VI-5	Schedule VI-5 Meter Replacement Policy	Witness: George Freitag
247	Summary of N/A Schedules	Schedule VI-1 Summary of NA Schedules	

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A Cost of Service Summary
 Witness: Charles Profilet

Line No	Description (a)	Reference Schedule (b)	Monarch Total (c)	Func. Factor (d)	Functionalization	
					Water (e)	Wastewater (f)
1	Operating and Maintenance Expenses	II-D-1	\$ 18,939,124	WTR-WWR	\$ 16,063,752	\$ 2,875,372
2	Depreciation, Amortization and Other Expenses	II-E	3,462,372	WTR-WWR	2,873,381	588,990
3	Taxes Other than Federal Income Taxes	II-E-2	956,863	WTR-WWR	853,281	103,582
4	Federal Income Taxes	II-E-3.1	171,896	WTR-WWR	231,791	(59,894)
5	Return on Rate Base	II-B	6,918,249	WTR-WWR	5,957,577	960,672
6	Other Expenses	II-E-4	(74,586)	WTR-WWR	(40,936)	(33,649)
7						
8	Total Unadjusted Cost of Service		\$ 30,373,918		\$ 25,938,846	\$ 4,435,072
9						
10	Less: Other Revenue Items - Credit	II-E-5	\$ 4,500	WTR-WWR	\$ 4,500	\$ -
11						
12	Total Adjusted Cost of Service		\$ 30,369,418		\$ 25,934,346	\$ 4,435,072
13						
14	Amortization Recovered thru Riders	II-E-4.1	-		-	-
15	Deferred Expenses from Prior Dockets	II-E-4.4	-		-	-
16	Rate Case Expenses		443,315	WTR-WWR	372,386	70,931

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule II-A-1 Cost of Service by Water/Sewer
Witness: Charles Profilet

Line No.	Account No (a)	Description (b)	Reference Schedule (c)	Monarch Total (d)	Func. Factor (e)	Functionalization	
						Water (f)	Wastewater (g)
1							
2	601	Operating and Maintenance Expenses	II-D-1	2,737,633	WTR-WWR	2,737,633	-
3	604	Salaries and Wages - Employees	II-D-1	762,058	WTR-WWR	762,058	-
4	610	Employee Pensions and Benefits	II-D-1	2,070,717	WTR-WWR	2,070,717	-
5	615	Purchased Water	II-D-1	819,719	WTR-WWR	819,719	-
6	618	Purchased Power	II-D-1	408,379	WTR-WWR	408,379	-
7	620	Chemicals	II-D-1	1,449,757	WTR-WWR	1,449,757	-
8	631	Materials and Supplies	II-D-1	-	WTR-WWR	-	-
9	633	Contractual Services - Engineering	II-D-1	3,877	WTR-WWR	3,877	-
10	635	Contractual Services - Legal	II-D-1	169,764	WTR-WWR	169,764	-
11	636	Contractual Services - Testing	II-D-1	696,961	WTR-WWR	696,961	-
12	641	Contractual Services - Other	II-D-1	49,917	WTR-WWR	49,917	-
13	642	Rental of Building/Real Property	II-D-1	35,705	WTR-WWR	35,705	-
14	650	Rental of Equipment	II-D-1	756,031	WTR-WWR	756,031	-
15	656	Transportation Expenses	II-D-1	16,432	WTR-WWR	16,432	-
16	658	Insurance - Vehicle	II-D-1	71	WTR-WWR	71	-
17	659	Insurance - Workman's Compensation	II-D-1	37,803	WTR-WWR	37,803	-
18	660	Insurance - Other	II-D-1	-	WTR-WWR	-	-
19	667	Advertising Expenses	II-D-1	-	WTR-WWR	-	-
20	670	Regulatory Commission Expenses - Other	II-D-1	279,739	WTR-WWR	279,739	-
21	675	Bad Debt Expense	II-D-1	267,014	WTR-WWR	267,014	-
22	675.99	Miscellaneous Expenses	II-D-1	5,502,176	WTR-WWR	5,502,176	-
23	701	Miscellaneous Expenses - Affiliate	II-D-1	478,188	WTR-WWR	-	478,188
24	704	Salaries and Wages - Employees	II-D-1	144,760	WTR-WWR	-	144,760
25	710	Employee Pensions and Benefits	II-D-1	82,619	WTR-WWR	-	82,619
26	711	Purchased Wastewater Treatment	II-D-1	101,204	WTR-WWR	-	101,204
27	715	Sludge Removal Expense	II-D-1	148,229	WTR-WWR	-	148,229
28	718	Purchased Power	II-D-1	55,482	WTR-WWR	-	55,482
29	720	Chemicals	II-D-1	221,373	WTR-WWR	-	221,373
30	731	Materials and Supplies	II-D-1	-	WTR-WWR	-	-
31	733	Contractual Services - Engineering	II-D-1	98	WTR-WWR	-	98
32	735	Contractual Services - Legal	II-D-1	62,415	WTR-WWR	-	62,415
33	736	Contractual Services - Testing	II-D-1	114,626	WTR-WWR	-	114,626
34	741	Contractual Services - Other	II-D-1	9,508	WTR-WWR	-	9,508
35	742	Rental of Building/Real Property	II-D-1	6,420	WTR-WWR	-	6,420
36	750	Rental of Equipment	II-D-1	143,936	WTR-WWR	-	143,936
37	756	Transportation Expenses	II-D-1	3,130	WTR-WWR	-	3,130
38	758	Insurance - Vehicle	II-D-1	13	WTR-WWR	-	13
39	759	Insurance - Workman's Compensation	II-D-1	7,670	WTR-WWR	-	7,670
40	767	Insurance - Other	II-D-1	-	WTR-WWR	-	-
41	770	Regulatory Commission Expenses - Other	II-D-1	53,284	WTR-WWR	-	53,284
42	775	Bad Debt Expense	II-D-1	86,734	WTR-WWR	-	86,734
43		Miscellaneous Expenses	II-D-1	-	WTR-WWR	-	-

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A-1 Cost of Service by Water/Sewer
 Witness: Charles Profilet

Line No	Account No (a)	Description (b)	Reference Schedule (c)	Monarch Total (d)	Func. Factor (e)	Functionalization	
						Water (f)	Wastewater (g)
44	775.99	Miscellaneous Expenses - Affiliate	II-D-1	1,155,682	WTR-WWR	-	1,155,682
45	401	Operating and Maintenance Expenses	II-D-1	\$ 18,939,124		\$ 16,063,732	\$ 2,875,372
46							
47	403	Depreciation, Amortization and Other Expenses	II-E	3,462,521	WTR-WWR	2,873,381	588,990
48	407	Other Expenses	II-E-4	(74,586)	WTR-WWR	(40,936)	(33,649)
49	408	Taxes Other than Federal Income Taxes	II-E-2	956,862	WTR-WWR	853,281	103,581
49	409.1	Federal Income Taxes, Utility Operating Income	II-E-3.1	171,896	WTR-WWR	231,791	(59,894)
50	409.11	State Income Taxes, Utility Operating Income	II-E-3	137,818	WTR-WWR	115,767	22,051
51		Return on Rate Base	II-B	6,918,249	WTR-WWR	5,957,577	960,672
52							
53		Total Unadjusted Cost of Service		30,511,885	WTR-WWR	26,054,613	4,457,123
54							
55	474	Less: Other Revenue Items - Credit	II-E-5	4,500	WTR-DIRECT	4,500	-
56							
57		Total Adjusted Cost of Service		30,507,385		26,050,113	4,457,123
58							
59		Amortization Recovered thru Riders		-			-
60		Deferred Expenses from Prior Dockets	II-E-4.1	-			-
61		Rate Case Expenses	II-E-4.4	443,315	WTR-WWR	372,386	70,931

Line No	NARUC Account (a)	Description (b)	Reference Schedule (c)	Original Trial Balance 7/1/2014 - 6/30/2015 (d)	Pro-Forma Adjustments 7/1/2014 - 6/30/2015 (e)	Book Recorded 7/1/2014 - 6/30/2015 (d)
1	400	Operating Revenues	WP/II-A-2	\$ 28,230,189	\$ -	\$ 28,230,189
2		UTILITY OPERATING EXPENSES				
3	401	Operating Expenses	WP/II-A-2	19,906,304	(867,681)	19,038,623
4	403	Depreciation Expense	WP/II-A-2	3,154,009	162,331	3,316,341
5	406	Amortization of Utility Plant Acquisition Adjustment	WP/II-A-2	-	-	-
6	407.1	Amortization of Limited Term Plant	WP/II-A-2	-	-	-
7	407.2	Amortization of Property Losses	WP/II-A-2	-	-	-
8	407.3	Amortization of Other Utility Plant	WP/II-A-2	(74,586)	-	(74,586)
9	407.4	Amortization of Regulatory Assets	WP/II-A-2	-	-	-
10	408	Taxes Other Than Income	WP/II-A-2	983,387	(8,598)	974,789
11	409.1	Federal Income Taxes, Utility Operating Income	WP/II-A-2	836,031	836,031	836,031
12	409.11	State Income Taxes, Utility Operating Income	WP/II-A-2	74,000	75,208	149,208
13	409.12	Local Income Taxes, Utility Operating Income	WP/II-A-2	-	-	-
14	410	Deferred Income Tax	WP/II-A-2	-	-	-
15	410.1	Federal	WP/II-A-2	-	-	-
16	410.11	State	WP/II-A-2	-	-	-
17	411.1	Total Deferred Income Tax	WP/II-A-2	-	-	-
18	411.1	Provision for Deferred Income Taxes - Credit, Utility Operating Income	WP/II-A-2	-	-	-
19	411.1	Tax Credits	WP/II-A-2	-	-	-
20	412.1	Investment Tax Credit, Deferred to Future Periods, Utility Operating Income	WP/II-A-2	-	-	-
21	412.1	Investment Tax Credit, Restored to Operating Income, Utility Operating Income	WP/II-A-2	-	-	-
22	412.2	Total Tax Credits	WP/II-A-2	-	-	-
23	24	TOTAL UTILITY OPERATING EXPENSES		24,879,146	197,292	25,076,438
24	25	NET UTILITY OPERATING INCOME (LOSS)		3,351,043	(197,292)	3,153,751
25	26	OTHER OPERATING INCOME (LOSS)				
26	413	Income from Utility Plant Leased to Others	WP/II-A-2	97,918	(97,896)	(22)
27	414	Gains (Losses) from Disposition of Utility Property	WP/II-A-2	97,918	(97,896)	195,815
28	32	TOTAL OTHER OPERATING INCOME (LOSS)				
29	33	NON-OPERATING INCOME				
30	415	Revenues from Merchandising, Jobbing and Contract Work	WP/II-A-2	-	-	-
31	419	Interest & Dividend Income	WP/II-A-2	-	-	-
32	420	Allowance for Funds Used During Construction (AFUDC)	WP/II-A-2	-	-	-
33	421	Non-Utility Income	WP/II-A-2	(32,968)	-	(32,968)
34	34	TOTAL NON-OPERATING INCOME		(32,968)	-	(32,968)
35	41	NON-OPERATING DEDUCTIONS				
36	408.2	Taxes Other Than Income, Other Income and Deductions	WP/II-A-2	-	-	-
37	409.2	Income Taxes, Other Income and Deductions	WP/II-A-2	-	-	-
38	416	Costs & Expenses of Merchandising, Jobbing and Contract Work	WP/II-A-2	58,245	(58,245)	-
39	426	Miscellaneous Non-Utility Expenses	WP/II-A-2	58,245	(58,245)	-
40	47	TOTAL NON-OPERATING INCOME & DEDUCTIONS		58,245	(58,245)	116,489
41	48	INTEREST EXPENSE				
42	427	Interest Expense	WP/II-A-2	1,360,682	-	1,360,682
43	427.1	Interest on Debt to Associated Companies	WP/II-A-2	-	-	-
44	428	Amortization of Debt Discount & Expenses	WP/II-A-2	11,178	-	11,178
45	429	Amortization of Premium on Debt	WP/II-A-2	-	-	-
46	53	TOTAL INTEREST EXPENSE		1,371,860	-	1,371,860
47	54	EXTRAORDINARY ITEMS				
48	433	Income	WP/II-A-2	-	-	-
49	434	Deductions	WP/II-A-2	-	-	-
50	409.3	Income Taxes	WP/II-A-2	-	-	-
51	409.4	Other	WP/II-A-2	-	-	-
52	60	TOTAL EXTRAORDINARY ITEMS		-	-	-
53	61	NET INCOME (LOSS)		1,855,988	(41,151)	1,814,837

