

**Monarch Utilities I, LP**

**Wastewater Systems**

**395.70 POWER OPERATED EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 15% Average Service Life: 15 Survivor Curve: R3*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1997	1,710.00	1.91	15.00	0.74159	1,268
1999	584.00	2.61	15.00	0.70231	410
2003	1,088.38	4.72	15.00	0.58262	634
2008	2,250.93	8.49	15.00	0.36896	831
2009	863.84	9.35	15.00	0.32016	277
2012	2,375.97	12.09	15.00	0.16472	391
<b>Total</b>	<b>8,873.12</b>				<b>3,810.83</b>

**Monarch Utilities I, LP**

**Wastewater Systems**

**396.70 COMMUNICATION EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

**Salvage Value: 0% Average Service Life: 20 Survivor Curve: R3**

<b>Year</b>	<b>Original Cost</b>	<b>Expectancy</b>	<b>Avg. Service Life</b>	<b>Reserve Ratio</b>	<b>Calculated Reserve</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
2005	17,038.81	10.76	20.00	0.46202	7,872
2006	4,918.41	11.60	20.00	0.41994	2,065
2007	3,594.73	12.47	20.00	0.37669	1,354
2009	26,003.53	14.26	20.00	0.28704	7,464
2011	2,629.90	16.12	20.00	0.19380	510
2014	6,437.81	19.02	20.00	0.04910	316
<b>Total</b>	<b>60,623.19</b>				<b>19,581.57</b>

**Monarch Utilities I, LP**

**Wastewater Systems**

**397.70 MISCELLANEOUS EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

**Salvage Value: 0% Average Service Life: 25 Survivor Curve: R3**

<b>Year</b>	<b>Original Cost</b>	<b>Expectancy</b>	<b>Avg. Service Life</b>	<b>Reserve Ratio</b>	<b>Calculated Reserve</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
2014	1,916.12	24.02	25.00	0.03931	75
2015	1,315.75	24.75	25.00	0.00985	13
<b>Total</b>	<b>3,231.87</b>				<b>88.28</b>

## **SECTION 6**

**Monarch Utilities I, LP**

**Shared Facilities**

**310.00 POWER GENERATED EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

**Salvage Value: -10% Average Service Life: 30 Survivor Curve: R3**

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2015	9,240.24	29.75	30.00	0.00903	83
<b>Total</b>	9,240.24				83.42

**Monarch Utilities I, LP**

**Shared Facilities**

**311.00 TRASH PUMP**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

**Salvage Value: -10% Average Service Life: 30 Survivor Curve: R3**

<b>Year</b>	<b>Original Cost</b>	<b>Expectancy</b>	<b>Avg. Service Life</b>	<b>Reserve Ratio</b>	<b>Calculated Reserve</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
2015	956.70	29.75	30.00	0.00903	9
<b>Total</b>	<b>956.70</b>				<b>8.64</b>

**Monarch Utilities I, LP**

**Shared Facilities**

**340.50 OFFICE FURNITURE & EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 12 Survivor Curve: R2.5*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1900	357.20	0.00	0.00	1.00000	357
2004	27,401.98	3.37	12.00	0.71887	19,699
2005	37,743.71	3.94	12.00	0.67208	25,367
2006	1,166.60	4.56	12.00	0.62012	723
2007	7,116.20	5.24	12.00	0.56365	4,011
2009	11,772.21	6.73	12.00	0.43926	5,171
2010	7,577.50	7.53	12.00	0.37215	2,820
2012	1,804.32	9.25	12.00	0.22958	414
2013	2,277.00	10.14	12.00	0.15481	353
<b>Total</b>	<b>97,216.72</b>				<b>58,914.82</b>

**Monarch Utilities I, LP**

**Shared Facilities**

**341.50 TRANSPORTATION EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

**Salvage Value: 15% Average Service Life: 8 Survivor Curve: R3**

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2004	200.00	0.72	8.00	0.77339	155
2012	61,152.58	5.16	8.00	0.30131	18,426
2014	2,080.93	7.02	8.00	0.10373	216
<b>Total</b>	<b>63,433.51</b>				<b>18,796.43</b>



**Monarch Utilities I, LP**

**Shared Facilities**

**343.00 TOOLS, SHOP & GARAGE EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 18 Survivor Curve: R2*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1985	1,937.00	0.98	18.00	0.94581	1,832
2003	500.00	8.42	18.00	0.53245	266
2015	2,247.87	17.77	18.00	0.01257	28
<b>Total</b>	<b>4,684.87</b>				<b>2,126.51</b>

**Monarch Utilities I, LP**

**Shared Facilities**

**344.50 LABORATORY EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

**Salvage Value: 0% Average Service Life: 15 Survivor Curve: R3**

<b>Year</b>	<b>Original Cost</b>	<b>Expectancy</b>	<b>Avg. Service Life</b>	<b>Reserve Ratio</b>	<b>Calculated Reserve</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
2011	6,056.42	11.16	15.00	0.25631	1,552
<b>Total</b>	<b>6,056.42</b>				<b>1,552.34</b>

**Monarch Utilities I, LP**

**Shared Facilities**

**345.50 POWER OPERATED EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 15% Average Service Life: 15 Survivor Curve: R3*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2012	4,835.44	12.09	15.00	0.16472	797
<i>Total</i>	4,835.44				796.51

**Monarch Utilities I, LP**

**Shared Facilities**

**347.50 TOOLS, SHOP AND GARAGE EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

**Salvage Value: 0% Average Service Life: 18 Survivor Curve: R2**

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2015	9,600.00	17.77	18.00	0.01257	121
<i>Total</i>	9,600.00				120.63

