



Control Number: 50944



Item Number: 457

Addendum StartPage: 0

APPLICATION OF MONARCH § BEFORE THE STATE OFFICE  
UTILITIES I, L.P. FOR AUTHORITY § OF  
TO CHANGE RATES § ADMINISTRATIVE HEARINGS

**OFFICE OF PUBLIC UTILITY COUNSEL'S  
FOURTH REQUEST FOR INFORMATION TO  
MONARCH UTILITIES I, L.P.**

Pursuant to 16 Texas Administrative Code (“TAC”) § 22.144, the Office of Public Utility Counsel (“OPUC”) submits this Fourth Request for Information to Monarch Utilities I, L.P. (“Monarch”). OPUC requests that Monarch provide answers to the request for information under oath as required by 16 TAC § 22.144(c)(2)(F) within the timeframe specified in the procedural schedule in this proceeding. OPUC further requests that Monarch provide an answer to the questions and sub-questions in the order listed below with sufficient detailed information to provide a complete and accurate answer to each question and sub-question.

**Definitions**

1. “Monarch,” the “Company,” “Applicant,” “You,” and “Your” refer to Monarch Utilities I, L.P. and its affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
2. “SWWC” and “SouthWest” refer to SouthWest Water Company.
3. “Document” and “documents” include any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tape, film, electronic facsimile, computer storage device, or any other media, including, but not limited to, electronic mail (e-mail), memoranda, notes, analyses, minutes, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers, observations, commercial

practice manuals, reports, summaries of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form.

### **Instructions**

1. The Definitions, Instructions, and Claim of Privilege sections set forth in this request for information apply to these questions.
2. In providing an answer to each question, please furnish all of the information that is in your possession, custody, or control, as defined by Texas Rules of Civil Procedure (Tex. R. Civ. Proc.) 192.7(b), including information in the possession, custody, or control of your affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
3. Please answer each question based upon your knowledge, information, or belief, and state whether each answer is based upon your knowledge, information, or belief.
4. If you have possession, custody, or control, as defined by Tex. R. Civ. Proc. 192.7(b), of an original requested document, please produce the original requested document or a complete copy of the original requested document and all copies that are different in any way from the original requested document, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of an original requested document, please produce copies of the document, however made, in your possession, custody, or control. If any requested document is not in your possession, custody, or control, please explain why the document is not in your possession, custody, or control and provide the current location and custodian of the requested document or any copy, summary, or other form of the requested document thereof.
6. If there is any confusion about a question, please contact the undersigned counsel for clarification.
7. In providing your response to a question, please start each response on a separate page and type, at the top of the page, the question that is being answered by the response.
8. As part of the response to each question, please state, at the bottom of the answer to the question, the name and job position of each person(s) who participated in any way, other

than by providing clerical assistance, in the preparation of the answer to the question. If the question has sub-parts, please identify each person(s) by name and job position that participated in any way, other than by providing clerical assistance, in the preparation of the answer for each sub-part of the question.

9. Please state the name of the witness in this docket who will sponsor the answer to the question and/or sub-part of the question and who will swear to the truthfulness of the answer to the question and/or sub-part of the question.
10. Please provide individual responses to questions as each response becomes available, rather than waiting to provide all of the responses to the questions at the same time.
11. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer to a question between the time of your original response and the time of the hearing, then you should submit, under oath, a supplemental response to your earlier answer to the question.
12. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue. Furthermore, if you object to any question on the grounds that the question seeks confidential information, or on any other grounds, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue.
13. If the response to any question is voluminous, please make available all of the voluminous material at a designated location in Austin. Please provide a detailed index for the voluminous material with your response to the question to enable efficient review of the material. The index should include information sufficient to locate each individual document by page, file, and box number, date of each document, title of each document, description of each document if no document title exists, name of the preparer of each document, and length of each document.
14. If the requested information is included in previously furnished exhibits, workpapers, or responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references to the previously furnished information.

15. If a question requests the production of copyrighted material, you may provide a list of such material, including the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

**Claim of Privilege**

If any document is withheld under any claim of privilege, please provide a list that identifies each document for which a privilege is being claimed, including the date, sender, recipient(s) of the privileged document, recipient(s) of copies of the privileged document, subject matter of the privileged document, and the basis upon which a privilege is being claimed by the Company.

**SOAH Docket No. 473-20-4709.WS**  
**PUC Docket No. 50944**  
**OPUC's Fourth Request for Information to**  
**Monarch Utilities I, L.P.**

- 4-1. Please reference the Direct Testimony of Mujeeb Hafeez at 11:5-16. Please provide a copy of the short-term and the long-term incentive plans in effect: (a) during the Test Year; and (b) in 2020.
- 4-2. Please reference the Direct Testimony of Mujeeb Hafeez at 22:8-14. Please provide a detailed accounting of the corporate costs assigned to Monarch that are not based on the three-factor allocation methodology.
- 4-3. Please reference the Rate Filing Package ("RFP"), Schedule IV-6. Please provide a detailed listing of all adjustments included in the \$2,063,800 shared cost adjustment to Test Year affiliate expenses and reconcile these amounts to the specific line-item adjustments on Schedule II-D-1.2(W); Schedule II-D-1.2(S); and Schedule II-D-1.2(SH).
- 4-4. Please reference the RFP, Schedule II-D-1.1. Please provide a detailed description of the changes in accounting policies related to the manner in which salaries and other employee-related expenses are recorded by account.
- 4-5. Please reference the RFP, Schedule II-D-1.1. Please confirm or deny that affiliated salaries are currently reported in Account 601 for water and Account 701 for wastewater. If deny, please provide a detailed explanation of the significant increase in Accounts 601 and 701 during the Test Year when compared to prior years.
- 4-6. Please reference the Company's response to OPUC RFI No. 1-6. Please indicate the system location of the 18 non-residential on-site lift stations. Include in your response, by system, the number of residential on-site wastewater grinder / sewage stations.
- 4-7. Please reference the Company's response to OPUC RFI No. 1-10. Please provide further explanation regarding the Trademark Prosecution services by Zuber Lawler & Del Duca, LLP, including how these services are beneficial to direct customer utility service provision.
- 4-8. Please reference the Company's response to OPUC RFI No. 1-16. Please provide the following information:
  - a. Further explanation of the services provided by Korn Ferry and how these services are beneficial to direct customer utility service provision; and
  - b. Further explanation of the payment to Columbia University, including the reason(s) and rationale for the payment made. Include in your response an explanation of how this payment is beneficial to direct customer utility service provision.

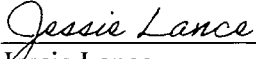
**SOAH Docket No. 473-20-4709.WS**  
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**Monarch Utilities I, L.P.**

- 4-9. Please reference the RFP, Schedule IV-9, and the Company's response to OPUC RFI No. 1-23. Please provide the percentages used for Monarch Shared Cost Allocation based on 2018 Year End Meter Equivalent and 2019 Year End Meter Equivalent. Please provide the source data underlying these percentages.

Dated: September 29, 2020

Respectfully submitted,

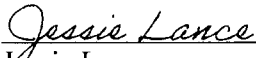
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**CERTIFICATE OF SERVICE**  
SOAH Docket No. 473-20-4709.WS  
PUC Docket No. 50944

I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 29th day of September 2020, by facsimile, electronic mail, and/or first class, U.S. Mail.

  
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Jessie Lance