Line No	NARUC Account (a)	Description (b)	Per Book		Reference Schedule (c)	Variance		Explanation of Variance (d)
			7/1/2014 - 6/30/2015 (G)	1/1/2013 - 12/31/2013 (e)		\$ (F)	% (g)	
1	400	Operating Revenues	\$ 28,230,189	\$ 25,597,113	II-A-2.1(00)&(S)	\$ 2,633,076	10.25%	
2		UTILITY OPERATING EXPENSES						
3	401	Operating Expenses	19,098,623	20,789,533	II-A-2.1(00)&(S)	(1,730,910)	-8.33%	Amortization on additions to CIAC
4	403	Depreciation Expense	3,316,341	3,108,665	II-A-2.1(00)&(S)	207,675	6.68%	
5	406	Amortization of Utility Plant Acquisition Adjustment	-	-	II-A-2.1(00)&(S)	-	0.00%	
6	407.1	Amortization of Limited Term Plant	-	-	II-A-2.1(00)&(S)	-	0.00%	
7	407.2	Amortization of Property Losses	-	-	II-A-2.1(00)&(S)	-	0.00%	
8	407.3	Amortization of Other Utility Plant	(74,565)	(53,328)	II-A-2.1(00)&(S)	(21,238)	39.86%	
9	407.4	Amortization of Regulatory Assets	-	-	II-A-2.1(00)&(S)	-	0.00%	
10	408	Taxes Other Than Income	974,789	860,725	II-A-2.1(00)&(S)	114,064	13.25%	Federal income taxes were not accrued at the entity level during the test year
11	409.1	Federal Income Taxes, Utility Operating Income	836,031	(74,926)	II-A-2.1(00)&(S)	910,957	-1215.51%	The variance is due to a change in the method of accruing state income taxes.
12		State Income Taxes, Utility Operating Income	149,208	5,961	II-A-2.1(00)&(S)	143,247	2403.08%	
13	409.11	Local Income Taxes, Utility Operating Income	-	-	II-A-2.1(00)&(S)	-	0.00%	
14	410	Deferred Income Tax	-	-	II-A-2.1(00)&(S)	-	0.00%	
15	401.1	Federal	-	-	II-A-2.1(00)&(S)	-	0.00%	
16	401.11	State	-	-	II-A-2.1(00)&(S)	-	0.00%	
17		Total Deferred Income Tax	-	-	II-A-2.1(00)&(S)	-	0.00%	
18	411.1	Provision for Deferred Income Taxes - Credit, Utility Operating Income	-	-	II-A-2.1(00)&(S)	-	0.00%	
19	412.1	Investment Tax Credit, Deferred to Future Periods, Utility Operating Income	-	-	II-A-2.1(00)&(S)	-	0.00%	
20	412.2	Investment Tax Credit, Restored to Operating Income, Utility Operating Income	-	-	II-A-2.1(00)&(S)	-	0.00%	
21	412.3	Total Tax Credits	-	-	II-A-2.1(00)&(S)	-	0.00%	
22	412.4	TOTAL UTILITY OPERATING EXPENSES	24,240,407	24,616,631	II-A-2.1(00)&(S)	(376,224)	-1.53%	
23		NET UTILITY OPERATING INCOME (LOSS)	3,989,782	980,482	II-A-2.1(00)&(S)	3,009,300	306.92%	
24	413	OTHER OPERATING INCOME (LOSS)	(22)	-	II-A-2.1(00)&(S)	202,290	0.00%	Due to the change in accounting to record Gains/Losses on Dispositions of Assets to Accumulated Depreciation.
25	414	Income from Utility Plant Leased to Others	-	-	II-A-2.1(00)&(S)	-	-99.99%	
26	414	Gains (Losses) from Disposition of Utility Property	(22)	(202,312)	II-A-2.1(00)&(S)	202,290	-99.99%	
27		TOTAL OTHER OPERATING INCOME (LOSS)	(22)	(202,312)	II-A-2.1(00)&(S)	202,290	-99.99%	
28	415	NON-OPERATING INCOME	-	-	II-A-2.1(00)&(S)	-	0.00%	
29	419	Revenues from Merchandising, Jobbing and Contract Work	-	(21,046)	II-A-2.1(00)&(S)	21,048	-100.00%	During 2013 capital credits for purchased power were recorded as Interest & Dividend Income. During the Test Year they were recorded as reductions of purchased power expense.
30		Interest & Dividend Income	-	-	II-A-2.1(00)&(S)	-	0.00%	
31	420	Allowance for Funds Used During Construction (AFUDC)	(32,966)	(313,713)	II-A-2.1(00)&(S)	280,745	-89.49%	In 2013 the company recorded income from payments for Decertifications from Monarch's CCN.
32	421	Non-Utility Income	-	-	II-A-2.1(00)&(S)	-	-80.13%	
33		TOTAL NON-OPERATING INCOME	(32,966)	(334,763)	II-A-2.1(00)&(S)	301,793	-90.13%	
34	408.2	NON-OPERATING DEDUCTIONS	-	-	II-A-2.1(00)&(S)	-	0.00%	
35	409.2	Taxes Other Than Income, Other Income and Deductions	-	-	II-A-2.1(00)&(S)	-	0.00%	
36	416	Income Taxes, Other Income and Deductions	-	-	II-A-2.1(00)&(S)	-	0.00%	
37	416	Costs & Expenses of Merchandising, Jobbing and Contract Work	-	-	II-A-2.1(00)&(S)	-	0.00%	
38	426	Miscellaneous Non-Utility Expenses	-	-	II-A-2.1(00)&(S)	-	0.00%	
39	426	TOTAL NON-OPERATING INCOME & DEDUCTIONS	-	-	II-A-2.1(00)&(S)	-	0.00%	
40	427	INTEREST EXPENSE	1,360,682	1,407,591	II-A-2.1(00)&(S)	(46,909)	-3.33%	Due to a change in corporate accounting policy, intercompany interest was not recorded during the Test Year.
41	427.1	Interest Expense	-	85,733	II-A-2.1(00)&(S)	(85,733)	-100.00%	
42	427.1	Interest on Debt to Associated Companies	11,178	11,178	II-A-2.1(00)&(S)	-	0.00%	
43		Amortization of Debt Discount & Expenses	1,371,860	1,504,522	II-A-2.1(00)&(S)	(132,663)	-8.92%	
44	428	TOTAL INTEREST EXPENSE	1,371,860	1,504,522	II-A-2.1(00)&(S)	(132,663)	-8.92%	
45	433	EXTRAORDINARY ITEMS	-	-	II-A-2.1(00)&(S)	-	0.00%	
46	434	Income	-	-	II-A-2.1(00)&(S)	-	0.00%	
47	434	Deductions	-	-	II-A-2.1(00)&(S)	-	0.00%	
48	409.3	Income Taxes	-	-	II-A-2.1(00)&(S)	-	0.00%	
49	409.4	Other	-	-	II-A-2.1(00)&(S)	-	0.00%	
50		TOTAL EXTRAORDINARY ITEMS	-	-	II-A-2.1(00)&(S)	-	0.00%	
51		NET INCOME (LOSS)	2,650,868	(391,590)	II-A-2.1(00)&(S)	3,042,458	-776.91%	

Monarch Utilities I, L.P.
 Docket No. 45370
 Test Year Ending 6/30/2015
 Schedule II-A-2.100 Statement of Income - Water
 Witness: Carmelita Bordeleon-Taylor

Line No	Account No (Q)	Description (Q)	7/1/2014 - 6/31/2015		1/1/2013 - 12/31/2013		Variance		Explanation of Variance (Q)
			\$ (Q)	\$ (Q)	\$ (Q)	\$ (Q)	\$ (Q)	% (Q)	
1	400	Operating Revenues	21,881,831	21,734,351			147,480	9.78%	
2									
3									
4	401	UTILITY OPERATING EXPENSES							
5	401	Operating Expenses	16,034,995	17,546,211			(1,511,216)	-8.63%	
6	403	Depreciation Expense	2,795,914	2,601,804			194,110	7.12%	
7	406	Amortization of Utility Plant Acquisition Adjustment	-	-			-	-	
8	407.1	Amortization of Limited Term Plant	-	-			-	-	
9	407.2	Amortization of Other Utility Plant	-	-			-	-	
10	407.3	Amortization of Other Utility Assets	(40,956)	(26,109)			(14,847)	36.29%	
11	407.4	Taxes Other Than Income	875,520	737,755			137,765	15.59%	
12	408	Federal Income Taxes, Utility Operating Income	683,134	(82,958)			766,092	-110.51%	Federal income taxes were not accrued at the entry level during the year. The variance is due to a change in the method of accruing state income taxes.
13	409.1	State Income Taxes, Utility Operating Income	125,495	5,150			120,345	2336.98%	
14	409.11	Local Income Taxes, Utility Operating Income	-	-			-	-	
15	409.12	Deferred Income Tax	-	-			-	-	
16	401.1	Total Deferred Income Tax	-	-			-	-	
17	401.11	Tax Credits	-	-			-	-	
18	401.12	Provision for Deferred Income Taxes - Credit, Utility Operating Income	-	-			-	-	
19	411.1	Investment Tax Credit, Deferred to Future Periods, Utility Operating Income	-	-			-	-	
20	412.1	Investment Tax Credit, Restored to Operating Income, Utility Operating Income	-	-			-	-	
21	412.2	Total Tax Credits	-	-			-	-	
22	412.2	TOTAL UTILITY OPERATING EXPENSES	20,474,281	20,821,874			(347,593)	1.7%	
23									
24									
25									
26									
27									
28									
29									
30	413	OTHER OPERATING INCOME (LOSS)	3,410,350	931,475			2,478,875	(72.26%)	
31	414	Income from Utility Plant Leased to Others	(22)	(158,005)			157,983	-99.98%	Due to the change in accounting to record gains/losses on dispositions of assets to accumulated depreciation.
32									
33									
34									
35	415	TOTAL OTHER OPERATING INCOME (LOSS)	(22)	(158,005)			157,983	-99.98%	
36	419	Revenues from Merchandising, Jobbing and Contract Work	-	(19,470)			19,470	-100.00%	During 2013 capital credits for purchased power were recorded as Interest & Dividend Income. During the Test Year they were recorded as reductions of purchased power expense.
37	420	Allowance for Funds Used During Construction (AFUDC)	-	-			-	-	
38	421	Non-Utility Income	(27,693)	(311,152)			283,459	-91.10%	In 2013 the company recorded income from payments for Decertifications from Monarch's CO.
39									
40									
41	408.2	Taxes Other Than Income, Other Income and Deductions	-	-			-	-	
42	409.2	Income Taxes, Other Income and Deductions	-	-			-	-	
43	416	Costs & Expenses of Merchandising, Jobbing and Contract Work	-	-			-	-	
44	416	Miscellaneous Non-Utility Expenses	-	-			-	-	
45	426	TOTAL NON-OPERATING INCOME & DEDUCTIONS	-	-			-	-	
46									
47									
48	427	INTEREST EXPENSE	1,154,277	1,199,919			(45,642)	-3.80%	
49	427.1	Interest on Debt to Associated Companies	-	85,753			(85,753)	-100.00%	Due to a change in corporate accounting policy, intercompany interest was not recorded during the Test Year.
50									
51	428	Amortization of Debt Discount & Expenses	9,390	9,390			-	0.00%	
52	429	Amortization of Premium on Debt	-	-			-	-	
53									
54									
55									
56	433	EXTRAORDINARY ITEMS	1,183,686	1,295,062			(111,376)	-9.41%	
57	434	Income	-	-			-	-	
58	435	Deductions	-	-			-	-	
59	436.2	Income Taxes	-	-			-	-	
60	409.4	TOTAL EXTRAORDINARY ITEMS	-	-			-	-	
61		TOTAL NET INCOME (LOSS)	2,374,554	(189,969)			2,564,523	(10.8%)	