**Monarch Utilities I, LP**

**Shared Facilities**

**381.00 TRANSPORTATION EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 15% Average Service Life: 8 Survivor Curve: R3*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2012	47,927.69	5.16	8.00	0.30131	14,441
<b>Total</b>	47,927.69				14,441.11

**Monarch Utilities I, LP**

**Shared Facilities**

**390.10 OFFICE FURNITURE & EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 15 Survivor Curve: R3*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	232.72	8.49	15.00	0.43407	101
2010	99,313.00	10.24	15.00	0.31734	31,516
2011	8,788.23	11.16	15.00	0.25631	2,253
<b>Total</b>	<b>108,333.95</b>				<b>33,869.18</b>

**Monarch Utilities I, LP**  
**Shared Facilities**  
**390.10 OFFICE FURNITURE & EQUIPMENT**  
**Original Cost Of Utility Plant In Service**  
**And Development Of Calculated Depr Reserve as of June 30, 2015**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 0% Average Service Life: 15 Survivor Curve: R3*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	232.72	8.49	15.00	0.43407	101
2010	99,313.00	10.24	15.00	0.31734	31,516
2011	8,788.23	11.16	15.00	0.25631	2,253
<b>Total</b>	<b>108,333.95</b>				<b>33,869.18</b>

**Monarch Utilities I, LP**

**Shared Facilities**

**395.70 POWER OPERATED EQUIPMENT**

**Original Cost Of Utility Plant In Service**

**And Development Of Calculated Depr Reserve as of June 30, 2015**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Salvage Value: 15% Average Service Life: 15 Survivor Curve: R3*

<i>Year</i>	<i>Original Cost</i>	<i>Expectancy</i>	<i>Avg. Service Life</i>	<i>Reserve Ratio</i>	<i>Calculated Reserve</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2010	5,399.00	10.24	15.00	0.26974	1,456
2011	26,076.33	11.16	15.00	0.21787	5,681
2014	4,500.00	14.02	15.00	0.05559	250
2015	8,884.78	14.75	15.00	0.01395	124
<b>Total</b>	<b>44,860.11</b>				<b>7,511.50</b>



Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-B-3(6) Accumulated Depreciation - Description of Methods and Procedures

Witness: Earl M. Robinson

For a description of depreciation methods and procedures, please see the testimony of Earl Robinson.

**CALIFORNIA JURAT WITH AFFIANT STATEMENT**

**GOVERNMENT CODE § 8202**

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

1 \_\_\_\_\_  
 2 \_\_\_\_\_  
 3 \_\_\_\_\_  
 4 \_\_\_\_\_  
 5 \_\_\_\_\_  
 6 \_\_\_\_\_

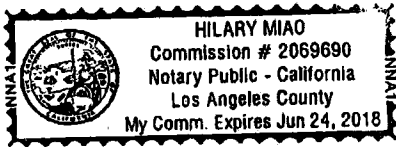
Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
 County of Los Angeles

Subscribed and sworn to (or affirmed) before me  
 on this 12 day of February, 2016,  
 by Date Month Year  
 (1) Robert L. Kelly  
 (and (2) \_\_\_\_\_),  
 Name(s) of Signer(s)



proved to me on the basis of satisfactory evidence  
 to be the person(s) who appeared before me.

Signature Hilary Miao  
 Signature of Notary Public

Seal  
 Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Aff.avit - Accum. Depr. Study Document Date: 2/12/16  
 Number of Pages: 3 Signer(s) Other Than Named Above: \_\_\_\_\_

**AFFIDAVIT OF ROBERT L. KELLY**  
**REGARDING SCHEDULE II-B-3 – ACCUMULATED DEPRECIATION STUDY**

STATE OF CALIFORNIA            )  
  )  
COUNTY OF LOS ANGELES        )

BEFORE ME, the undersigned authority, on this day personally appeared Robert L. Kelly who being by me first duly sworn, on oath deposed and said the following:

1. My name is Robert L. Kelly. I am over the age of 18 and am otherwise competent to make this affidavit. I am employed by Suburban Water Systems (“Suburban”) as Vice President of Regulatory Affairs. Suburban is a subsidiary of SouthWest Water Company (“SouthWest”). SouthWest is the parent company to Monarch Utilities I, L.P. (“Monarch”), Applicant, in this matter. I have personal knowledge of the facts stated herein and those facts are true and correct.
  
2. My educational background consists of a Bachelor of Science in Accounting from the University of New York at Binghamton and a Masters in Business Administration from the University of North Florida. I have also completed all the requirements for an additional Masters in Business Administration from California Polytechnic University at Pomona. My professional background prior to being employed by Suburban includes 18 years of financial experience with regulated investor owned water utilities. I have been employed by Suburban for 20 years. I am a Certified Public Accountant in Florida and in Arizona. I also am a Certified Management Accountant.

3. Through my many years of experience in the water utility industry, I have become familiar with the preparation and review of water and wastewater system depreciation studies and theoretical depreciation reserve studies.
4. In preparation of the filing of its Water and Sewer Rate Filing Package ("Rate Filing Package"), Monarch engaged the services of Earl M. Robinson, of AUS Consultants. Mr. Robinson was engaged to conduct a depreciation review and analysis of the plant in service of Monarch's Water and Wastewater Systems, and prepare depreciation studies and theoretical depreciation reserve studies for those systems. The depreciation and theoretical reserve studies were prepared by Mr. Robinson, using accurate and complete data from Monarch. These studies are contained in the Rate Filing Package as Schedule II-E-1.4W titled "Monarch Utilities I, LP—All Water Systems Depreciation Study as of December 31, 2014," Schedule II-E-1.4S, the "Monarch Utilities I, LP—All Wastewater Systems Depreciation Study as of December 31, 2014," and Schedule II-E-1.4W&S titled "Monarch Utilities I, L.P.—All Water Systems All Wastewater Systems, All Shared Equipment—Theoretical Depreciation Reserve Studies as of June 20, 2015." In preparation of my affidavit I reviewed and analyzed Chapter 16 Section 24.31(c)(2) of the Texas Administrative Code ("TAC") to ensure that the depreciation studies prepared by Mr. Robinson were completed in compliance with those requirements.
5. After reviewing the depreciation studies and studying the data provided by Monarch to Mr. Robinson to prepare those studies, I have concluded that the depreciation studies, the theoretical depreciation reserve studies, and all

information provided regarding the calculation of depreciation and rate base meet the specific requirements of 16 TAC§24.31(c)(2).

