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SOAH DOCKET NO. 473-16-2873.WS
P.U.C. DOCKET NO. 45570

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

STATE OFFICE OF

PUBLIC UTILITY COMMISSION
FILING CLERK

ADMINISTRATIVE HEARINGS

COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSES TO MONARCH 1-1 THROUGH MONARCH 1-13

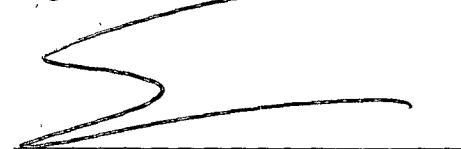
Date: September 6, 2016

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division



Sam Chang
State Bar No. 24078333
AJ Smullen
State Bar No. 24083881
Erika Garcia
State Bar No. 24092077
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7261
(512) 936-7268 (facsimile)

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on September 6, 2016, in accordance with 16 TAC § 22.74.



Sam Chang

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APPLICATION OF MONARCH UTILITIES I, L.P. TO CHANGE RATES FOR WATER AND SEWER SERVICE	§ § § §	STATE OFFICE OF ADMINISTRATIVE HEARINGS
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**COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSE TO MONARCH 1-1**

Monarch 1-1 Using the information and format in Attachment HG-4, please provide a list of all assets, including total claimed original cost, that Commission Staff is recommending for disallowance as contribution in aid of construction (CIAC).

Response See Response to Monarch's RFI 1-1 in attached CD. In addition, Staff made an error in the calculation of net plant for one item in the CIAC category. Staff has adjusted HG-4 by increasing the amount of CIAC disallowed by \$549.

Prepared by: Heidi Graham
Sponsored by: Heidi Graham

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**COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSE TO MONARCH 1-2**

Monarch 1-2 Using the information and format in Attachment HG-4, please provide a list of all assets, including total claimed original cost, that Commission Staff is recommending for disallowance as new taps.

Response See Response to Monarch's RFI 1-2 in attached CD. In addition, Staff made an error in the calculation of depreciation for one item in the new taps category. Staff has adjusted HG-4 by increasing the amount of new taps disallowed by \$926.

Prepared by: Heidi Graham
Sponsored by: Heidi Graham

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**COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSE TO MONARCH 1-3**

Monarch 1-3 Using the information and format in Attachment HG-4, please provide a list of all assets, including total claimed original cost, that Commission Staff is recommending for disallowance because the items should be classified as an expense, not capital.

Response See Response to Monarch's RFI 1-3 in attached CD.

Prepared by: Heidi Graham
Sponsored by: Heidi Graham

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**COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSE TO MONARCH 1-4**

Monarch 1-4 Using the information and format in Attachment HG-4, please provide a list of all assets, including total claimed original cost, that Commission Staff is recommending for disallowance due to retirement.

Response See Response to Monarch's RFI 1-4 in attached CD. In addition, Staff made an error in the calculation of net plant for two items in the retirement category. Staff has adjusted HG-4 by increasing the amount of retired assets disallowed by \$20,350.

Prepared by: Heidi Graham
Sponsored by: Heidi Graham

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**COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSE TO MONARCH 1-5**

Monarch 1-5 Using the information and format in Attachment HG-4, please provide a list of all assets, including total claimed original cost, that Commission Staff is recommending for disallowance as a result of it being constructed by Monarch's affiliate Eco Resources, Inc.

Response See Response to Monarch's RFI 1-5 in attached CD.

Prepared by: Heidi Graham
Sponsored by: Heidi Graham

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**COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSE TO MONARCH 1-6**

Monarch 1-6 Please provide the detailed source documents used to develop and/or support Commission Staff's position that items recommended for disallowance as CIAC, were in fact customer contributions in aid of construction.

Response Staff used the asset description in the "Description" column "D" for each asset listed in Monarch's Response to OPUC 5-2 to support its recommendation for disallowance as CIAC. In addition, Staff reviewed Craig Gott's testimony and found references to CIAC/Advance for six of the assets including hydrants, collection sewers, land and transmission and distribution mains. However, there was only a reference that these assets and their associated original costs were included in the CIAC/Advance category. There was no other information provided in in Monarch's Response to OPUC 5-2 or in Mr. Gott's testimony, as to whether the assets were customer CIAC or developer CIAC. Staff assumed the assets were customer CIAC and disallowed these assets.

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Sponsored by: Heidi Graham

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**COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSE TO MONARCH 1-7**

Monarch 1-7 Please provide the detailed source documents used to develop and/or support Commission Staff's position that items recommended for disallowance as CIAC, were in fact developer contributions in aid of construction.