Monarch Utilities I, L.P.
 DocId: No. 45370
 Fiscal Year Ending 6/30/2015
 Schedule II-A-2.1(S) Statement of Income - Sewer
 Witness: Carmelita Bordeleon-Taylor

Line No.	Account No. (a)	Description (b)	Reference Schedule (c)	7/1/2014 - 6/31/2015 (d)	1/1/2013 - 12/31/2013 (e)	Variance \$ (f)	Variance % (g)	Explanation of Variance (h)
1	400	Operating Revenues	WP/II-A-2.1	\$ 4,348,358	\$ 3,842,763	\$ 505,595	13.16%	
2		UTILITY OPERATING EXPENSES						
3	401	Operating Expenses	WP/II-A-2.1	3,006,628	3,223,322	(216,694)	-6.72%	
4	403	Depreciation Expense	WP/II-A-2.1	520,427	506,861	13,566	2.68%	
5	406	Amortization of Utility Plant Acquisition Adjustment	WP/II-A-2.1	-	-	-	-	
6	407.1	Amortization of Limited Term Plant	WP/II-A-2.1	-	-	-	-	
7	407.2	Amortization of Property Losses	WP/II-A-2.1	-	-	-	-	
8	407.3	Amortization of Other Utility Plant	WP/II-A-2.1	(33,650)	(27,219)	(6,431)	23.63%	Amortization on additions to CEAC
9	407.4	Amortization of Regulatory Assets	WP/II-A-2.1	-	-	-	-	
10	408	Taxes Other Than Income	WP/II-A-2.1	99,169	102,970	(3,801)	-3.69%	Federal income taxes were not accrued at the entity level during the last year.
11	409.1	Federal Income Taxes, Utility Operating Income	WP/II-A-2.1	132,838	(11,988)	164,826	-1374.91%	The variance is due to a change in the method of accruing state income taxes.
12	409.11	State Income Taxes, Utility Operating Income	WP/II-A-2.1	23,713	811	22,903	2825.55%	
13	409.12	Local Income Taxes, Utility Operating Income	WP/II-A-2.1	-	-	-	-	
14	401.1	Deferred Income Tax Federal	WP/II-A-2.1	-	-	-	-	
15	401.11	State	WP/II-A-2.1	-	-	-	-	
16	411.1	Total Deferred Income Tax	WP/II-A-2.1	-	-	-	-	
17	412.1	Provision for Deferred Income Taxes - Credit, Utility Operating Income	WP/II-A-2.1	-	-	-	-	
18	412.2	Investment Tax Credit, Deferred to Future Periods, Utility Operating Income	WP/II-A-2.1	-	-	-	-	
19	412.2	Investment Tax Credit, Restored to Operating Income, Utility Operating Income	WP/II-A-2.1	-	-	-	-	
20	412.2	Total Tax Credits	WP/II-A-2.1	-	-	-	-	
21	412.2	TOTAL UTILITY OPERATING EXPENSES	WP/II-A-2.1	3,769,125	3,794,236	(29,196)	0.77%	
22	413	NET UTILITY OPERATING INCOME (LOSS)	WP/II-A-2.1	579,232	48,006	544,791	(15)	
23	414	OTHER OPERATING INCOME (LOSS)	WP/II-A-2.1	-	(41,307)	44,307	-100.00%	Due to the change in accounting to record Gains/Losses on Dispositions of Assets to Accumulated Depreciation.
24	414	Income from Utility Plant Leased to Others	WP/II-A-2.1	-	-	-	-	
25	414	Gains (Losses) from Disposition of Utility Property	WP/II-A-2.1	-	-	-	-	
26	414	TOTAL OTHER OPERATING INCOME (LOSS)	WP/II-A-2.1	-	(41,307)	44,307	(1)	
27	415	NON-OPERATING INCOME	WP/II-A-2.1	-	-	-	-	
28	415	Revenues from Merchandising, Jobbing and Contract Work	WP/II-A-2.1	-	-	-	-	
29	415	Interest & Dividend Income	WP/II-A-2.1	-	(1,578)	1,578	-100.00%	
30	415	Allowance for Funds Used During Construction (AFUDC)	WP/II-A-2.1	-	-	-	-	
31	415	Non-utility Income	WP/II-A-2.1	(5,275)	(2,561)	(2,714)	105.98%	
32	415	TOTAL NON-OPERATING INCOME	WP/II-A-2.1	(5,275)	(4,139)	(1,136)	0	
33	415	NON-OPERATING DEDUCTIONS	WP/II-A-2.1	-	-	-	-	
34	415	Taxes Other Than Income, Other Income and Deductions	WP/II-A-2.1	-	-	-	-	
35	415	Income Taxes, Other Income and Deductions	WP/II-A-2.1	-	-	-	-	
36	415	Costs & Expenses of Merchandising, Jobbing and Contract Work	WP/II-A-2.1	-	-	-	-	
37	415	Miscellaneous Non-Utility Expenses	WP/II-A-2.1	-	-	-	-	
38	415	TOTAL NON-OPERATING INCOME & DEDUCTIONS	WP/II-A-2.1	-	-	-	-	
39	415	INTEREST EXPENSE	WP/II-A-2.1	206,405	207,672	(1,267)	-0.61%	
40	415	Interest on Debt to Associated Companies	WP/II-A-2.1	-	-	-	-	
41	415	Amortization of Debt Discount & Expenses	WP/II-A-2.1	1,788	1,788	-	0.00%	
42	415	Amortization of Premium on Debt	WP/II-A-2.1	-	-	-	-	
43	415	TOTAL INTEREST EXPENSE	WP/II-A-2.1	208,193	209,460	(1,267)	0.00%	
44	415	EXTRAORDINARY ITEMS	WP/II-A-2.1	-	-	-	-	
45	415	Income	WP/II-A-2.1	-	-	-	-	
46	415	Deductions	WP/II-A-2.1	-	-	-	-	
47	415	Income Taxes	WP/II-A-2.1	-	-	-	-	
48	415	Other	WP/II-A-2.1	-	-	-	-	
49	415	TOTAL EXTRAORDINARY ITEMS	WP/II-A-2.1	-	-	-	-	
50	415	NET INCOME (LOSS)	WP/II-A-2.1	376,314	(201,622)	591,501	(16)	

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A-2.2 Statement of Income - Test Year Adjusted
 Witness: Carmeltha Bordeon-Taylor

Line No	Description (a)	Reference Schedule (c)	Book Recorded Income (b)	Normalizing and Annualizing Adjustments (c)	Adjusted Book Income (d)	Revenue Increase Requested (e)	Income Adjusted for Revenue Increase (f)
1	400 - Operating Revenues	II-A-2.2(0)&(S)	\$ 28,230,189	\$ (1,979,107)	\$ 26,251,082	\$ 5,492,603	\$ 31,743,685
2							
3	UTILITY OPERATING EXPENSES						
4	401 - Operating Expenses	II-A-2.2(0)&(S)	19,038,623	(99,500)	18,939,124		18,939,124
5	403 - Depreciation Expense	II-A-2.2(0)&(S)	3,316,341	146,181	3,462,521		3,462,521
6	406 - Amortization of Utility Plant Acquisition Adjustment	II-A-2.2(0)&(S)	-	-	-		-
7	407.1 - Amortization of Limited Term Plant	II-A-2.2(0)&(S)	-	-	-		-
8	407.2 - Amortization of Property Losses	II-A-2.2(0)&(S)	-	-	-		-
9	407.3 - Amortization of Other Utility Plant	II-A-2.2(0)&(S)	(74,586)	-	(74,586)		(74,586)
10	407.4 - Amortization of Regulatory Assets	II-A-2.2(0)&(S)	-	-	-		-
11	408 - Taxes Other Than Income	II-A-2.2(0)&(S)	974,789	(17,926)	956,862		956,862
12	409.1 - Federal Income Taxes, Utility Operating Income	II-A-2.2(0)&(S)	836,031	(684,135)	171,896		171,896
13	409.11 - State Income Taxes, Utility Operating Income	II-A-2.2(0)&(S)	149,208	(11,390)	137,818		137,818
14	409.12 - Local Income Taxes, Utility Operating Income	II-A-2.2(0)&(S)	-	-	-		-
15	409.11 - State Income Taxes, Utility Operating Income	II-A-2.2(0)&(S)	-	-	-		-
16	410 - Deferred Income Tax	II-A-2.2(0)&(S)	-	-	-		-
17	410.1 - Federal	II-A-2.2(0)&(S)	-	-	-		-
18	410.11 - State	II-A-2.2(0)&(S)	-	-	-		-
19	Total Deferred Income Tax	II-A-2.2(0)&(S)	-	-	-		-
20	411.1 - Provision for Deferred Income Taxes - Credit, Utility Operating Income	II-A-2.2(0)&(S)	-	-	\$		\$
21	Tax Credits	II-A-2.2(0)&(S)	-	-	-		-
22	412.1 - Investment Tax Credit, Deferred to Future Periods, Utility Operating Income	II-A-2.2(0)&(S)	-	-	-		-
23	412.2 - Investment Tax Credit, Restored to Operating Income, Utility Operating Income	II-A-2.2(0)&(S)	-	-	-		-
24	Total Tax Credits	II-A-2.2(0)&(S)	-	-	-		-
25	TOTAL UTILITY OPERATING EXPENSES		24,240,407	(646,771)	23,593,636		23,593,636
26							
27	NET UTILITY OPERATING INCOME (LOSS)		3,989,782	(1,332,336)	2,657,446	5,492,603	8,150,049
28							
29	OTHER OPERATING INCOME (LOSS)						
30	413 - Income from Utility Plant Leased to Others	II-A-2.2(0)&(S)	-	-	-		-
31	414 - Gains (Losses) from Disposition of Utility Property	II-A-2.2(0)&(S)	(22)	22	-		-
32	TOTAL OTHER OPERATING INCOME (LOSS)		(22)	22	-		-
33							
34	NON-OPERATING INCOME						
35	415 - Revenues from Merchandising, Jobbing and Contract Work	II-A-2.2(0)&(S)	-	-	-		-
36	419 - Interest & Dividend Income	II-A-2.2(0)&(S)	-	-	-		-
37	420 - Allowance for Funds Used During Construction (AFUDC)	II-A-2.2(0)&(S)	-	-	-		-
38	421 - Non-Utility Income	II-A-2.2(0)&(S)	(32,968)	-	(32,968)		(32,968)
39	TOTAL NON-OPERATING INCOME		(32,968)	-	(32,968)		(32,968)
40							
41	NON-OPERATING DEDUCTIONS						
42	408.2 - Taxes Other Than Income, Other Income and Deductions	II-A-2.2(0)&(S)	-	-	-		-
43	409.2 - Income Taxes, Other Income and Deductions	II-A-2.2(0)&(S)	-	-	-		-
44	416 - Costs & Expenses of Merchandising, Jobbing and Contract Work	II-A-2.2(0)&(S)	-	-	-		-
45	426 - Miscellaneous Non-Utility Expenses	II-A-2.2(0)&(S)	-	-	-		-
46	TOTAL NON-OPERATING INCOME & DEDUCTIONS		-	-	-		-
47							
48	INTEREST EXPENSE						
49	427 - Interest Expense	II-A-2.2(0)&(S)	1,360,682	(38)	1,360,643		1,360,643
50	427.1 - Interest on Debt to Associated Companies	II-A-2.2(0)&(S)	-	-	-		-
51	428 - Amortization of Debt Discount & Expenses	II-A-2.2(0)&(S)	11,178	-	11,178		11,178
52	429 - Amortization of Premium on Debt	II-A-2.2(0)&(S)	-	-	-		-
53	TOTAL INTEREST EXPENSE		1,371,860	(38)	1,371,821		1,371,821
54							
55	EXTRAORDINARY ITEMS						
56	433 - Income	II-A-2.2(0)&(S)	-	-	-		-
57	434 - Deductions	II-A-2.2(0)&(S)	-	-	-		-
58	409.3 - Income Taxes	II-A-2.2(0)&(S)	-	-	-		-
59	409.4 - Other	II-A-2.2(0)&(S)	-	-	-		-
60	TOTAL EXTRAORDINARY ITEMS		-	-	-		-
61	NET INCOME (LOSS)		2,650,868	(1,332,276)	1,318,592	5,492,603	6,811,195