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
ROBERT L. KELLY

SUBSCRIBED AND SWORN TO before me this 12 day of February, 2016.

\_\_\_\_\_  
Notary Public, State of California

**AFFIDAVIT OF EARL M. ROBINSON**  
**REGARDING SCHEDULE II-B-3 – ACCUMULATED DEPRECIATION STUDY**

STATE OF NEW MEXICO )  
  )  
COUNTY OF BERNALILLO)

BEFORE ME, the undersigned authority, on this day personally appeared Earl M. Robinson who being by me first duly sworn, on oath deposed and said the following:

1. My name is Earl M. Robinson. I am over the age of 18 and am otherwise competent to make this affidavit. I am a Principal of AUS Consultants (“AUS”), a consulting firm specializing in preparing various financial studies including depreciation, valuation, revenue requirement, cost of service, rate of return, and other analysis and studies for the utility industry and numerous other entities. I have been retained by Monarch Utilities I, L.P. (“Monarch”) in this matter. I have personal knowledge of the facts stated herein and those facts are true and correct.
2. I have practiced as a financial analyst in the public utility field for 40 years. I have held various positions with AUS since 1977, and am now a Principal of the firm. Since joining AUS, I have focused my practice on preparing studies and coordinated analysis related to valuation, depreciation, original cost, trended original cost, cost of service, bill analysis, as well as analysis of expenses, revenues and income for various municipal and an extensive number of investor-owned electric, gas, water, wastewater, and telecommunications utilities. I have represented regulatory agencies and utilities in numerous proceedings in my 40 plus years of experience as a professional financial analyst. I have testified in over 130 proceedings before various regulatory agencies nationwide.

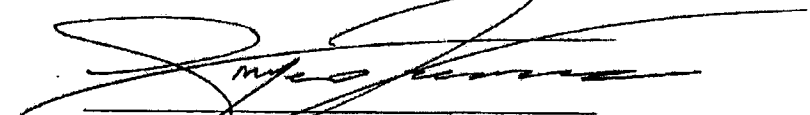
3. Through my many years of experience in the water utility industry, I have become familiar with the calculation and analysis associated with developing water and wastewater system depreciation studies, including analyzing all historical plant data and past experience and future expectations to determine the remaining lives of water and wastewater plant assets.
4. In preparation of my affidavit, I reviewed and analyzed Chapter 16 Section 24.31(c)(2) of the Texas Administrative Code ("TAC") to ensure that the depreciation studies I prepared were in compliance with those requirements. Depreciation reports of my review and analyses and my theoretical depreciation reserve studies are contained in the Rate Filing Package as Schedule II-E-1.4W titled "Monarch Utilities I, LP—All Water Systems Depreciation Study as of December 31, 2014," Schedule II-E-1.4S, the "Monarch Utilities I, LP—All Wastewater Systems Depreciation Study as of December 31, 2014," and Schedule II-E-1.4W&S titled "Monarch Utilities I, L.P.—All Water Systems, All Wastewater Systems, All Shared Equipment—Theoretical Depreciation Reserve Studies as of June 20, 2015."
5. After conducting all necessary due diligence regarding Monarch's historical plant data and reviewing Monarch's past experience and future expectations to determine the remaining lives of Monarch's water and wastewater plant assets, I have concluded that the depreciation studies and the theoretical depreciation reserve studies that I prepared and all information provided regarding the calculation of depreciation and rate base meet the specific requirements of 16 TAC§24.31(c)(2).

FURTHER AFFIANT SAYETH NOT.



EARL M. ROBINSON

SUBSCRIBED AND SWORN TO before me this 12<sup>th</sup> day of February, 2016.

  
Notary Public, State of New Mexico

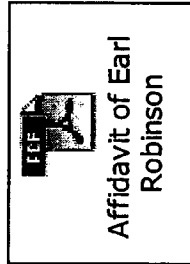
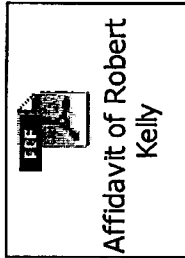
OFFICIAL SEAL  
Smyrno Vermeille  
NOTARY PUBLIC  
STATE OF NEW MEXICO

My Commission Expires: June 25<sup>th</sup> 2018



**Monarch Utilities I, L.P.**  
Docket No. 45570  
Test Year Ending 6/30/2015  
Schedule II-B-3(7) Accumulated Depreciation - Affidavit  
Witness: Earl M. Robinson/Robert Kelly

Please see attached affidavits.



Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-B-4 Plant Held for Future Use

Witness: Carmelitha Bordelon-Taylor

Monarch currently has no Plant Held for Future Use.

