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

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STATE OFFICE OF  
PUBLIC UTILITY COMMISSION  
FILING CLERK

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

ADMINISTRATIVE HEARINGS

COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION TO MONARCH UTILITIES I, LP  
STAFF NO. 1-1 THROUGH NO. 1-15

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

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

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

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

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Date: March 28, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

Stephen Mack  
Managing Attorney  
Legal Division



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Sam Chang  
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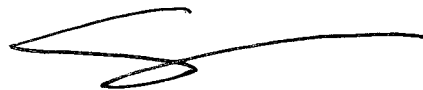
Public Utility Commission of Texas  
1701 N. Congress Avenue  
Austin, Texas 78711-3326  
(512) 936-7290  
(512) 936-7268 (facsimile)  
sam.chang@puc.texas.gov

*Commission Staff of the Public Utility  
Commission of Texas*

**SOAH DOCKET NO. 473-16-2873.WS  
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**CERTIFICATE OF SERVICE**

I certify that a copy of this document was served on all parties of record on March 28, 2016, in accordance with 16 Tex. Admin. Code § 22.74.



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Sam Chang

**COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION TO MONARCH UTILITIES I, LP  
STAFF NO. 1-1 THROUGH NO. 1-15**

**INSTRUCTIONS**

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

11. The terms “and” and “or” shall be construed as either conjunctive or conjunctive as necessary to make the request inclusive rather than exclusive
12. Documents produced in response to Staff’s 1st RFI shall be Bates labeled.

**COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION TO MONARCH UTILITIES I, LP  
STAFF NO. 1-1 THROUGH NO. 1-15**

**DEFINITIONS**

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

**COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION TO MONARCH UTILITIES I, LP  
STAFF NO. 1-1 THROUGH NO. 1-15**

**STAFF RFI  
NO. 1-1** Provide a copy of all Documents, workpapers, and electronic files used to develop the recommended:

- a. average service lives,
- b. survivor curves,
- c. net salvage rates,
- d. annual average service lives,
- e. annual survivor curves,
- f. annual net salvage rates, and
- g. annual depreciation accrual rates

proposed by Monarch Utilities.

**STAFF RFI  
NO. 1-2** Provide the following data in electronic and hard copy format:

- a. Annual additions, retirements, adjustments and ending plant balances by depreciable plant account.
- b. Annual retirements by vintage year by depreciable plant account.
- c. Annual gross salvage, cost of removal, reimbursements, and annual adjustment to gross salvage and cost of removal by depreciable plant account.

**STAFF RFI  
NO. 1-3** With regard to the retirement rate method to determine the survivor curve and average service life for a plant account:

- a. State whether any statistical goodness of fit statistics were calculated and reviewed, or if the curve fitting was based on visual curve fitting.
- b. Provide statistics or other data showing the goodness of fit for the survivor curves and average service lives determined using the retirement rate method.
- c. Provide observed life table and the company proposed curve parameter data and graph for all accounts for which the company used actuarial method of life analysis. Provide data in Microsoft Excel or in a format ready to be used in Excel.

**STAFF RFI  
NO. 1-4** Provide copies of all industry depreciation studies and/or surveys and depreciation studies for other companies that were relied upon in developing the proposed depreciation rates.

**STAFF RFI  
NO. 1-5** Provide a Microsoft Excel spread sheet showing Monarch Utilities' currently approved average service lives, survivor curves, net salvage values, and depreciation rates by plant account.

- STAFF RFI NO. 1-6** Provide a calculation of the remaining life depreciation rate and accrual using the current survivor curves, average service lives and net salvage values for each account. Provide a computer output for each account in a table format.
- STAFF RFI NO. 1-7** Provide a copy of the software program used in developing the depreciation study. Provide all Documents that explain how to use the software program.
- STAFF RFI NO. 1-8** Provide a detailed analysis of historical gross salvage data, including the cost of removal, three-year overlapping average net salvage value, the overall average net salvage value, and the most recent five-year average net salvage value for each account. Also, provide in Microsoft Excel format, for each NARUC account category, the corresponding gross salvage and cost of removal amounts for all vintage years and the amount of retired as used in Monarch Utilities' actuarial analysis.
- STAFF RFI NO. 1-9** Provide a table showing the following, for each account category for the study year:
- a. Original plant investment,
  - b. Book reserve,
  - c. Proposed average service life,
  - d. Proposed survivor curve as applicable,
  - e. Proposed net salvage value,
  - f. Proposed composite remaining life,
  - g. Proposed remaining life depreciation rate,
  - h. Proposed annual depreciation accrual,
  - i. Current depreciation rate, and
  - j. Current annual depreciation accrual.
- STAFF RFI NO. 1-10** Provide workpapers, charts, and graph plots generated in conducting actuarial analysis for the selected curves for the accounts that had aged data. The data table shall include the actual proportion surviving of the aged data and the Iowa curve percent surviving information.
- STAFF RFI NO. 1-11** Explain how the remaining life calculations were performed in the model used in the study. Provide a copy of the computer program used in calculating the remaining life.
- STAFF RFI NO. 1-12** Provide a copy of calculations used to determine the existing and proposed composite depreciation rates and accruals.



- STAFF RFI  
NO. 1-13** Provide a spreadsheet that lists the currently approved average service lives, survivor curves, net salvage values, and depreciation rates by plant account for plant-in-service.
- STAFF RFI  
NO. 1-14** Provide the end-of-year 2014 book reserve balances and the end-of-year 2014 plant balances by plant account.
- STAFF RFI  
NO. 1-15** Provide salvage data that includes annual gross salvage and cost of removal per account, and associated annual retirement data.