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule II-A-2.2(N) Statement of Income - Test Year Adjusted - Water
Witness: Carmelita Bordelon-Taylor

Line No	NARUC Account (A)	Description (B)	Reference Schedule (C)	Book Recorded Income (D)	Normalizing and Annualizing Adjustments (E)	Adjusted Book Income (F)	Revenue Increase Requested (G)	Income Adjusted for Revenue Increase (H)
1	400	Operating Revenues	WP/II-A-2.2	\$ 23,881,831	\$ (1,228,067)	\$ 22,653,764	\$ 4,366,430	\$ 27,020,194
2		UTILITY OPERATING EXPENSES						
3		Operating Expenses	WP/II-A-2.2	16,031,995	31,757	16,063,752		16,063,752
4	401	Depreciation Expense	WP/II-A-2.2	2,795,914	77,617	2,873,530		2,873,530
5	403	Amortization of Utility Plant Acquisition Adjustment	WP/II-A-2.2	-	-	-		-
6	406	Amortization of Limited Term Plant	WP/II-A-2.2	-	-	-		-
7	407.1	Amortization of Property Losses	WP/II-A-2.2	-	-	-		-
8	407.2	Amortization of Other Utility Plant	WP/II-A-2.2	-	-	-		-
9	407.3	Amortization of Regulatory Assets	WP/II-A-2.2	(40,936)	-	(40,936)		(40,936)
10	407.4	Taxes Other Than Income	WP/II-A-2.2	-	-	-		-
11	408	Federal Income Taxes, Utility Operating Income	WP/II-A-2.2	875,620	(22,340)	853,280		853,280
12	409.1	State Income Taxes, Utility Operating Income	WP/II-A-2.2	683,194	(451,403)	231,790		231,790
13	409.11	Local Income Taxes, Utility Operating Income	WP/II-A-2.2	125,495	(9,728)	115,767		115,767
14	409.12	Deferred Income Tax	WP/II-A-2.2	-	-	-		-
15	410	Federal	WP/II-A-2.2	-	-	-		-
16	401.1	State	WP/II-A-2.2	-	-	-		-
17	401.11	Total Deferred Income Tax	WP/II-A-2.2	-	-	-		-
18	411.1	Provision for Deferred Income Taxes - Credit, Utility Operating Income	WP/II-A-2.2	-	-	-		-
19	411.1	Tax Credits	WP/II-A-2.2	-	-	-		-
20	412.1	Investment Tax Credit, Deferred to Future Periods, Utility Operating Income	WP/II-A-2.2	-	-	-		-
21	412.1	Investment Tax Credit, Returned to Operating Income, Utility Operating Income	WP/II-A-2.2	-	-	-		-
22	412.2	Total Tax Credits	WP/II-A-2.2	-	-	-		-
23		TOTAL UTILITY OPERATING EXPENSES						
24		NET UTILITY OPERATING INCOME (LOSS)		20,471,281	(374,098)	20,097,183		20,097,183
25		OTHER OPERATING INCOME (LOSS)						
26		Income from Utility Plant Leased to Others	WP/II-A-2.2	3,410,550	(853,970)	2,556,580	4,366,430	6,923,010
27		Gains (Losses) from Disposition of Utility Property	WP/II-A-2.2	-	-	-		-
28		TOTAL OTHER OPERATING INCOME (LOSS)	WP/II-A-2.2	(22)	22	-		-
29		NON-OPERATING INCOME						
30	415	Revenues from Merchandising, Jobbing and Contract Work	WP/II-A-2.2	-	-	-		-
31	419	Interest & Dividend Income	WP/II-A-2.2	-	-	-		-
32	420	Allowance for Funds Used During Construction (AFUDC)	WP/II-A-2.2	-	-	-		-
33	421	Non-Utility Income	WP/II-A-2.2	(27,693)	-	(27,693)		(27,693)
34		TOTAL NON-OPERATING INCOME	WP/II-A-2.2	(27,693)	-	(27,693)		(27,693)
35		NON-OPERATING DEDUCTIONS						
36	408.2	Taxes Other Than Income, Other Income and Deductions	WP/II-A-2.2	-	-	-		-
37	409.2	Income Taxes, Other Income and Deductions	WP/II-A-2.2	-	-	-		-
38	416	Costs & Expenses of Merchandising, Jobbing and Contract Work	WP/II-A-2.2	-	-	-		-
39	426	Miscellaneous Non-Utility Expenses	WP/II-A-2.2	-	-	-		-
40		TOTAL NON-OPERATING INCOME & DEDUCTIONS	WP/II-A-2.2	-	-	-		-
41		INTEREST EXPENSE						
42	427	Interest Expense	WP/II-A-2.2	1,154,277	(38)	1,154,239		1,154,239
43	427.1	Interest on Debt to Associated Companies	WP/II-A-2.2	-	-	-		-
44	428	Amortization of Debt Discount & Expenses	WP/II-A-2.2	9,390	-	9,390		9,390
45	429	Amortization of Premium on Debt	WP/II-A-2.2	-	-	-		-
46		TOTAL INTEREST EXPENSE	WP/II-A-2.2	1,163,666	(38)	1,163,628		1,163,628
47		EXTRAORDINARY ITEMS						
48	433	Income	WP/II-A-2.2	-	-	-		-
49	434	Deductions	WP/II-A-2.2	-	-	-		-
50	409.3	Income Taxes	WP/II-A-2.2	-	-	-		-
51	409.4	Other	WP/II-A-2.2	-	-	-		-
52		TOTAL EXTRAORDINARY ITEMS	WP/II-A-2.2	-	-	-		-
53		NET INCOME (LOSS)		2,274,554	(853,909)	1,420,645	4,366,430	5,787,075

Monarch Utilities I. L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule II-A-2.2(S) Statement of Income Test Year Adjusted - Sewer
Witness: Carmelitta Bordignon-Taylor

Line No	NARIC Account (a)	Description (b)	Reference Schedule (c)	Book Recorded Income (d)	Normalizing and Annualizing Adjustments (e)	Adjusted Book Income (f)	Revenue Increase Requested (g)	Income Adjusted for Revenue Increase (h)
1	400	Operating Revenues	WP/II-A-2.2	\$ 4,348,358	\$ (751,040)	\$ 3,597,318	\$ 1,126,173	\$ 4,723,491
2		UTILITY OPERATING EXPENSES						
3		Operating Expenses						
4	401	Depreciation Expense	WP/II-A-2.2	3,006,628	(131,256)	2,875,372	-	2,875,372
5	403	Amortization of Utility Plant Acquisition Adjustment	WP/II-A-2.2	520,427	68,564	588,991	-	588,991
6	406	Amortization of Limited Term Plant	WP/II-A-2.2	-	-	-	-	-
7	407.1	Amortization of Property Losses	WP/II-A-2.2	-	-	-	-	-
8	407.2	Amortization of Other Utility Plant	WP/II-A-2.2	-	-	-	-	-
9	407.3	Amortization of Regulatory Assets	WP/II-A-2.2	-	-	-	-	-
10	407.4	Taxes Other Than Income	WP/II-A-2.2	(33,650)	-	(33,650)	-	(33,650)
11	408	Federal Income Taxes, Utility Operating Income	WP/II-A-2.2	99,169	4,413	103,582	-	103,582
12	409.1	State Income Taxes, Utility Operating Income	WP/II-A-2.2	152,838	(212,732)	(59,894)	-	(59,894)
13	409.11	Local Income Taxes, Utility Operating Income	WP/II-A-2.2	23,713	(1,662)	22,051	-	22,051
14	409.12	Deferred Income Tax	WP/II-A-2.2	-	-	-	-	-
15	410	Federal	WP/II-A-2.2	-	-	-	-	-
16	401.1	State	WP/II-A-2.2	-	-	-	-	-
17	401.11	Total Deferred Income Tax	WP/II-A-2.2	-	-	-	-	-
18	411.1	Provision for Income Taxes - Credit, Utility Operating Income	WP/II-A-2.2	-	-	-	-	-
19	411.1	Tax Credits	WP/II-A-2.2	-	-	-	-	-
20	412.1	Investment Tax Credit, Deferred to Future Periods, Utility Operating Income	WP/II-A-2.2	-	-	-	-	-
21	412.1	Investment Tax Credit, Restored to Operating Income, Utility Operating Income	WP/II-A-2.2	-	-	-	-	-
22	412.2	Total Tax Credits	WP/II-A-2.2	-	-	-	-	-
23		NET UTILITY OPERATING EXPENSES						
24		NET UTILITY OPERATING INCOME (LOSS)						
25		OTHER OPERATING INCOME (LOSS)						
26	413	Income from Utility Plant Leased to Others	WP/II-A-2.2	3,269,125	(223,673)	3,496,452	-	3,496,452
27	414	Gains (Losses) from Disposition of Utility Property	WP/II-A-2.2	579,232	(478,362)	100,865	1,126,173	1,227,039
28		TOTAL OTHER OPERATING INCOME (LOSS)						
29		NON-OPERATING INCOME						
30	415	Revenues from Merchandising, Jobbing and Contract Work	WP/II-A-2.2	-	-	-	-	-
31	419	Interest & Dividend Income	WP/II-A-2.2	-	-	-	-	-
32	420	Allowance for Funds Used During Construction (AFUDC)	WP/II-A-2.2	-	-	-	-	-
33	421	Non-Utility Income	WP/II-A-2.2	(5,275)	-	(5,275)	-	(5,275)
34		TOTAL NON-OPERATING INCOME						
35		NON-OPERATING DEDUCTIONS						
36	408.2	Taxes Other Than Income, Other Income and Deductions	WP/II-A-2.2	-	-	-	-	-
37	409.2	Income Taxes, Other Income and Deductions	WP/II-A-2.2	-	-	-	-	-
38	416	Costs & Expenses of Merchandising, Jobbing and Contract Work	WP/II-A-2.2	-	-	-	-	-
39	426	Miscellaneous Non-Utility Expenses	WP/II-A-2.2	-	-	-	-	-
40		TOTAL NON-OPERATING INCOME & DEDUCTIONS						
41		INTEREST EXPENSE						
42	427	Interest Expense	WP/II-A-2.2	-	-	-	-	-
43	427.1	Interest on Debt to Associated Companies	WP/II-A-2.2	206,405	-	206,405	-	206,405
44	428	Amortization of Debt Discount & Expenses	WP/II-A-2.2	-	-	-	-	-
45	429	Amortization of Premium on Debt	WP/II-A-2.2	1,788	-	1,788	-	1,788
46		TOTAL INTEREST EXPENSE						
47		EXTRAORDINARY ITEMS						
48	433	Income	WP/II-A-2.2	208,193	-	208,193	-	208,193
49	434	Deductions	WP/II-A-2.2	-	-	-	-	-
50	409.3	Income Taxes	WP/II-A-2.2	-	-	-	-	-
51	409.4	Other	WP/II-A-2.2	-	-	-	-	-
52		TOTAL EXTRAORDINARY ITEMS						
53		NET INCOME (LOSS)						
54								
55								
56								
57								
58								
59								
60								