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-B-5 Accumulated Provision Balances

Witness: Carmelitha Bordelon-Taylor

Monarch currently has no Provisions for Loss Reserves

Monarch Utilities I, L.P.  
 Docket No. 45570  
 Test Year Ending 6/30/2015  
 Schedule II-B-6 Materials and Supplies - 13-Month Average  
 Witness: Carmelitha Bordelon-Taylor

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)	Wastewater (i)
1	151	July '14	WP/II-B-6	327,912	-	327,912	WTR-WWR	291,386	\$
2	151	August	WP/II-B-6	308,760	-	308,760	WTR-WWR	278,073	36,226
3	151	September	WP/II-B-6	313,967	-	313,967	WTR-WWR	291,488	30,687
4	151	October	WP/II-B-6	367,449	-	367,449	WTR-WWR	306,255	24,479
5	151	November	WP/II-B-6	364,513	-	364,513	WTR-WWR	313,361	61,194
6	151	December	WP/II-B-6	296,265	-	296,265	WTR-WWR	188,223	51,152
7	151	January	WP/II-B-6	366,691	-	366,691	WTR-WWR	311,269	108,042
8	151	February	WP/II-B-6	387,804	-	387,804	WTR-WWR	332,479	55,422
9	151	March	WP/II-B-6	383,723	-	383,723	WTR-WWR	322,793	55,325
10	151	April	WP/II-B-6	382,537	-	382,537	WTR-WWR	321,325	60,930
11	151	May	WP/II-B-6	383,613	-	383,613	WTR-WWR	336,493	61,212
12	151	June '15	WP/II-B-6	375,918	-	375,918	WTR-WWR	320,855	47,120
13		Total Test Year		4,261,152	-	4,261,152	WTR-WWR	3,614,001	55,063
14									647,151
15		June '14	WP/II-B-6	316,257	-	316,257	WTR-WWR	284,257	32,000
16									
17		13-Month Average Balance		352,108	-	352,108		299,866	52,242
18									
19	151	Balance as of July '15	WP/II-B-6	393,446		393,446	WTR-WWR	320,144	73,302
20	151	Balance as of August '15	WP/II-B-6	394,594		394,594	WTR-WWR	328,072	66,522
21	151	Balance as of September '15	WP/II-B-6	354,817		354,817	WTR-WWR	322,171	32,645
22	151	Balance as of October '15	WP/II-B-6	364,012		364,012	WTR-WWR	332,208	31,804
23	151	Balance as of November '15	WP/II-B-6	379,629		379,629	WTR-WWR	340,336	39,294
24	151	Balance as of December '15	WP/II-B-6	397,030		397,030	WTR-WWR	350,016	47,193
25									
26									

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-B-6.a Materials and Supplies - Inventory Valuation Method

Witness: Carmelitha Bordelon-Taylor

Inventories generally consist of parts and supplies held for use in the ordinary course of business and are valued at the lower of cost or market generally using the moving average cost method. Where shipping and handling costs are borne by us, these charges are included in inventory and charged to cost of services upon use in construction or the providing of services.

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-B-6.b Materials and Supplies - Model Used to calculate needed material and supply level  
Witness: Carmelitha Bordelon-Taylor

Monarch does not use a model to determine needed inventory levels.

Monarch Utilities I, L.P.  
 Docket No. 45570  
 Test Year Ending 6/30/2015  
 Schedule II-B-7.a-g Working Capital  
 Witness: Carmelitha Bordelon-Taylor

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)	Wastewater (i)
1	162	Other Prepayments	II-B-8	\$ 58,200	\$ -	\$ 58,200	WTR-WWR	\$ 51,537	\$ 6,663
2	236	Federal Income Tax Accrued or Prepaid		-	-	-		-	-
3	236	Texas Margin Tax Accrued or Prepaid		-	-	-		-	-
4	236	Texas Property Tax Accrued or Prepaid		-	-	-		-	-
5	241	Payroll Taxes Accrued or Prepaid		-	-	-		-	-
6	236	Other Taxes Accrued or Prepaid (Franchise)		-	-	-		-	-
7		Cash Working Capital	II-B-7.h(W), II-B-7.h(S)	473,472	-	473,472	WTR-WWR	427,368	46,104
8									
9									
10		Total Working Capital		\$ 531,671	\$ -	\$ 531,671		\$ 478,904	\$ 52,767

Monarch Utilities I, L.P.  
Docket No. 45570  
Test Year Ending 6/30/2015  
Schedule II-B-7.h(W) Cash Working Capital - Water  
Witness: Carmelitha Bordelon-Taylor

Meter equivalents 24,686.00  
Functionalization Factors 0.84  
4,567.50 29,253.90 0.16

