



Control Number: 50944



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



APPLICATION OF MONARCH
UTILITIES I L.P. FOR AUTHORITY
TO CHANGE RATES

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BEFORE THE STATE OFFICE OF
ADMINISTRATIVE HEARINGS

**MONARCH UTILITIES I L.P.'S AMENDED RESPONSE TO
COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION**

To: Public Utility Commission of Texas (Commission), by and through its attorney of record,
Rashmin J. Asher, Legal Division, 1701 N. Congress Avenue, P.O. Box 13326, Austin,
Texas 78701.

Monarch Utilities I L.P. (Monarch) files its Amended Response to Public Utility
Commission Staff's Fifth Request for Information (RFI) to Monarch received on September 24,
2020. This response is timely filed. Pursuant to 16 Tex. Admin. Code (TAC) § 22.144(c)(2)(F),
Monarch agrees and stipulates that all parties may treat the responses as if the answers were filed
under oath.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

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(512) 322-5800
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/s/ William A. Faulk, III

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**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 12, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ William A. Faulk, III

WILLIAM A. FAULK, III

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**MONARCH'S AMENDED RESPONSE TO
COMMISSION STAFF'S FIFTH RFI**

Staff 5-11 Please provide a list of items, expenses, or cost of service that were allocated and/or direct billed to Monarch Utilities I. L.P. from the affiliated companies.

AMENDED RESPONSE:

Corporate costs allocated and/or direct billed to Monarch are listed in item 6 on page 3-6 of the SWWC Cost Allocation Manual. Also, please see the Direct Testimony of Mujeeb Hafeez at page 10, line no. 6 through page 21, line no. 11.

Please see the Direct Testimony of Edward Taussig at page 5, line no. 5 through page 7, line no. 14 for a description of Texas management costs allocated and/or direct billed to Monarch.

Expenses directly charged to Monarch from SWWC business units outside of Texas include \$38,488 for legal, human resources, and engineering services provided to Monarch by Suburban Water Systems.

Expenses directly charged or allocated to Monarch from SWWC Utilities, Inc. business units in Texas included \$11,101 and are primarily related to field service orders completed for Monarch by affiliate employees.

Prepared by: Edward Taussig, Monarch Utilities I L.P.

Sponsored by: Mujeeb Hafeez, Monarch Utilities I L.P.; Edward Taussig, Monarch Utilities I L.P.

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**MONARCH'S AMENDED RESPONSE TO
COMMISSION STAFF'S FIFTH RFI**

Staff 5-12 Please provide a list of specific benefits and/or services that Monarch Utilities I, L.P. receives from its affiliated companies in return for the costs allocated and/or direct billed from the affiliate. Please identify the specific costs with the specific benefit or service.

AMENDED RESPONSE:

Corporate costs allocated and/or direct billed to Monarch are listed in item 6 on page 3-6 of the SWWC Cost Allocation Manual. Also, please see the Direct Testimony of Mujeeb Hafeez page 10, line no. 6 through page 21, line no. 11.

Please see the Direct Testimony of Edward Taussig at page 5, line no. 5 through page 7, line no. 14 for a description of Texas management costs allocated and/or direct billed to Monarch.

Expenses directly charged to Monarch from SWWC business units outside of Texas include \$38,488 for legal, human resources, and engineering services provided to Monarch by Suburban Water Systems.

Expenses directly charged or allocated to Monarch from SWWC Utilities, Inc. business units in Texas included \$11,101 and are primarily related to field service orders completed for Monarch by affiliate employees.

Prepared by: Edward Taussig, Monarch Utilities I L.P.
Sponsored by: Mujeeb Hafeez, Monarch Utilities I L.P.

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**MONARCH'S AMENDED RESPONSE TO
COMMISSION STAFF'S FIFTH RFI**

Staff 5-13 Please provide the percentage and amount of every expense category allocated and/or direct billed from the affiliated companies that were included in this rate change application.

AMENDED RESPONSE:

Corporate indirect costs are allocated to Monarch at 24.4% according to the three-factor formula or according to the forthcoming response to OPUC RFI 4-2. Please refer to the SWWC Cost Allocation Manual, direct testimony of Mujeeb Hafeez at page 7, line nos. 10-13, and Schedules IV-9 and IV-12.1 of the rate filing package.

Texas indirect costs are allocated to Monarch using meter equivalents. Please refer to the SWWC Cost Allocation Manual, direct testimony of Edward Taussig at page 6, line nos. 4-8, Schedules IV-9 and IV-12.2 of the rate filing package.

Expenses directly charged to Monarch from SWWC business units outside of Texas include \$38,488 for legal, human resources, and engineering services provided to Monarch by Suburban Water Systems.

Expenses directly charged or allocated to Monarch from SWWC Utilities, Inc. business units in Texas included \$11,101 and are primarily related to field service orders completed for Monarch by affiliate employees.

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Sponsored by: Mujeeb Hafeez, Monarch Utilities I L.P.

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**MONARCH'S AMENDED RESPONSE TO
COMMISSION STAFF'S FIFTH RFI**

Staff 5-14 Please provide any study or other document showing the basis of allocation and direct billing of costs from the affiliated companies.

AMENDED RESPONSE:

Regarding Corporate costs please refer to item 7 - Cost Allocation Methodology in the SWWC Cost Allocation Manual on page 5, Schedules IV-9 and IV-12.1 of the rate filing package, and the direct testimony of Mujeeb Hafeez page 10, line no. 6 through page 21, line no. 11.

Regarding Texas management costs, please refer to item 11 – Regional Business Unit Allocations in the SWWC Cost Allocation Manual on page 8, Schedules IV-9 and IV-12.2 in the rate filing package, and the direct testimony of Edward Taussig at page 5, line no. 5 through page 7, line no. 14.

Regarding costs directly charged to Monarch from SWWC business units outside of Texas, please refer to item 11 – Regional Business Unit Allocations in the SWWC Cost Allocation Manual on page 8.

Regarding costs directly charged or allocated to Monarch from SWWC Utilities, Inc. please refer to item 11 – Regional Business Unit Allocations in the SWWC Cost Allocation Manual on page 8.

Prepared by: Edward Taussig, Monarch Utilities I L.P.
Sponsored by: Mujeeb Hafeez, Monarch Utilities I L.P.