Monarch Utilities I, L.P.
 Docket No. 45370
 Test Year Ending 6/30/2015
 Schedule II-A-2.3 Test Year Affiliate Income
 Witness: Carmel'icha Bordejon-Taylor

Test Year Ended June 30, 2015										
Line No	NARUC Account (A)	Description (B)	Reference Schedule (C)		Directly Charged			Functionalization Factor (D)	Water (E)	Sewer (F)
			No workpaper	No workpaper	Water (D)	Sewer (E)	Shared (F)			
1	400	Operating Revenues	No workpaper	No workpaper	(8,878,331.57)	(7,926,696.97)	(356,123.48)	WTR-MWR	(9,177,476.57)	(7,983,676.97)
2		UTILITY OPERATING EXPENSES								
3	401	Operating Expenses	No workpaper	No workpaper	6,104,483.14	2,803,590.62	1,520,133.98	WTR-MWR	7,381,397.14	3,046,812.62
4	403	Depreciation Expense	No workpaper	No workpaper	1,668,949.11	1,236,922.04	20,396.88	WTR-MWR	1,686,082.11	1,262,186.04
5	406	Amortization of Utility Plant Acquisition Adjustment								
6	407.1	Amortization of Limited Term Plant								
7	407.2	Amortization of Property Losses								
8	407.3	Amortization of Other Utility Plant								
9	407.4	Amortization of Regulatory Assets								
10	408	Taxes Other Than Income	No workpaper	No workpaper	(389,994.86)	(619,013.26)	54,008.10	WTR-MWR	(344,627.86)	(610,372.26)
11	409.1	Federal Income Taxes, Utility Operating Income	No workpaper	No workpaper	232,351.43	530,090.61	(38,163.87)	WTR-MWR	200,293.43	543,984.61
12	409.11	State Income Taxes, Utility Operating Income								
13	409.12	Local Income Taxes, Utility Operating Income								
14	410	Deferred Income Tax								
15	401.1	Federal								
16	401.11	State								
17	411.1	Total Deferred Income Tax								
18	411.11	Provision for Deferred Income Taxes - Credit, Utility Operating Income								
19	411.1	Tax Credits								
20	412.1	Investment Tax Credit, Deferred to Future Periods, Utility Operating Income								
21	412.2	Investment Tax Credit, Restored to Operating Income, Utility Operating Income								
22	412.2	Total Tax Credits								
23		TOTAL UTILITY OPERATING EXPENSES								
24		NET UTILITY OPERATING INCOME (LOSS)			7,615,788.82	3,993,590.01	1,556,377.09	WTR-MWR	8,923,144.82	4,242,611.01
25		OTHER OPERATING INCOME (LOSS)			(1,262,542.75)	(3,933,106.95)	1,200,251.61	WTR-MWR	(234,331.75)	(3,741,065.96)
26		Income from Utility Plant Leased to Others								
27		Gains (Losses) from Disposition of Utility Property								
28		TOTAL OTHER OPERATING INCOME (LOSS)								
29		NON-OPERATING INCOME								
30	413	Revenues from Merchandising, Jobbing and Contract Work								
31	414	Interest & Dividend Income								
32	415	Allowance for Funds Used During Construction (AFUDC)								
33	416	Non-Utility Income								
34	417	TOTAL NON-OPERATING INCOME								
35	418	NON-OPERATING DEDUCTIONS								
36	419	Taxes Other Than Income, Other Income and Deductions								
37	420	Income Taxes, Other Income and Deductions								
38	421	Costs & Expenses of Merchandising, Jobbing and Contract Work								
39	422	Miscellaneous Non-Utility Expenses								
40	423	TOTAL NON-OPERATING INCOME & DEDUCTIONS								
41	424	INTEREST EXPENSE								
42	425	Interest on Debt to Associated Companies								
43	426	Amortization of Debt Discount & Expenses								
44	427	Amortization of Premium on Debt								
45	428	TOTAL INTEREST EXPENSE								
46	429	EXTRAORDINARY ITEMS								
47	430	Income								
48	431	Deductions								
49	432	Income Taxes								
50	433	Other								
51	434	TOTAL EXTRAORDINARY ITEMS								
52	435	NET INCOME (LOSS)			(1,262,542.75)	(4,011,323.78)	1,212,429.08	WTR-MWR	(277,774.51)	(3,817,336.78)
53										
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Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2013
Schedule II-A-2-3(C) Comparison Year 2013 Affiliate Income
Witness: Robert Kelly

Line No	NARUC Account (a)	Description (b)	Reference Schedule (c)	Directly Charged				Functionalization Factor (g)	Water (h)	Sewer (i)
				Water (d)	Sewer (e)	Shared (f)				
1	400	Operating Revenues	No workpaper	(3,979,405.26)	(3,386,442.69)	(508,774.48)	WTR-WWR	(4,405,777.26)	(3,349,846.49)	
2		UTILITY OPERATING EXPENSES								
3		Operating Expenses	No workpaper	2,188,232.12	563,842.54	2,332,228.58	WTR-WWR	4,147,895.12	936,999.34	
4	401	Depreciation Expense	No workpaper	725,722.36	597,913.63	22,050.38	WTR-WWR	744,244.36	601,441.63	
5	403	Amortization of Utility Plant Acquisition Adjustment		-	-	-	WTR-WWR	-	-	
6	406	Amortization of Limited Term Plant		-	-	-	WTR-WWR	-	-	
7	407.1	Amortization of Property Losses		(150,466.58)	(277,905.99)	5,386.57	WTR-WWR	(145,941.58)	(276,443.99)	
8	407.2	Amortization of Other Utility Plant		-	-	-	WTR-WWR	-	-	
9	407.3	Amortization of Regulatory Assets		-	-	-	WTR-WWR	-	-	
10	407.4	Taxes Other Than Income		151,426.21	5,722.32	262,406.90	WTR-WWR	371,848.21	47,707.32	
11	408	Federal Income Taxes, Utility Operating Income		-	-	-	WTR-WWR	-	-	
12	408.1	State Income Taxes, Utility Operating Income		-	-	-	WTR-WWR	-	-	
13	409.1	Local Income Taxes, Utility Operating Income		-	-	-	WTR-WWR	-	-	
14	409.11	Deferred Income Tax		-	-	-	WTR-WWR	-	-	
15	409.12	Federal		-	-	-	WTR-WWR	-	-	
16	410	State		-	-	-	WTR-WWR	-	-	
17	401.1	Total Deferred Income Tax		-	-	-	WTR-WWR	-	-	
18	401.11	Provision for Deferred Income Taxes - Credit, Utility Operating Income		-	-	-	WTR-WWR	-	-	
19	411.1	Tax Credits		-	-	-	WTR-WWR	-	-	
20	412.1	Investment Tax Credit, Deferred to Future Periods, Utility Operating Income		-	-	-	WTR-WWR	-	-	
21	412.2	Investment Tax Credit, Restored to Operating Income, Utility Operating Income		-	-	-	WTR-WWR	-	-	
22		Total Tax Credits		-	-	-	WTR-WWR	-	-	
23		NET UTILITY OPERATING EXPENSES		2,915,005.11	880,172.30	2,652,072.43	WTR-WWR	5,117,546.11	1,299,704.30	
24		NET UTILITY OPERATING INCOME (LOSS)		(1,064,401.15)	(2,386,270.19)	2,113,297.95	WTR-WWR	710,768.85	(2,050,142.19)	
25		OTHER OPERATING INCOME (LOSS)		-	-	-	WTR-WWR	-	-	
26		Income from Utility Plant Leased to Others		-	-	-	WTR-WWR	-	-	
27		Gains (Losses) from Disposition of Utility Property		-	-	-	WTR-WWR	-	-	
28		TOTAL OTHER OPERATING INCOME (LOSS)		-	-	-	WTR-WWR	-	-	
29		NON-OPERATING INCOME		-	-	-	WTR-WWR	-	-	
30	413	Revenues from Merchandising, Jobbing and Contract Work		-	-	-	WTR-WWR	-	-	
31	414	Interest & Dividend Income		-	-	-	WTR-WWR	-	-	
32		Allowance for Funds Used During Construction (AFUDC)		-	-	-	WTR-WWR	-	-	
33		Non-Utility Income		-	-	-	WTR-WWR	-	-	
34		TOTAL NON-OPERATING INCOME		-	-	-	WTR-WWR	-	-	
35	415	NON-OPERATING DEDUCTIONS		-	-	-	WTR-WWR	-	-	
36	416	Taxes Other Than Income, Other Income and Deductions		-	-	-	WTR-WWR	-	-	
37	417	Income Taxes, Other Income and Deductions		-	-	-	WTR-WWR	-	-	
38	418	Costs & Expenses of Merchandising, Jobbing and Contract Work		-	-	-	WTR-WWR	-	-	
39	419	Miscellaneous Non-Utility Expenses		-	-	-	WTR-WWR	-	-	
40	420	TOTAL NON-OPERATING INCOME & DEDUCTIONS		-	-	-	WTR-WWR	-	-	
41	421	INTEREST EXPENSE		(85,906.46)	(5,491.90)	252,508.75	WTR-WWR	176,200.54	34,909.10	
42	422	Interest on Debt to Associated Companies		-	-	-	WTR-WWR	-	-	
43	423	Amortization of Debt Discount & Expenses		-	-	-	WTR-WWR	-	-	
44	424	Amortization of Premium on Debt		-	-	-	WTR-WWR	-	-	
45	425	TOTAL INTEREST EXPENSE		(85,906.46)	(5,491.90)	252,508.75	WTR-WWR	176,200.54	34,909.10	
46		EXTRAORDINARY ITEMS		-	-	-	WTR-WWR	-	-	
47	426	Income		-	-	-	WTR-WWR	-	-	
48	427	Deductions		-	-	-	WTR-WWR	-	-	
49	428	Income Taxes		-	-	-	WTR-WWR	-	-	
50	429.1	Other		-	-	-	WTR-WWR	-	-	
51	429.2	TOTAL EXTRAORDINARY ITEMS		-	-	-	WTR-WWR	-	-	
52	429.3	TOTAL UTILITY OPERATING INCOME (LOSS)		(1,150,307.61)	(2,391,762.09)	2,365,806.70	WTR-WWR	846,969.39	(2,015,233.09)	
53	429.4	NET INCOME (LOSS)		-	-	-	WTR-WWR	-	-	
54		TOTAL UTILITY OPERATING INCOME (LOSS)		(1,150,307.61)	(2,391,762.09)	2,365,806.70	WTR-WWR	846,969.39	(2,015,233.09)	
55		NET INCOME (LOSS)		-	-	-	WTR-WWR	-	-	
56		TOTAL UTILITY OPERATING INCOME (LOSS)		(1,150,307.61)	(2,391,762.09)	2,365,806.70	WTR-WWR	846,969.39	(2,015,233.09)	
57		NET INCOME (LOSS)		-	-	-	WTR-WWR	-	-	
58		TOTAL UTILITY OPERATING INCOME (LOSS)		(1,150,307.61)	(2,391,762.09)	2,365,806.70	WTR-WWR	846,969.39	(2,015,233.09)	
59		NET INCOME (LOSS)		-	-	-	WTR-WWR	-	-	
60		TOTAL UTILITY OPERATING INCOME (LOSS)		(1,150,307.61)	(2,391,762.09)	2,365,806.70	WTR-WWR	846,969.39	(2,015,233.09)	
61		NET INCOME (LOSS)		-	-	-	WTR-WWR	-	-	