Line No	Category (a)	Description (b)	Service		Invoice Due Date (e)	Amount (f)	Avg Service Days (g)	Days Service to Payment (h)	Lead/Lag Days (i)	Dollar Days (j)	Weighted Average Lead/Lag Days (k)
			From (c)	To (d)							
1	Purchased Water	CITY OF POTTSBORO	5/22/2015	6/22/2015	7/8/2015	16,603.60	16.0	16.0	32.0	\$ 531,315.20	
2		CITY OF RHODE	3/25/2015	4/22/2015	5/15/2015	7,006.43	14.5	23.0	37.5	282,741.13	
3						23,810.03				784,056.33	33.6
4	Materials and Supplies	REPUBLIC WASTE SERVICES OF TEX HD SUPPLY WATERWORKS LTD	1/1/2015	1/31/2015	1/15/2015	139.29	15.5	(16.0)	(0.5)	(69.65)	
5			6/11/2015	6/11/2015	6/12/2015	1,021.60	0.5	1.0	1.5	1,522.40	
6						1,160.89				1,462.76	1.3
7											
8											
9											
10	Purchased Power	PEDERNALES ELECTRIC COOP MP2	5/24/2015	6/22/2015	7/10/2015	1,354.07	15.0	18.0	33.0	44,684.31	
11			9/8/2014	10/8/2014	11/19/2014	4,815.08	15.0	42.0	57.0	274,459.56	
12						8,169.15				319,143.87	61.7
13											
14	Interest	COBANK - shared	5/1/2015	6/1/2015	6/22/2015	119,397.93	16.0	21.0	37.0	4,380,660.26	
15		COBANK - shared	3/1/2015	4/1/2015	4/20/2015	119,117.80	16.0	19.0	35.0	4,159,123.15	
16						237,514.84				8,549,813.41	36.0
17											
18	Contract Services	LLOYD GOSSELINK	6/9/2014	6/24/2014	10/14/2014	2,076.50	11.0	12.0	123.0	255,409.50	
19		DSHS CENTRAL LAB MC200	2/26/2015	2/26/2015	6/16/2015	645.18	0.5	110.0	110.5	71,282.39	
20		EAGLE LABS INC	6/3/2015	6/3/2015	7/3/2015	7,709.25	0.5	30.0	30.5	256,132.13	
21		LOWER COLORADO RIVER AUTHORITY	3/28/2015	3/28/2015	5/17/2015	678.46	0.5	62.0	52.5	55,619.15	
22						11,105.39				597,453.17	53.8
23											
24	Taxes Other Than Income	STATE COMPTROLLER	10/1/2014	12/31/2014	2/2/2015	17,045.98	46.0	33.0	79.0	1,346,632.42	
25		STATE COMPTROLLER	1/1/2015	3/31/2015	4/30/2015	15,531.98	45.0	30.0	75.0	1,194,898.50	
26						32,977.96				2,541,530.92	77.1
27											
28	Transportation Expenses	PICK-UP HEAVEN	9/12/2015	9/12/2015	9/18/2015	376.66	0.5	6.0	6.5	2,448.29	
29		TELOGIS INC - shared	12/1/2014	12/31/2014	12/31/2014	1,135.90	15.5	-	15.5	17,606.43	
30						1,512.56				20,054.72	13.3
31											
32	Chemicals	AQUA-CLAIRE TECHNOLOGIES LLC	6/19/2015	6/19/2015	7/16/2015	3,509.54	0.5	30.0	30.5	107,040.97	
33		FSTI, INC.	6/19/2015	6/19/2015	7/19/2015	866.40	0.5	30.0	30.5	26,425.20	
34						4,375.94				133,466.17	30.5
35											
36	Pension and Benefits	NORTHERN SAFETY CO INC	4/22/2015	4/22/2015	5/12/2015	332.74	0.5	20.0	20.5	6,821.17	
37		UNIFIRST HOLDINGS, INC	3/26/2015	3/26/2015	4/25/2015	56.84	0.5	30.0	30.5	1,733.62	
38						389.56				8,954.79	22.0
39											
40	Other	W.L SERVICES LLC (DBA)	7/16/2014	7/16/2014	8/16/2014	375.00	0.5	30.0	30.5	11,437.50	
41		TUCKER CONTRACTING INC	6/23/2015	6/23/2015	7/23/2015	1,400.00	0.5	30.0	30.5	42,700.00	
42						1,775.00				54,137.50	30.5
43											
44	Income Taxes	COMPTROLLER OF PUBLIC ACCOUNTS - TEXAS	1/1/2014	12/31/2014	5/12/2015	61,320.00	162.5	132.0	314.5	19,285,140.00	
45		Salaries and Wages - shared	6/7/2015	6/20/2015	6/26/2015	76,528.07	7.0	6.0	13.0	994,864.65	
46											
47	Purch WW Treatment Sludge Removal	Waste Water only Waste Water only									
48											
49											
50											
51											
52											
53											
54											
55											
56											
57											
58											
59											
60											
61											
62											
63											
64											
65											
66											
67											
68											
69											
70											
71											
72											
73											
74											
75											
76											
77											
78											
79											
80											
81											
82											
83											
84											
85											
86											
87											
88											
89											
90											
91											
92											
93											
94											
95											
96											
97											
98											
99											
100											



**Monarch Utilities I, L.P.**  
 Docket No. 45570  
 Test Year Ending 6/30/2015  
 Schedule II-B-7.h(W) Cash Working Capital - Water  
 Witness: Carmelitha Borden-Taylor

Meter equivalents 24,896.00      4,567.50      29,253.50      0.84      0.16  
 Functionalization Factors

Line No	Category (c)	Description (c)	From (c)	To (c)	Invoice Due Date (c)	Amount (c)	Avg Service Days (g)	Days Service to Payment (c)	Lead/Lag Days (c)	Dollar Days (c)	Weighted Average Lead/Lag Days (c)
64			13.0	2,516,869.18	32,718,168.35	76,528.07	3.04%				
65		Salaries and Wages					0.00%				
66		Purch WW Treatment					0.00%				
67		Sludge Removal					0.00%				
68		Total		11,902,242.21	368,899,573.09						
69		Revenue Lag Days		44.1	WP II-B-7.h(W)(S)						
70		Expense Lag Days		31.0							
71		Net Expense Lag Days		13.1							
72											
73											
74											
75		Working Cash (Exp X Net Exp Lag Days / 365)		\$ 427,357.97							
76											
77											
78											
79											

No components of Rate Base were used in the calculation of working capital

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-B-7.h(S) Cash Working Capital - Wastewater

