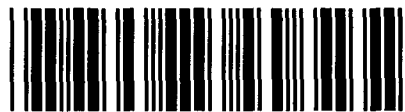




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2018 JUN 14 PM 1:36

APPLICATION OF MONARCH UTILITIES I, L.P.'S FOR A MINOR TARIFF CHANGE TO IMPLEMENT FEDERAL TAX CHANGE CREDIT RIDER § § § § §

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS
FILING CLERK

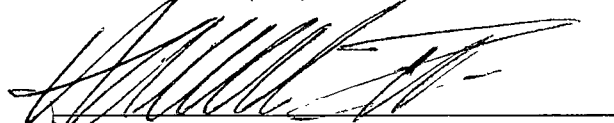
MONARCH UTILITIES I, L.P.'S RESPONSES TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

To: Staff of the Public Utility Commission of Texas, by and through its attorney of record, Rosemary E. Hambright, 1701 North Congress Avenue, P. O. Box 13326, Austin, Texas 78711-3326.

Monarch Utilities I, L.P. ("Monarch") files its Responses to Staff of the Public Utility Commission of Texas's ("Staff") Request for Information. This response may be treated by all parties as if it were filed under oath. This response is timely filed.

Respectfully submitted,

LLOYD GOSSELINK
ROCHELLE & TOWNSEND, P.C.
816 Congress Avenue, Suite 1900
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ATTORNEYS FOR MONARCH UTILITIES I, L.P.

CERTIFICATE OF SERVICE

I, William A. Faulk, III, attorney, certify that a copy of this document was served on all parties of record in this proceeding on this 14th day of June, 2018, in the following manner: hand delivered, sent via facsimile, or mailed by U.S. First Class Mail.



WILLIAM A. FAULK, III

DOCKET NO. 48329

MONARCH'S RESPONSES TO STAFF'S FIRST REQUEST FOR INFORMATION

STAFF 1-1: Please provide a detailed calculation of the Margins tax (Texas franchise tax) for:

- a) 2017; and
- b) Estimate for 2018.
- c) Provide a copy of the most current Texas Franchise Tax Report completed that includes Monarch's income and financial information used to calculate the tax.

RESPONSE: a) Please see calculation provided in the table below.

Monarch	
Revenue	\$31,293,905
Multiply by 70%	\$21,905,734
Margins tax rate	0.75%
Margins tax	\$164,293
Difference due to use of estimate	\$(701)
Margins tax included in filing	\$163,592

- b) Monarch's estimated Margins tax for 2018 is \$165,300.
- c) Please see Confidential Attachment Staff 1-1.c - Texas Margins Tax. The taxes in the report are prepared on a consolidated basis and the tax specific to Monarch is not included.

Prepared by: Brian Bahr
Sponsored by: Bob Kelly

DOCKET NO. 48329

MONARCH'S RESPONSES TO STAFF'S FIRST REQUEST FOR INFORMATION

STAFF 1-2: Please provide Monarch's budget including Earnings/(Loss) Before Interest and Taxes estimated for 2018.

RESPONSE: Please see information provided below. Monarch does not budget at a level sufficient to calculate EBIT.

2018 Monarch Budgeted Results of Operations

Revenue	\$31,485,676
Operation & Maintenance	\$13,490,622
Depreciation and Amortization	\$3,573,540
TXU OH Allocations	N/A*
Corp OH Allocations	N/A*
Corp Depreciation Allocation	N/A*
<hr/>	
Earnings Before Interest & Tax	N/A*
Interest Expense (Cobank notes only)	\$1,250,079
Income Taxes	N/A*
<hr/>	
Net Income	N/A*
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*Not budgeted at entity level

Prepared by: Brian Bahr
Sponsored by: Bob Kelly

DOCKET NO. 48329

MONARCH'S RESPONSES TO STAFF'S FIRST REQUEST FOR INFORMATION

STAFF 1-3: Please provide the Interest Expense for 2017.

RESPONSE: Interest Expense for 2017 was \$1,279,587.53.

Prepared by: Brian Bahr

Sponsored by: Bob Kelly