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A-2.4 Rate of Return on Net Invested Capital
 Witness: Paul Mouf

Line No	Description (a)	Reference (b)	Historical Present Rates (c)	Adjusted Present Rates (d)	Proposed Rates (e)
1	Net Operating Income - Water	II-2.2/II-A	3,410,550	2,556,581	\$ 5,957,577
2	Net Operating Income - Sewer	II-2.2/II-A	579,232	100,865	960,672
3	Total Net Operating Income		3,989,782	2,657,446	6,918,249
4	Rate Base - Water	II-B/II-B(W)	67,968,201	67,915,838	67,915,838
5	Rate Base - Sewer	II-B/II-B(S)	11,287,491	10,951,568	10,951,568
6	Total Rate Base		79,255,692	78,867,406	78,867,406
7	Rate of Return - Water	No workpaper	5.02%	3.76%	8.77%
8	Rate of Return - Sewer	No workpaper	5.13%	0.92%	8.77%
9					
10					

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule II-A-3 Balance Sheet
Witness: Carmelitha Bordelon-Taylor

Line No	NARUC Account (a)	Description (b)	Reference Schedule (c)	Original Trial Balance As of 6/30/2015 (d)	Proforma Adjustments (e)	Book Recorded As of 6/30/2015 (f)
1		UTILITY PLANT				
2	101	Utility Plant in Service	WP/II-A-3	133,582,451	7,157,252	140,739,702
3	105	Construction Work in Progress	WP/II-A-3	1,496,884	117,010	1,613,894
4		Total Utility Plant		135,079,335	7,274,262	142,353,597
5		ACCUMULATED DEPRECIATION				
6	108.1	Utility Plant in Service	WP/II-A-3	(53,552,494)	(2,096,851)	(55,649,345)
7		Total Accumulated Depreciation & Amortization		(53,552,494)	(2,096,851)	(55,649,345)
8		TOTAL NET UTILITY PLANT		81,526,841	5,177,411	86,704,252
9		OTHER PROPERTY AND INVESTMENTS				
10		Other Special Funds	WP/II-A-3	9,841	-	9,841
11	127	TOTAL OTHER PROPERTY AND INVESTMENTS		9,841	-	9,841
12		CURRENT AND ACCRUED ASSETS				
13	131.2	Cash in Bank	WP/II-A-3	93,615	-	93,615
14	133	Other Special Deposits	WP/II-A-3	8,105	-	8,105
15	134	Working Funds	WP/II-A-3	91	-	91
16	141	Customers Accounts Receivable	WP/II-A-3	3,106,658	-	3,106,658
17	143	Accumulated Provision for Uncollectible Accounts-Credit	WP/II-A-3	(101,190)	-	(101,190)
18	145	Accounts Receivable from Affiliated Company	WP/II-A-3	75,834,477	(1,357,113)	74,477,363
19	151	Plant Materials and Supplies	WP/II-A-3	376,082	-	376,082
20	162	Prepayments	WP/II-A-3	58,628	-	58,628
21	171	Accrued Interest & Dividends Receivable	WP/II-A-3	95,968	-	95,968
22	174	Miscellaneous Current and Accrued Assets		(295,000)	-	(295,000)
23		TOTAL CURRENT & ACCRUED ASSETS		79,177,433	(1,357,113)	77,820,320
24		DEFERRED DEBITS				
25	181	Unamortized Debt Discount and Expense	WP/II-A-3	174,327	-	174,327
26	186.1	Deferred Rate Case Expense	WP/II-A-3	2,269	-	2,269
27	186.2	Other Deferred Debits	WP/II-A-3	1,332,987	-	1,332,987
28	190.10	Accumulated Deferred Federal Income Taxes	WP/II-A-3	-	5,983,393	5,983,393
29		TOTAL DEFERRED		1,509,583	5,983,393	7,492,976
30		TOTAL ASSETS		162,223,698	9,803,691	172,027,388
31		CAPITAL				
32	37	EQUITY CAPITAL				
33	201	Common Stock Issued	WP/II-A-3	1,000	-	1,000
34	211	Other Paid-In Capital	WP/II-A-3	80,123,027	-	80,123,027
35	215	Unappropriated Retained Earnings	WP/II-A-3	(26,350,147)	7,190,055	(19,160,092)
36		TOTAL EQUITY CAPITAL		53,773,880	7,190,055	60,963,935
37		LONG-TERM DEBT				
38	224	Other Long-term Debt	WP/II-A-3	25,242,123	(439,051)	24,803,072

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule II-A-3 Balance Sheet
Witness: Carmelitha Bordelon-Taylor

Line No	NARUC Account (a)	Description (b)	Reference Schedule (c)	Original Trial Balance As of 6/30/2015 (d)	Proforma Adjustments (e)	Book Recorded As of 6/30/2015 (f)
46		TOTAL LONG-TERM DEBT		25,242,123	(439,051)	24,803,072
47		CURRENT AND ACCRUED LIABILITIES				
48	231	Accounts Payable	WP/II-A-3	640,558	-	640,558
49	233	Accounts Payable to Affiliated Companies	WP/II-A-3	72,796,283	(1,865,336)	70,930,947
50	235	Customers' Deposits-Billing	WP/II-A-3	584,081	-	584,081
51	236.11	Accrued Taxes, Taxes Other Than Income	WP/II-A-3	285,319	(16,830)	268,489
52	236.12	Accrued Taxes, Income Taxes	WP/II-A-3	122,692	-	122,692
53	237.1	Accrued Interest on Long-term Debt	WP/II-A-3	136,023	-	136,023
54	237.2	Accrued Interest on Other Liabilities	WP/II-A-3	2,202	-	2,202
55	239	Matured Long-term Debt	WP/II-A-3	822,631	-	822,631
56	241	Miscellaneous Current and Accrued Liabilities	WP/II-A-3	566,760	(198,759)	368,001
57		TOTAL CURRENT AND ACCRUED LIABILITIES		75,956,548	(2,080,925)	73,875,623
58		DEFERRED CREDITS				
59	252	Advances for Construction	WP/II-A-3	567,237	-	567,237
60	253	Other Deferred Credits	WP/II-A-3	1,776,041	(1,523,109)	252,932
61		TOTAL DEFERRED CREDITS		2,343,278	(1,523,109)	820,169
62		CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)				
63	271.1	Customer Contributions	WP/II-A-3	32,851	-	32,851
64	271.2	Developer Contributions	WP/II-A-3	5,518,214	-	5,518,214
65	272	Accumulated Amortization	WP/II-A-3	(643,197)	-	(643,197)
66		TOTAL NET (CIAC)		4,907,868	-	4,907,868
67		ACCUMULATED DEFERRED INCOME TAXES				
68	281	Accelerated Amortization	WP/II-A-3	-	-	-
69	282	Liberated Depreciation	WP/II-A-3	-	6,636,787	6,636,787
70	283	Other	WP/II-A-3	-	19,934	19,934
71		TOTAL ACCUMULATED DEFERRED INCOME TAXES		-	6,656,721	6,656,721
72		TOTAL LIABILITIES & OTHER CREDITS		108,449,817	2,613,635	111,063,453
73		TOTAL EQUITY, LIABILITIES & OTHER CREDITS		162,223,698	9,803,691	172,027,389

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule II-A-3.1 Comparative Balance Sheet
Witness: Carmelitha Bordeignon-Taylor

Line No	NARUC Account (a)	Description (b)	Reference Schedule (c)	As of 6/30/2015 (d)	As of 12/31/2013 (e)
1		UTILITY PLANT			
2	101	Utility Plant in Service	II-B-1	136,650,409	132,164,230
3	105	Construction Work in Progress	No workpaper	1,595,768	528,050
4		Total Utility Plant		138,246,177	132,692,280
5					
6		ACCUMULATED DEPRECIATION			
7	108.1	Utility Plant in Service	II-B-3	(50,863,562)	(49,457,910)
8		Total Accumulated Depreciation & Amortization		(50,863,562)	(49,457,910)
9					
10		TOTAL NET UTILITY PLANT		87,382,615	83,234,370
11					
12		OTHER PROPERTY AND INVESTMENTS			
13	127	Other Special Funds	No workpaper	9,841	8,341
14		TOTAL OTHER PROPERTY AND INVESTMENTS		9,841	8,341
15					
16		CURRENT AND ACCRUED ASSETS			
17	131.2	Cash in Bank	No workpaper	82,004	88,069
18	133	Other Special Deposits	No workpaper	8,105	9,175
19	134	Working Funds	No workpaper	91	600
20	141	Customers Accounts Receivable	No workpaper	3,070,389	3,075,006
21	143	Accumulated Provision for Uncollectible Accounts-Credit	II-A-3.5	(100,420)	(126,327)
22	145	Accounts Receivable from Affiliated Company	II-A-3.4	71,613,620	30,041,272
23	151	Plant Materials and Supplies	II-B-6	375,918	268,678
24	162	Prepayments	II-B-8	58,199	103,322
25	171	Accrued Interest & Dividends Receivable		95,968	197,466
26		TOTAL CURRENT & ACCRUED ASSETS		75,203,874	33,657,259
27					
28		DEFERRED DEBITS			
29	181	Unamortized Debt Discount and Expense	II-A-3.8	174,327	191,094
30	186.1	Deferred Rate Case Expense	II-A-3.8	2,269	-
31	186.2	Other Deferred Debits	II-A-3.8	1,332,987	1,240,068
32	190.10	Accumulated Deferred Federal Income Taxes	II-E-3.5	5,983,131	-
33		TOTAL DEFERRED		7,492,714	1,431,162
34					
35		TOTAL ASSETS		170,089,045	118,331,131
36					
37		CAPITAL			
38		EQUITY CAPITAL			
39	201	Common Stock Issued	No workpaper	1,000	1,000

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule II-A-3.1 Comparative Balance Sheet
Witness: Carmelitha Bordelon-Taylor

