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APPLICATION OF MONARCH UTILITIES I L.P. FOR AUTHORITY TO CHANGE RATES	§ § §	BEFORE THE STATE OFFICE OF PUBLIC UTILITY COUNSEL'S ADMINISTRATIVE HEARINGS
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MONARCH UTILITIES I L.P.'S OBJECTIONS TO OFFICE OF PUBLIC UTILITY COUNSEL'S FOURTH REQUEST FOR INFORMATION

Monarch Utilities I L.P. (Monarch) files these Objections to the Office of Public Utility Counsel's (OPUC) Fourth Request for Information (RFI) to Monarch, and would respectfully show as follows:

I. PROCEDURAL HISTORY

OPUC served its Fourth RFI to Monarch on September 29, 2020. Pursuant to 16 Tex. Admin. Code (TAC) §§ 22.144(d) and 22.4(a), these objections are timely filed within 10 calendar days of Monarch's receipt of the RFI. Counsel for Monarch and OPUC conducted good faith negotiations that failed to resolve the issues. While Monarch will continue to negotiate with OPUC regarding these and any future objections, Monarch files these objections for preservation of its legal rights under the established procedures. To the extent any agreement is subsequently reached, Monarch will withdraw its objection.

II. SPECIFIC OBJECTIONS

Monarch specifically objects to the following RFI:

OPUC 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.

Handwritten signature/initials

Objections:

Under 16 TAC § 22.141(a), parties may obtain discovery regarding any matter, not privileged or exempted . . . that is relevant to the subject matter in the proceeding.¹ Additionally, and in accordance with Texas Rule of Civil Procedure 192.4, 16 TAC § 22.142(a) affords protection from discovery that is unreasonably cumulative or duplicative. Texas Rule of Evidence 401 provides that evidence is relevant if “(a) it has any tendency to make a fact more or less probable than it would be without the evidence; and (b) the fact is of consequence in determining the action.”² Accordingly, discovery requests must be reasonably tailored to include only matters relevant to the case.³

The subject of this proceeding is an application by Monarch for authority to change rates (Application). Therefore, Monarch as a general matter will object to any requests that seek information that is not relevant to the subject matter of this proceeding and that are unreasonably cumulative or duplicative.⁴

As it applies to RFI OPUC 4-1, Monarch has not included long-term incentive compensation plans in its Application and does not seek recovery of these costs.⁵ Accordingly, OPUC’s Fourth RFI in part does not seek to determine facts relevant to this proceeding, as costs associated with Monarch’s long-term incentive plans are not part of this proceeding. Copies of the long-term incentive plans are of no consequence in determining this case.

¹ 16 TAC § 22.141(a).

² See Tex. R. Evid. 401; *In re Nat’l Lloyds Ins. Co.*, 532 S.W.3d 794, 808 (Tex. 2017) (orig. proceeding) (quoting Tex. R. Evid. 401); *In re Liberty County Mut. Ins. Co.*, 14-19-00932-CV, 2020 WL 3716093, at *3 (Tex. App.—Houston [14th Dist.] July 7, 2020, no pet. h.); *Diamond Offshore Servs. Ltd. v. Williams*, 542 S.W.3d 539, 544 (Tex. 2018); *Martinez v. Kwas*, 01-18-01085-CV, 2020 WL 2988452, at *4 (Tex. App.—Houston [1st Dist.] June 4, 2020, pet. filed).

³ *In re Liberty County Mut. Ins. Co.*, 14-19-00932-CV, 2020 WL 3716093, at *3 (Tex. App.—Houston [14th Dist.] July 7, 2020, no pet. h.); *In re Am. Optical Corp.*, 988 S.W.2d 711, 713 (Tex. 1998) (orig. proceeding) (per curiam).

⁴ 16 TAC § 22.141(a); TRE 401; TRCP 192.3(a).

⁵ Application at 414, Direct Testimony of Mujeeb Hafeez at 11 (Jul 15, 2020).

OPUC may argue that because Monarch is not seeking recovery of costs associated with long-term incentive plans, OPUC needs those documents to confirm they have not been included in Monarch's cost of service. Such an argument is negated by review of Monarch's response to OPUC's previous RFI 1-7, in which Monarch provided the components of its payroll showing that the long-term incentive plans now requested amount to zero.⁶ OPUC's request is therefore unreasonably cumulative and duplicative and should be limited in accordance with Texas Rule of Civil Procedure 192.4(a) and 16 TAC § 22.142(a).

III. PRAYER

WHEREFORE, PREMISES CONSIDERED, Monarch requests these objections be sustained and Monarch be relieved of responding to the request to provide a copy of the long-term incentive plan contained in OPUC RFI 4-1. Monarch also requests any other relief to which it may show itself justly entitled

Respectfully submitted,

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⁶ See Monarch Utilities I L.P.'s Response to OPUC's First Request for Information, Confidential – Attachment OPUC 1-7.1, being filed under seal as Exhibit 1.

**ATTORNEYS FOR MONARCH UTILITIES I
L.P.**

CERTIFICATE OF SERVICE

I hereby certify that notice of the filing of this document was provided to all parties of record via electronic mail on October 6, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ William A. Faulk, III

WILLIAM A. FAULK, III

**Exhibit 1 is Confidential and
being provided under seal.**