Witness: Carmelitha Bordelon-Taylor

Meter equivalents 24,686.00 4,567.50 29,253.50 Functionalization Factors 0.16

Line No	Category (a)	Description (b)	Service From (c)	To (d)	Invoice Due Date (e)	Amount (f)	Avg Service Days (g)	Days Service to Payment (h)	Lead/Lag Days (i)	Dollar Days (j)	Weighted Average Lead/Lag Days (k)
1	Purchased Water	None									
2											
3											
4											
5	Materials and Supplies	USA BLUEBOOK (DBA) GRAINGER	8/7/2014	8/7/2014	8/6/2014	1,400.49	0.5	30.0	30.5	42,714.95	
6			8/19/2015	9/19/2015	10/19/2015	1,198.63	0.5	30.0	30.5	36,558.22	
7						2,598.12				79,273.16	30.5
8											
9											
10	Purchased Power	SAM HOUSTON ELECTRIC COOPERATIVE	5/2/2015	6/1/2015	7/8/2015	1,188.83	15.5	37.0	52.5	62,413.59	
11		BANDERA ELECTRIC COOPERATIVE	5/1/2015	6/1/2015	6/19/2015	517.50	16.0	16.0	34.0	17,588.20	
12						1,706.13				80,001.78	46.9
13											
14	Interest	COBANK - shared	5/1/2015	6/1/2015	6/22/2015	22,651.82	16.0	21.0	37.0	634,417.19	
15		COBANK - shared	3/1/2015	4/1/2015	4/20/2015	22,699.11	16.0	19.0	35.0	794,118.70	
16						45,240.92				1,528,535.89	36.0
17											
18											
19	Contract Services	NORTH WATER DISTRICT LAB SRV INC	5/29/2014	5/29/2014	6/28/2014	1,585.00	0.5	30.0	30.5	48,342.50	
20		TRINITY RIVER AUTHORITY OF TEX	10/10/2015	10/10/2015	10/20/2015	184.80	0.5	10.0	10.5	1,940.40	
21		WATERENGINEERS INC	8/1/2014	8/1/2014	8/31/2014	3,500.00	0.5	30.0	30.5	106,750.00	
22							0.5	-	0.5	167,032.90	29.8
23						5,269.80					
24											
25	Taxes Other Than Income	SAN JACINTO COUNTY TAX ASSESSOR	1/1/2014	12/31/2014	1/31/2015	289.49	182.5	31.0	213.5	63,941.12	
26		TAMMY J MCPRAE	1/1/2014	12/31/2014	1/31/2015	21,251.75	182.5	31.0	213.5	4,337,248.63	213.5
27						21,551.24				4,601,189.74	213.5
28											
29	Transportation Expenses	DISA INC	5/31/2015	5/31/2015	6/30/2015	5.83	0.5	30.0	30.5	162.57	
30		TELOGIS INC - shared	12/1/2014	12/31/2014	12/31/2014	216.36	15.5	-	15.5	3,353.60	
31						221.89				3,516.17	15.9
32											
33	Chemicals	FSTI, INC.	6/7/2015	6/7/2015	7/8/2015	1,677.70	0.5	31.0	31.5	52,847.55	
34		FSTI, INC.	5/12/2015	5/12/2015	6/12/2015	279.30	0.5	31.0	31.5	8,797.95	
35						1,957.00				61,645.50	31.5
36											
37	Pension and Benefits	NORTHERN SAFETY CO INC	4/22/2015	4/22/2015	5/22/2015	14.85	0.5	30.0	30.5	452.93	
38							0.5	-	0.5	452.93	30.5
39						14.85					
40											
41	Other	WELLS FARGO FINANCIAL LEASING	5/25/2015	6/24/2015	6/25/2015	162.46	15.5	1.0	16.5	2,680.63	
42		AMERICAN BUSINESS MACHINES INC	4/15/2015	5/15/2015	5/15/2015	102.11	15.5	-	15.5	1,582.76	
43						264.58				4,263.39	16.1
44											
45	Income Taxes	COMPTROLLER OF PUBLIC ACCOUNTS - TEXAS	1/1/2014	12/31/2014	5/12/2015	11,690.00	182.5	132.0	314.5	3,673,360.00	314.5
46											
47	Salaries and Wages	Salaries and Wages - shared	6/7/2015	6/20/2015	6/26/2015	14,576.77	7.0	6.0	13.0	189,498.07	13.0
48											
49											
50	Purch WW Treatment	CITY OF POTTSBORO	5/22/2015	6/22/2015	7/8/2015	11,591.89	16.0	16.0	32.0	370,940.48	
51		CITY OF POTTSBORO	12/26/2014	1/23/2015	2/8/2015	10,255.21	14.5	16.0	30.5	312,753.91	
52						21,847.10				683,724.39	31.3
53											
54	Sludge Removal	TERRA RENEWAL SERVICES INC.	4/22/2015	4/22/2015	6/30/2015	1,002.07	0.5	65.0	69.5	69,643.87	
55		SOUTHWASTE DISPOSAL, LLC	4/1/2015	4/1/2015	4/28/2015	3,723.00	0.5	27.0	27.5	102,382.50	
56						4,725.07				172,026.37	36.4
57											
58											
59											
60											
61	Line Item	1 Purch Water	30.50	220,025.63	6,710,781.75	2,599.12					1.18%
62		2 Materials and Supplies	46.89	148,095.91	6,944,333.80	1,706.13					1.15%
63		3 Purch Power	36.00	217,857.93	7,845,824.11	45,240.92					20.78%
64		4 Interest									

Line Item	Avg Days Lag	Test Year Exp	Dollar-Days Lag	Sampled
1 Purch Water	30.50	220,025.63	6,710,781.75	2,599.12
2 Materials and Supplies	46.89	148,095.91	6,944,333.80	1,706.13
3 Purch Power	36.00	217,857.93	7,845,824.11	45,240.92
4 Interest				