Line No	NARUC Account (a)	Description (b)	Reference Schedule (c)	As of 6/30/2015 (d)	As of 12/31/2013 (e)
40	211	Other Paid-In Capital	No workpaper	80,123,027	80,123,027
41	215	Unappropriated Retained Earnings	II-A-3.12	(19,855,057)	(29,600,963)
42		TOTAL EQUITY CAPITAL		60,268,971	50,523,064
43		LONG-TERM DEBT			
44	224	Other Long-term Debt	II-C-4	24,803,072	26,325,471
45		TOTAL LONG-TERM DEBT		24,803,072	26,325,471
46		CURRENT AND ACCRUED LIABILITIES			
47		Accounts Payable	No workpaper	631,724	500,851
48	231	Accounts Payable to Affiliated Companies	II-A-3.9	68,709,515	31,242,972
49	233	Customers' Deposits-Billing	II-B-10	576,100	672,214
50	235	Accrued Taxes, Taxes Other Than Income	No workpaper	241,253	449,702
51	236.11	Accrued Taxes, Income Taxes	No workpaper	75,801	226,190
52	236.12	Accrued Interest on Long-term Debt	No workpaper	136,023	148,242
53	237.1	Accrued Interest on Other Liabilities	No workpaper	2,167	1,784
54	237.2	Matured Long-term Debt	II-C-4	822,631	822,631
55	239	Miscellaneous Current and Accrued Liabilities	No workpaper	366,167	657,088
56	241	TOTAL CURRENT AND ACCRUED LIABILITIES		71,561,381	34,721,674
57		DEFERRED CREDITS			
58	60	Advances for Construction	II-A-3.10	567,237	852,394
59	61	Other Deferred Credits	II-A-3.10	245,945	1,720,024
60	62	TOTAL DEFERRED CREDITS		813,181	2,572,418
61	63	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)			
62	64	Customer Contributions	II-B-10	32,851	-
63	65	Developer Contributions	II-B-10	5,518,214	4,678,674
64	66	Accumulated Amortization	II-B-10	(643,197)	(490,170)
65	67	TOTAL NET (CIAC)		4,907,868	4,188,504
66	68	ACCUMULATED DEFERRED INCOME TAXES			
67	69	Accelerated Amortization	II-E-3.5	-	-
68	70	Liberalized Depreciation	II-E-3.5	7,714,783	-
69	71	Other	II-E-3.5	19,788	-
70	72	TOTAL ACCUMULATED DEFERRED INCOME TAXES		7,734,571	-
71	73	TOTAL LIABILITIES & OTHER CREDITS		109,820,074	67,808,067
72	74	TOTAL EQUITY, LIABILITIES & OTHER CREDITS		170,089,045	118,331,131

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A-3.1 Comparative Balance Sheet
 Witness: Carmelitha Bordejon-Taylor

Line No	NARUC Account (a)	Description (b)	Reference Schedule (c)	As of 6/30/2015 (d)	As of 12/31/2013 (e)
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Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-A-3.2 Other Physical Property

Witness: Carmelitha Bordelon-Taylor

Monarch has no investments in affiliated companies or other physical property in Texas that is not reported in other schedules in this filing.

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A-3.4 Receivables
 Witness: Carmelitha Borden-Taylor

Line No	Account (a)	Account Name (b)	Reference Schedule (c)	Amount (d)	Description (e)
1	146	Notes Receivable		-	No Notes Receivable
2	145	Accounts Receivable from associated companies	No workpaper	71,613,620	Also see Schedule II-A-3.9 for accounts payable to associated companies. There was a net accounts receivable from associated companies balance of \$3,350,738 at June 30, 2015. Accounts receivable from associated companies arise from the following: <ul style="list-style-type: none"> - Parent company cash management policies are to sweep any cash balances from the utility - Allocation of Monarch's shared direct costs which includes general employee costs, vehicles, supplies, office materials, rent and other costs (see IV-4.1 Cost Allocation Manual for more detail) - Allocation of Monarch's shared overhead costs which includes general employee costs, vehicles, supplies, office materials, rent and other costs (see IV-4.1 Cost Allocation Manual for more detail) - Advances to SouthWest
3	141	Accounts Receivable, Unbilled	No workpaper	1,384,503	Represents an estimate of metered water and sewer that has been delivered to customers, but has yet to be billed due to mid-month billing cycles.

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-A-3.5 Uncollectible Accounts

Witness: Carmelitha Bordelon-Taylor

Line No	(a)	Reference (b)	(c)	(d)	(e)
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1 Method of Accrual:

2 Monarch reserves according to these percentages of Accounts Receivable that are past due:

- 3
- 4 100% Of Accounts Receivable Balances Over 90 Days
- 5 50% Of Accounts Receivable Balances Between 61 and 90 days
- 6 25% Of Accounts Receivable Balances Between 30 and 60 days
- 7

8 Each month the balance in the reserve account is compared to the amount expected to be uncollectible using the above percentages.
 9 The balance is then adjusted to the expected amount and offset the difference to Bad Debt Expense.

Balance in reserve at:

June 30, 2015	(100,420.14)
December 31, 2013	(126,327.31)
December 31, 2012	(252,045.83)

18					
19	143 - Accumulated Provision for Uncollectible Accounts - Water		2013		2012
20	143 - Accumulated Provision for Uncollectible Accounts - WW	(84,353)	(106,115)	(211,718)	
21		(16,067)	(20,212)	(40,327)	
22		(100,420)	(126,327)	(252,046)	

Amounts written off during 12 months ending :

June 30, 2015	149,283.06
December 31, 2013	492,604.32
December 31, 2012	690,657.13

27 No workpaper

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A-3.6 Prepayments
 Witness: Carmelitha Bordelon-Taylor

Line No	Category (a)	Payee / purpose (b)	Reference (c)	Start Date (d)	End Date (e)	Monthly Amortization (f)	Balance 6/30/2015 (g)
1	Common	TCEQ Water System/Assessment Fees-2015	WP/II-A-3.6	1/1/2015	12/31/2015	5,604	33,622
2	Common	NAWC dues - 2015	WP/II-A-3.6	1/1/2015	12/31/2015	1,337	8,022
3	Water	Barton Springs - WATER USE FEES 2015	WP/II-A-3.6	1/1/2014	1/31/2014	-	7,012
4	Water	Brazos River Authority	WP/II-A-3.6	9/1/2014	8/31/2015	3,475	6,950
5	Water	Barton Springs - Water Transport Fee, annual	WP/II-A-3.6	9/1/2014	8/31/2015	1,296	2,593
						<u>10,375</u>	<u>58,200</u>

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule II-A-3.7 Significant Assets
Witness: Carmelitha Bordeion-Taylor

The only item in current assets that is greater than 15% of the total is Accounts Receivable from Affiliated Companies. Please see Schedule II-A-3.4 for more information on this account.

Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A-3.8 Deferred Asset Accounts
 Witness: Carmelitha Bordelon-Taylor

Line No	Account No (a)	Account Description (b)	Reference (c)	Balance @ 6/30/2015 (d)	Annualized Amortization (e)	Comments (f)
1	181	Unamortized Debt Discount and Expense	WP/II-A-3.8	\$ 174,327	(11,178)	Financing costs related to Monarch's Long Term Debt Deferred Rate Case Expense Deferred Cost - Taps Cobank Patronage Equity earned to date
2	186.1	Deferred Rate Case Expense	No workpaper	2,269		
3	186.2	Other Deferred Debits	WP/II-A-3.8	1,492		
4	186.2	Other Deferred Debits	WP/II-A-3.8	1,331,495		
5		Total		\$ 1,509,583	\$ (11,178)	
6						

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A-3.9 Accounts Payable to Associated Companies
 Witness: Robert Kelly

Line No	Account (a)	Account Name (b)	Reference (c)	Amount (d)	Description (e)
1	233	Accounts payable to associated companies	II A-3.1	68,709,515	<p>Also see Schedule II-A-3.4 for accounts receivable from associated companies. There was a net accounts receivable from associated companies balance of \$3,350,738 at June 30, 2015. Accounts payable to associated companies arise from the following:</p> <ul style="list-style-type: none"> - Cash management policy to make cash payments for accounts payable from the Southwest cash accounts - Allocation of Texas Utilities direct overhead administration costs for the direct support of services including management, employee health and safety, financial service center and customer service (see IV-4.1 Cost Allocation Manual for more detail) - Allocation of Texas Utilities shared overhead costs which includes general employee costs, vehicles, supplies, office materials, rent and other costs (see IV-4.1 Cost Allocation Manual for more detail) - Allocation of parent company indirect costs for services related to executive management, legal, information technology, finance, human resources, facilities and internal audit (see IV-4.1 Cost Allocation Manual for more detail) - Borrowings from SouthWest

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A-3.10 Deferred Credits
 Witness: Carmelitha Bordelon-Taylor

Line No	Account (a)	Description (b)	Reference (c)	Balance (d)
1	252	Advances for Construction	II B-10	567,237
2	253	Deferred Tap Fee Revenue - Water	II A-3.1	22,280
3	253	Deferred Tap Fee Revenue - Sewer	II A-3.1	39,879
4	253	Unamortized Fair Market Value Adjustment	II A-3.1	183,786
5		Total Deferred Credits		813,182

252 Advances for Construction: Originate with various developers who install water or wastewater systems in new developments and convey those assets to Monarch in exchange for fees payable when each new connection is established. The company repays the developer until the contract period expires or the advances are fully repaid. If at the end of the contract period an unpaid balance remains it is reclassified to Contributions in Aid of Construction.

253 Deferred Tap Fee Revenue: Monarch collects fees for tap installations at the time of a customer/developer request. Revenues are recognized at the time that a meter is set and a customer is established at the residence.

253 Unamortized Fair Market Value Adjustment: At the time of the acquisition of Monarch the current market interest rate was lower than the interest rate on the existing loan that SWWC acquired from TECON as part of the acquisition. The difference between the market interest rate and the interest rate on the loan was accounted for as part of the purchase accounting and a theoretical interest savings is being amortized over the remaining course of the loan.

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-A-3.11 Funding of Reserves

Witness: Carmelitha Bordelon-Taylor

Monarch Utilities I, L.P. has no operating reserves.

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-A-3.12 Unappropriated Retained Earnings
 Witness: Carmelitha Bordejon-Taylor

Line No	(a)	(b)	(c)	(d)
1	Monarch Utilities I, LP (the "Partnership") was acquired by Southwest Water Company (the "Parent" or "SouthWest") on July 29, 2004. At December 31, 2014, Texas Water Services Group, LLC (the "General Partner"), held a 0.1% general partner interest in Monarch Utilities I, LP. Monarch Utilities, Inc. (the "Limited Partner") held a 99.9% interest. Monarch Utilities, Inc. is a wholly-owned subsidiary of Southwest Water Company and Texas Water Services Group, LLC is a wholly-owned subsidiary of Monarch Utilities, Inc. All of the SouthWest stock is owned by the SW Merger Acquisition Corporation, which is privately held.			
8	As a partnership Monarch has no retained earnings, but instead has partnership capital. The balance sheet presented herein in NARUC format shows an account for retained earnings and the analysis provided here is for that account as shown.			
14	Balance of Retained Earnings @ December 31, 2011			
15	Net (Income)/Loss 2012			
18	Balance of Retained Earnings @ December 31, 2012			
20	Net (Income)/Loss 2013			
22	Balance of Retained Earnings @ December 31, 2013			
24	Net (Income)/Loss 2014			
26	Balance of Retained Earnings @ December 31, 2014			
28	Adjustments for Normalizations and Known and Measurable			
29	Net (Income)/Loss YTD June 30, 2015			
31	Balance of Retained Earnings @ June 30, 2015			
32				
		Per Book		
		\$	24,372,524	
			4,836,849	
			29,209,373	
			<u>391,590</u>	
			29,600,963	
		\$	(1,652,569)	
			27,948,394	
			<u>(8,093,337)</u>	
			<u>19,855,057</u>	

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule II-A-3.13 Advances to/from Parent Corporation
Witness: Robert Kelly

- Advances made by the utility to its parent corporation arise from the parent company cash management policies to sweep any cash balances from the utility.
- Advances made by the parent company to the utility arise from the following:
 - Cash management policy to make cash payments for accounts payable from the parent company cash account
 - Allocation of parent company indirect costs for services related to executive management, legal, information technology, finance, human resources, facilities and internal audit (see Cost Allocation Manual for more detail)
 - Borrowings from the parent company
- Interest on the net balance with SouthWest is calculated utilizing SouthWest's short term borrowing rate of LIBOR plus 250 basis points.
- We anticipate that cash from the operations of Monarch that is routinely swept under the SouthWest policy will increase the advances to parent in the near future. However, future advances from or repayments to SouthWest will depend on future capital requirements and the level of earnings by Monarch.

