



Control Number: 50944



Item Number: 484

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**SOAH DOCKET NO. 473-20-4709.WS
PUC DOCKET NO. 50944**

**APPLICATION OF MONARCH § PUBLIC UTILITY COMMISSION
UTILITIES I, L.P. FOR AUTHORITY §
TO CHANGE RATES § OF TEXAS**

**COMMISSION STAFF'S SEVENTH REQUEST FOR INFORMATION
TO MONARCH UTILITIES I, L.P.
QUESTION NOS. STAFF 7-1 THROUGH 7-5**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) requests that Monarch Utilities I, L.P., by and through its attorneys of record, provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide responses to the Requests for Information by filing with the Commission solely through the Interchange on the Commission's website and provide notice, by email, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered by the presiding officer pursuant to the Order Suspending Rules in Docket No. 50664.

Dated: October 12, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

/s/Courtney Dean

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on October 12, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/Courtney Dean

Courtney N. Dean

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**COMMISSION STAFF'S SEVENTH REQUEST FOR INFORMATION
TO MONARCH UTILITIES I, L.P.
QUESTION NO. STAFF 7-1 THROUGH 7-5**

DEFINITIONS

- A. "Monarch," "Company," or "you" refers to Monarch Utilities I, L.P. and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.
- B. "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, 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. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do exist and these documents will be provided.

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**COMMISSION STAFF'S SEVENTH REQUEST FOR INFORMATION
TO MONARCH UTILITIES I, L.P.
QUESTION NOS. STAFF 7-1 THROUGH 7-5**

INSTRUCTIONS

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) 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.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to 16 TAC § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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QUESTION NOS. STAFF 7-1 THROUGH 7-5**

For Question Nos. Staff 7-1 and 7-2, please refer to the Gross Plant in Service in the amount of \$369,269, as claimed to be supported by trended Replacement Cost New Less Depreciation (RCNLD) studies and as referred to in the testimonies of Brian Bahr, Jeffrey McIntyre and George Freitag.

Staff 7-1 Please provide the basis for the estimated original cost of each individual trended asset.

Staff 7-1 Please provide the entire studies including all calculations (Handy Whitman index version or other reference), all factors, and the basis in the form of invoices or bids for the current cost of each asset.

For Question Nos. Staff 7-3 and 7-5, please refer to Dane Watson's Depreciation Rate Study at Attachment DAW-2, page 11 of 349.

Staff 7-3 It is stated that proposed accrual amounts were determined by dividing the gross plant for each asset by the proposed component life. Please confirm that "gross plant" is equivalent to the original cost of each plant asset.

Staff 7-4 It is stated that the annual accrual amounts for each asset were computed and validated to ensure no item was over-accrued in the annual computation. Please explain how over-accrual was prevented in the computation of the new annual accrual amount and provide an example of the computation and validation.

Staff 7-5 Please admit that, for an asset that has already been depreciated at the original service life, using the original cost instead of the net plant balance of an asset at the time the service life is changed may result in over-recovery of the annual depreciation expense (annual accrual) and return.