Monarch Utilities I, L.P.  
 Docket No. 45570  
 Test Year Ending 6/30/2015  
 Schedule II-B-7.h(S) Cash Working Capital - Wastewater  
 Witness: Carmelitha Borden-Taylor

Meter equivalents 24,686.00 4,567.50 29,253.50 0.16  
 Functionalization Factors 0.84

Line No	Category (a)	Description (b)	Service		Invoice Due Date (e)	Amount (f)	Avg Service Days (g)	Days Service to Payment (h)	Lead/Lag Days (i)	Dollar Days (j)	Weighted Average Lead/Lag Days (k)
			From (c)	To (d)							
65		5 Contract Services	29.80	174,907.89	5,212,018.12	5,269.80					
66		6 Taxes Other Than Income	213.50	57,808.46	12,289,406.62	21,851.24				37.41%	
67		7 Transportation Expenses	15.86	109,612.52	1,736,524.26	221.69				0.20%	
68		8 Chemicals	31.50	55,479.73	1,747,611.58	1,857.00				3.53%	
69		9 Pension and Benefits	30.50	131,669.21	4,015,910.90	14.85				0.01%	
70		10 Other	16.11	98,843.40	1,608,881.29	264.58				0.26%	
71		11 Income Taxes	314.50	11,397.87	3,584,629.14	11,680.00				102.45%	
72		12 Salaries and Wages	13.00	423,034.97	5,469,454.69	14,576.77				3.45%	
73		13 Purch WW Treatment	31.30	82,616.41	2,885,647.77	21,847.10				28.44%	
74		14 Sludge Removal	38.41	101,203.96	3,894,533.89	4,725.07				4.67%	
75		15 Total		1,833,456.49	63,477,657.83						
76		16 Revenue Lag Days			43.6						
77		17 Expense Lag Days			34.6						
78		18 Net Expense Lag Days			9.2						
79		19 Working Cash (Exp X Net Exp Lag Days / 365)			\$ 46,103.66						

87 No components of Rate Base were used in the calculation of working capital

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-B-7.i Working Capital - Removal of Amortized Expenses

Witness: Carmelitha Bordelon-Taylor

No amortized expenses are included in the cash working capital.

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-B-7.j Working Capital - Funds Availability Arrangement

Witness: Carmelitha Bordelon-Taylor

There are no special or unique arrangements or terms with Monarch's banks. The banks' standard rules of class apply.

**Monarch Utilities I, L.P.**  
 Docket No. 45570  
 Test Year Ending 6/30/2015  
 Schedule II-B-8 Prepayments  
 Witness: Carmelitha Bordelon-Taylor

Line No	Account No (a)	As of (b)	Reference Schedule (c)	Monarch Total (d)	K&M Adjustment (e)	Adjusted Monarch Total (f)	Func. Factor (g)	Functionalization	
								Water (h)	Wastewater (i)
1	162	June 2015	WP/II-B-8	58,200	-	58,200	WTR-WWR	51,537	6,663
2									
3									
4	162	December 2013	WP/II-B-8	\$ 102,468		\$ 102,468	WTR-WWR	\$ 91,928	\$ 10,540
5	162	December 2012	WP/II-B-8	100,854		100,854	WTR-WWR	90,370	10,483
6									
7									

Monarch Utilities I, L.P.  
 Docket No. 45570  
 Test Year Ending 6/30/2015  
 Schedule II-B-9 Storm Damage and Extraordinary Property Loss  
 Witness: Carmelitha Bordejon-Taylor

Line No	Account No (a)	Rate Base Component (b)	Reference Schedule (c)	Test Year (d)	1/1/2013 - 12/31/2013 (e)	1/1/2012 - 12/31/2012 (f)
1	304	ROBS - Structures and Improvements	WP/II-B-9	-	41,030	-
2	307	ROBS - Wells and Springs	WP/II-B-9	-	994	-
3	311	ROBS - Pumping Equipment	WP/II-B-9	-	62,210	-
4	320	ROBS - Water Treatment Equipment	WP/II-B-9	-	6,670	-
5	330	CALE - Distribution Reservoirs and Standpipes	WP/II-B-9	19,651	-	-
6	330	ROBS - Distribution Reservoirs and Standpipes	WP/II-B-9	-	44,532	-
7	331	ROBS - Transmission and Distribution Mains	WP/II-B-9	-	28,503	-
8						
9		Total		19,651	183,937	-

Monarch Utilities I, L.P.  
 Docket No. 45570  
 Test Year Ending 6/30/2015  
 Schedule II-B-10 Other Rate Base Items  
 Witness: Carmelitha Bordon-Taylor

Line No	Account No (a)	Rate Base Component (b)	Reference Schedule (c)	Monarch Total (d)	K&M Adjustment (e)	Adjusted Monarch Total (f)	Func. Factor (g)	Functionalization	
								Water (h)	Wastewater (i)
1	271/272	Contributions in Aid of Construction	No Workpapers	\$ (4,907,868)	\$ -	\$ (4,907,868)	WTR-WMR	\$ (3,706,577)	\$ (1,201,291)
2	252	Customer Advances for Construction	No Workpapers	(567,237)	-	(567,237)	WTR-WMR	(476,479)	(90,758)
3	235	Customer Deposits	No Workpapers	(576,100)	-	(576,100)	WTR-WMR	(543,824)	(32,276)
4									
5		Total Other Rate Base Items		\$ (6,051,205)	\$ -	\$ (6,051,205)		\$ (4,726,880)	\$ (1,324,325)
6									
7									



Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-B-11 Regulatory Assets

Witness: Carmelitha Bordelon-Taylor

Monarch currently has no regulatory assets

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

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-C-1(1)