Response Staff used the asset description in the "Description" column "D" for each asset listed in Monarch's Response to OPUC 5-2 to support its recommendation for disallowance as CIAC. In addition, Staff reviewed Craig Gott's testimony and found references to CIAC/Advance for six of the assets including hydrants, collection sewers, land and transmission and distribution mains. However, there was only a reference that these assets and their associated original costs were included in the CIAC/Advance category. There was no other information provided in Monarch's Response to OPUC 5-2 or in Mr. Gott's testimony, as to whether the assets were customer CIAC or developer CIAC. Staff assumed the assets were customer CIAC and disallowed these assets.

Prepared by: Heidi Graham
Sponsored by: Heidi Graham

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**COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSE TO MONARCH 1-8**

Monarch 1-8 Please provide a complete list of all operating companies (including the name, type (water, electric, gas, etc.) and class of utility (A, B, etc.), and the company's aggregate depreciable plant in service balance for which unit depreciation has been proposed by Commission Staff and subsequently approved by the Commission.

Response This request is subject to a pending objection.

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**COMMISSION STAFF'S RESPONSES TO
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RESPONSE TO MONARCH 1-9**

Monarch 1-9 Please provide the detailed source documents used to develop and/or support each of the line item economic lives listed in Column (i) (Claimed Economic Life) for Attachment HG-4.

Response The claimed economic lives included in Monarch's Response to OPUC 5-2 were used. Exceptions to this were lives included for land that were claimed to be 100,000 years and fractions. The lives for land were zeroed, since land is not depreciated. The fractions were changed to whole numbers. I also used Ms. Mathis' testimony. She proposes lives that are consistent with the economic lives included in Monarch's Response to OPUC 5-2.

Prepared by: Heidi Graham
Sponsored by: Heidi Graham

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**COMMISSION STAFF'S RESPONSES TO
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RESPONSE TO MONARCH 1-10**

Monarch 1-10 Please provide a discussion/description of the step by step process used in arriving at each of the economic lives referenced in question 1 for Column (i) of Attachment HG-4.

Response The claimed economic lives included in Monarch's Response to OPUC 5-2 were used. Exceptions to this were lives included for land that were claimed to be 100,000 years and fractions. The lives for land were zeroed, since land is not depreciated. The fractions were changed to whole numbers. I also used Ms. Mathis' testimony. She proposes lives that are consistent with the economic lives included in Monarch's Response to OPUC 5-2.

Prepared by: Heidi Graham
Sponsored by: Heidi Graham

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**COMMISSION STAFF'S RESPONSES TO
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RESPONSE TO MONARCH 1-11**

Monarch 1-11 Please identify the dockets listed in Attachment LG-2 in which Leila Guerrero provided live testimony and was subject to cross-examination.

- Response
1. SOAH Docket No. 582-09-2069; TCEQ Docket No. 2008-1811-UCR
 2. SOAH Docket No. 582-09-3549; TCEQ Docket No. 2009-0372-UCR
 3. SOAH Docket No. 473-15-0371; PUC Docket No. 42924
 4. SOAH Docket No. 473-14-5139.WS; PUC Docket No. 42862
 5. SOAH Docket No. 473-14-5143.WS; PUC Docket No. 42861

Prepared by: Leila Guerrero
Sponsored by: Leila Guerrero

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**COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSE TO MONARCH 1-12**

Monarch 1-12 Please identify the dockets listed in Attachment ES-2 in which Emily Sears provided live testimony and was subject to cross-examination.

Response To the best of Ms. Sears's knowledge, Ms. Sears was subject to cross-examination in the below dockets. In particular, Ms. Sears does not recall if her cross examination was waived in Docket No. M-2009-2123948.

- Duquesne Light Company, Docket No. M-2009-2093217
- West Penn Power Company d/b/a Allegheny Power, Docket No. M-2009-2093218
- Duquesne Light Company, Docket No. M-2009-2123948
- City of Lancaster, Docket No. R-2010-2179103
- CMV Sewage, Inc., Docket No. R-2011-221856
- PPL Electric Utilities Corporation, Docket No. R-2012-2290597
- Emporium Water Company, Docket No. R-2014-2402324
- City of Austin water rate appeal, Docket No. 42857
- City of Austin wastewater rate appeal, Docket No. 42867 (consolidated with Docket No. 42857)

Prepared by: Emily Sears
Sponsored by: Emily Sears

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**COMMISSION STAFF'S RESPONSES TO
MONARCH UTILITIES I, L.P.'S FIRST REQUEST FOR INFORMATION
RESPONSE TO MONARCH 1-13**

Monarch 1-13 Please provide copies of all testimony submitted by Emily Sears in the dockets identified in response to Monarch 1-12. If copies are not available, please identify Emily Sears' specific recommendations in those dockets and the ultimate ruling by the relevant regulatory authority as to the subject of those recommendations.

Response Ms. Sears' testimonies listed in Staff Response 1-12 are available on either the Public Utility Commission of Texas' website or by making the appropriate inquiries to the Pennsylvania Public Utility Commission.

Prepared by: Emily Sears
Sponsored by: Emily Sears