Monarch Utilities I, L.P.
Docket No. 45570
Test Year Ending 6/30/2015
Schedule II-B Rate Base Summary
Witness: Carmelitha Bordelon-Taylor

Line No	Description (a)	Reference Schedule (b)	Monarch Total (c)	K&M Adjustment (d)	Adjusted Monarch Total (e)	Func. Factor (f)	Water (g)	Functionalization Wastewater (h)
1	Net Plant In Service	II-B-1	\$ 140,739,127	\$ (4,089,293)	\$ 136,649,834	WTR-WMR	\$ 116,283,970	\$ 20,365,863
2	Original Cost of Utility Plant	II-B-3	(55,649,345)	4,785,783	(50,863,562)	WTR-WMR	(43,668,493)	(7,195,069)
3	Less: Accumulated Depreciation		\$ 85,089,782	\$ 696,490	\$ 85,786,272		\$ 72,615,478	\$ 13,170,794
4	Net Plant in Service		\$ -	\$ -	\$ -		\$ -	\$ -
5	Other Rate Base Items	II-B-2	-	-	-		-	-
6	Construction Work in Progress	II-B-4	-	-	-		-	-
7	Plant Held for Future Use	II-B-5	-	-	-		-	-
8	Accumulated Provisions	II-B-6	352,108	-	352,108	WTR-WMR	299,866	52,242
9	Materials & Supplies	II-B-7	473,472	-	473,472	WTR-WMR	427,368	46,104
10	Working Capital	II-B-8	58,200	-	58,200	WTR-WMR	51,537	6,663
11	Prepayments	II-B-9	-	-	-		-	-
12	Storm Damage and Extraordinary Property Loss	II-B-10	(6,051,205)	-	(6,051,205)	WTR-WMR	(4,726,880)	(1,324,325)
13	Other Rate Base Items	II-B-11	-	-	-		-	-
14	Regulatory Assets	II-E-3.5	(673,328)	(1,078,112)	(1,751,440)	WTR-WMR	(751,530)	(999,911)
15	Accumulated Deferred Income Taxes		\$ (5,840,753)	\$ (1,078,112)	\$ (6,918,865)		\$ (4,699,640)	\$ (2,219,226)
16	Total Other Rate Base Items		\$ 79,249,029	\$ (381,622)	\$ 78,867,407		\$ 67,915,838	\$ 10,951,568
17	Total Rate base		8.77%	8.77%	8.77%		8.77%	8.77%
18	Rate of Return		\$ 6,951,725	\$ (33,476)	\$ 6,918,249		\$ 5,957,577	\$ 960,672
19	Return on Rate Base							
20								
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23								
24								

Monarch Utilities I, L.P.
Docket No. 45370
Test Year Ending 6/30/2015
Schedule II-B (W) Rate Base Summary - Water
Witness: Carmelitha Bordelon-Taylor

Line No	Description (a)	Reference Schedule (b)	Monarch Total (c)	K/M Adjustment (d)	Adjusted Monarch Total (e)	Func. Factor (f)	Water (g)	Wastewater (h)
1	Net Plant In Service	II-B-1 (W)&(SH)	\$ 119,591,079	\$ (3,307,108)	\$ 116,283,970	WTR-DIRECT	\$ 116,283,970	-
2	Original Cost of Utility Plant	II-B-3 (W)&(SH)	(47,901,407)	4,232,914	(43,668,493)	WTR-DIRECT	(43,668,493)	-
3	Less: Accumulated Depreciation		\$ 71,689,672	\$ 925,806	\$ 72,615,478		\$ 72,615,478	-
4	Net Plant in Service							
5	Other Rate Base Items							
6	Construction Work in Progress	II-B-2	\$ -	\$ -	\$ -			
7	Plant Held for Future Use	II-B-4	-	-	-			
8	Accumulated Provisions	II-B-5	-	-	-			
9	Materials & Supplies	II-B-6	299,866	-	299,866	WTR-MWR	299,866	-
10	Working Capital	II-B-7	427,368	-	427,368	WTR-MWR	427,368	-
11	Prepayments	II-B-8	58,200	-	58,200	WTR-MWR	58,200	-
12	Storm Damage and Extraordinary Property Loss	II-B-9	-	-	-			
13	Other Rate Base Items	II-B-10	(4,726,880)	-	(4,726,880)	WTR-MWR	(4,726,880)	-
14	Regulatory Assets	II-B-11	-	-	-			
15	Accumulated Deferred Income Taxes	II-E-3.5	219,976	(971,504)	(751,529)	WTR-MWR	(751,529)	-
16	Total Other Rate Base Items		\$ (3,721,471)	\$ (971,504)	\$ (4,692,976)		\$ (4,692,976)	
17	Total Rate base		\$ 67,968,201	\$ (45,698)	\$ 67,922,502		\$ 67,922,502	
18	Rate of Return		8.77%	8.77%	8.77%		8.77%	8.77%
19	Return on Rate Base		\$ 5,962,171	\$ (4,009)	\$ 5,958,162		\$ 5,958,162	
20								
21								
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23								
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Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-B-1 Original Cost of Utility Plant - Total Company
 Witness: Craig Gott

Line No	Account No (a)	Description (b)	Reference Schedule (c)	Monarch Total (d)	K&M Adjustment (e)	Adjusted Monarch Total (f)	Func. Factor (g)	Functionalization	
								Water (h)	Wastewater (i)
1		Original Cost of Water Utility Plant	II-B-1 (W)	\$ 119,308,844	\$ (3,307,108)	\$ 116,001,736	WTR-DIRECT	\$ 116,001,736	\$ -
2		Original Cost of Sewer Utility Plant	II-B-1 (S)	21,094,290	(782,185)	20,312,104	WW-DIRECT	-	20,312,104
3		Original Cost of Shared Plant	II-B-1 (SH)	335,993	-	335,993	WTR-WWR	282,234	53,759
4									
5		Total Company Original Cost of Utility Plant		\$ 140,739,127	\$ (4,089,293)	\$ 136,649,834		\$ 116,283,970	\$ 20,365,863
6									
7									
8									

Monarch Utilities I, L.P.
 Docket No. 45570
 Test Year Ending 6/30/2015
 Schedule II-B-1 (W) Original Cost of Utility Plant - Water Operations
 Witness: Craig Gott

Line No	Account No (a)	Description (b)	Reference Schedule (c)	Monarch Total (d)	K&M Adjustment (e)	Adjusted Monarch Total (f)	Func. Factor (g)	Water (h)	Functionalization Wastewater (i)
1	301	Organization	No Workpaper	\$ -	\$ -	\$ -	WTR-DIRECT	\$ -	\$ -
2	302	Franchises	No Workpaper	1,670,310	(163,433)	1,506,856	WTR-DIRECT	1,506,856	-
3	303	Land and Land Rights	No Workpaper	14,813,618	(334,111)	14,479,507	WTR-DIRECT	14,479,507	-
4	304	Structures and Improvements	No Workpaper	-	-	-	WTR-DIRECT	-	-
5	305	Collecting and Impounding Reservoirs	No Workpaper	-	-	-	WTR-DIRECT	-	-
6	306	Lake, River and Other Intakes	No Workpaper	-	-	-	WTR-DIRECT	-	-
7	307	Wells and Springs	No Workpaper	-	-	-	WTR-DIRECT	-	-
8	308	Infiltration Galleries and Tunnels	No Workpaper	15,332,576	(371,138)	14,961,439	WTR-DIRECT	14,961,439	-
9	309	Supply Mains	No Workpaper	26,781	-	26,781	WTR-DIRECT	26,781	-
10	310	Power Generation Equipment	No Workpaper	6,239,329	(125,231)	6,114,097	WTR-DIRECT	6,114,097	-
11	311	Pumping Equipment	No Workpaper	7,489,053	(266,883)	7,222,170	WTR-DIRECT	7,222,170	-
12	320	Water Treatment Equipment	No Workpaper	3,613,079	(22,488)	3,590,591	WTR-DIRECT	3,590,591	-
13	330	Distribution Reservoirs and Standpipes	No Workpaper	14,721,393	(591,238)	14,130,155	WTR-DIRECT	14,130,155	-
14	331	Transmission and Distribution Mains	No Workpaper	47,074,580	(1,028,928)	46,045,652	WTR-DIRECT	46,045,652	-
15	333	Services	No Workpaper	358,003	(4,213)	353,791	WTR-DIRECT	353,791	-
16	334	Meters and Meter Installations	No Workpaper	5,202,388	(248,504)	4,953,884	WTR-DIRECT	4,953,884	-
17	335	Hydrants	No Workpaper	388,781	(66,904)	321,877	WTR-DIRECT	321,877	-
18	336	Backflow Prevention Devices	No Workpaper	-	-	-	WTR-DIRECT	-	-
19	339	Other Plant Miscellaneous Equipment	No Workpaper	656,903	(8,492)	648,411	WTR-DIRECT	648,411	-
20	340	Office Furniture and Equipment	No Workpaper	458,700	(20,404)	438,296	WTR-DIRECT	438,296	-
21	341	Transportation Equipment	No Workpaper	130,084	-	130,084	WTR-DIRECT	130,084	-
22	342	Stores Equipment	No Workpaper	-	-	-	WTR-DIRECT	-	-
23	343	Tools, Shop and Garage Equipment	No Workpaper	-	-	-	WTR-DIRECT	-	-
24	344	Laboratory Equipment	No Workpaper	131,422	(952)	130,470	WTR-DIRECT	130,470	-
25	345	Power Operated Equipment	No Workpaper	437,074	(600)	436,474	WTR-DIRECT	436,474	-
26	346	Communication Equipment	No Workpaper	443,359	(4,010)	439,349	WTR-DIRECT	439,349	-
27	347	Miscellaneous Equipment	No Workpaper	57,709	(49,558)	8,151	WTR-DIRECT	8,151	-
28	348	Other Tangible Plant	No Workpaper	63,702	-	63,702	WTR-DIRECT	63,702	-
29									
30									
31									
32									
33									
34									
35									
36									
37									
38		Total Original Cost of Plant - Water Operations		\$ 119,308,844	\$ (3,307,108)	\$ 116,001,736		\$ 116,001,736	\$ -

Please refer to the testimony and exhibits of Craig Gott.