Witness: Paul Mou1

**Rate of Return Method - Hypothetical Capital Structure**

Line No (a)	Weighted Cost of Capital Category (b)	Capital Structure (c)	Cost (d)	Weighted Cost (e)
1	Common Equity	54%	10.75%	5.81%
2	Long-Term Debt	46%	6.45%	2.97%
3	Total	100%		8.77%

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

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-C-1(2) Rate of Return Method - Actual Capital Structure

Witness: Paul Mou1

Line No (a)	Weighted Cost of Capital Category (b)	Reference (c)	Capital Structure (d)	Capital Structure (e)	Cost (f)	Weighted Cost (g)
1	Common Equity	II-A-3.1	60,268,971	70%	10.75%	7.54%
2	Long-Term Debt	II-A-3.2	25,625,704	30%	6.45%	1.92%
3	Total		85,894,674			9.47%

Please see testimony of Paul Mou1 for documentation and justification of capital structure and return on equity.

Monarch Utilities I, L.P.  
 Docket No. 45570  
 Test Year Ending 6/30/2015  
 Schedule II-C-2 Requested Weighted Average Cost of Capital  
 Witness: Paul Mou1

Line No (a)	Weighted Cost of Capital Category (b)	Reference (c)	Capital Structure (d)	Cost (e)	Weighted Cost (f)	Total Return (g)	Amount by Component (h)
1	Common Equity	(*)	54%	10.75%	5.81%		\$ 42,588,399.14
2	Long-Term Debt	(*)	46%	6.45%	2.97%	3,182,394	\$ 36,279,006.68
3	Total	II A-2.4	100%		8.77%	\$ 6,918,249	\$ 78,867,405.82

(\*) Please see testimony of Paul Mou1 for a discussion of the requested cost of capital.

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-C-3 Preferred Stock

Witness: Paul Mou1

Monarch Utilities I, LP has no preferred stock.

Monarch Utilities I, L.P.  
 Docket No. 45570  
 Test Year Ending 6/30/2015  
 Schedule II-C-4 Long Term Debt  
 Witness: Paul Moul

Line No	(a)	(b)	(c)	(d)	(e)
1	a. description	7.37% fixed rate term loan due 2022	5.77% fixed rate term loan due 2022	6.10% fixed rate term loan due 2031	
2	b. date of issuance	05/01/02	05/01/02	09/12/05	
3	c. maturity date	04/20/22	05/20/22	06/30/31	
4	d. interest rate	7.37%	5.77%	6.10%	
5	e. principal amount at issuance	\$ 15,400,000	\$ 1,000,000	\$ 20,000,000	
6	f. premium or (discount) at issuance	\$ -	\$ -	\$ -	
7	g. underwriting fees and issuance expenses	\$ 5,903	\$ 406	\$ 272,854	
8	h. gain or (loss) on reacquired debt at issuance	\$ -	\$ -	\$ -	
9	i. net proceeds [(e)+(f) - (g)+(h)]	\$ 15,394,097	\$ 999,594	\$ 19,727,146	
10	j. adjusted net proceeds at issuance	\$ 15,394,097	\$ 999,594	\$ 19,727,146	
11	k. adjusted net proceeds as a percent of par value [(j)/(e)]	99.96%	99.96%	98.64%	
12	l. principal currently outstanding (including current maturities) Reference II A-3.2	\$ 5,261,668	\$ 364,035	\$ 20,000,000	25,625,703
13	m. adjusted net proceeds [(k) x (l)]	\$ 5,259,651	\$ 363,887	\$ 19,727,146	
14	n. issue as a percent of total net proceeds (each issue should be weighted by adjusted net proceeds to derive the weighted cost of debt)	20.75%	1.44%	77.82%	
15	o. cost of money [(d)/(j)]. Will equal stated dividend rate only if there were no issuance expenses or underwriting costs, discounts or premiums, or gains or losses on redeemed stock.	7.38%	5.77%	6.21%	
16	p. weighted cost of long term debt is calculated by [(o)x(n)]. The weighted average cost of long term debt as a class of capital is calculated by summing the (o) data for each issue.	1.53%	0.08%	4.83%	6.45%

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-C-5 Weighted Average Cost of Short-Term Debt

Witness: Paul Mouf

Monarch has no Short-Term Debt

Monarch Utilities I, L.P.

Docket No. 45570

Test Year Ending 6/30/2015

Schedule II-C-6 Amortization Schedules for all Short and Long-Term Debt

Witness: Paul Mou1

Please see WP/II-C-6 Amortization Schedules for all Short and Long-Term Debt



Monarch Utilities I, L.P.  
 Docket No. 45570  
 Test Year Ending 6/30/2015  
 Schedule II-C-7 Capital Requirements  
 Witness: Paul Mou1

See testimony of Paul Mou1 for detailed explanation of the assumptions, estimates, and sources of future capital.  
 See Section III & IV (Internally Generated Funds)

Line No.	Year (a)	Estimated Company Funded Capital Expenditures (b)
1	2016	3,100,000
2	2017	3,100,000
3	2018	3,100,000
4	Total	\$9,300,000

Monarch Utilities I, L.P.  
Docket No. 45570  
Test Year Ending 6/30/2015  
Schedule II-C-8 Financial Tests and Ratios  
Witness: Paul Moul

Monarch has three fixed rate term loans which require that the it meet financial ratios. Excerpts from the second amendment to the master loan agreement describing the financial ratios are included in Confidential WP/II-C-8. See the testimony of Paul Maul for the presentation of evidence, analysis and recommendation concerning the appropriate rate of return on common equity. Included in the testimony and schedules PRM-2, PRM-3 and PRM-4 supporting this testimony are relevant financial data and statistics.