



Control Number: 45570



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SOAH DOCKET NO.473-16-2873.WS  
PUC Docket No. 45570

Monarch I, L.P.'s Application : Public Utility Commission  
To Change Water/Sewer Rates : of Texas

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**KATHY NIELSEN'S STATEMENT OF POSITION**  
**RE: ABOVE LISTED DOCKET NO.'S**

TO: Public Utility Comm. of Texas, 1701 N. Congress Ave., PO Box 13326, Austin, Texas 78711.  
Kathy Nielsen, as Intervenor, herein submits her Statement of Position.

**Definitions:**

"Monarch" to mean Monarch Utilities I, L.P. and including any subset of companies or incorporations which perform business for/under Monarch Utilities I, L.P. or are assuming responsibility for business transacted under the name Monarch Utilities I, L.P. .

"Application" to mean the Application Monarch submitted for the water and sewer rate price increases which is now the basis of this PUC Docket No. 45570, SOAH Docket No.473-16-2873.WS.

**Kathy Nielsen's Statements of her Positions:**

**1. UNCONSCIONABLE RATE REQUEST:**

- Monarch's requested 18%+ rate increase is totally unconscionable and out of step with the existing depressed living conditions of the areas it services.
- I am a single person living on Social Security, as are many others living in the trailer park areas serviced by Monarch. We live as we do because we can not afford to live in a larger house. Our Social Security was increased \$0 this year as the US government assessed that there was NO overall increase in the cost of living this year.
- NO increase in income and an 18%+ Increase in water costs???
- I use 1000/gallons water a month (no sewer) (I paid for septic installation). I use that 1000 gallons for drinking and sanitary concerns. Is Monarch trying to force people like myself into a third world status where I can not afford ACCESS TO running WATER???.  
Even the property taxes in Texas are capped at a 10% increase over a year and even those are reduced for the elderly!

**2. TAKING ADVANTAGE OF DEFENSELESS:**

Monarch's apparent 'unlimited resources'(thanks to its paying customers) can demand increases in rates in part because it knows that the majority of all of its customers are NOT

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attorneys, NOT wealthy enough to hire attorneys, and are basically DEFENSELESS against 'the company'. Consider the number of pages in Monarch's application for this rate increase and the 1 or 2 pages filed by all those rate payers. The rate payers are crying out for help, but do not have the ability to fight a legally, effective battle in a court of law. If our small communities were part of a city, that city might help defend our rights, but that is not the case for the most part, and we ratepayers remain basically defenseless and in the end tragically PAY for Monarch's paperwork and legal fees to defeat us. This is a sad state of affairs.

### 3. MONOPOLY:

Water is a commodity NOT A 'GOODS OR SERVICES '!! Water is ESSENTIAL for life itself. Other goods (except AIR) can BE bought or NOT dependent on budget/desire and competitive rates and services. BUT we have NO CHOICE about water, we must have it or die. AND FURTHER, we MUST PAY MONARCH, which is essentially a MONOPOLY as we have NO CHOICE to either have the product or to use any other competitive service. Even the electricity companies compete for costs and services, and electricity is not ESSENTIAL to living!!!

### 4. FOR PROFIT:

--Texas Cities which provide water to Texas citizens, do not run their water services to make a profit. They are limited by cost and what taxes the community can bear. Monarch should also be *limited to what the communities it services can bear*. The communities of persons, such as myself, living on Social Security can NOT bear an 18% increase in water rates !!!

--I have lived in the same trailer and same community, which has not grown for 30+ years. Water is coming through the same pipes and from the same underground spring to my house. I have bills from 20-30 years ago when the respective owners were making a large profits and my water bill was \$25./month. Since profit was made here at @\$25/mo., why can Monarch not make a huge profit with the doubling of those rates, not including this newest request for the 18% increase? Monarch is using the same pipes to the same houses from the same water source ???, That Monarch can not make it on double the water rates, seems to indicate either an inability on their part to conduct this water business efficiently, or that there is a huge and hidden executive cost override.

--Monarch's data indicates that from 2005 thru 2010, they had an averaged 32% water loss. And from 2011-2014, an averaged 24% water loss. Why are we paying such an enormous amount for such apparent inefficiency?

--Monarch knew, or should have known, the economic conditions of the communities for which they purchased the water rights, and demanding excessive rates now is simply WRONG.

### 5. SIMPLE ACCOUNTING:

--Monarch's request is stated to be based on some alleged \$71 million which they allegedly spent since 2004. Is that \$71 million reduced by all the profits Monarch has made since 2004?

--Is that \$71 million in reduced by the amount of "wasted" water costs in their various communities?

5. SIMPLE ACCOUNTING(cont.) :

--Monarch installed "new" water meters which only benefited Monarch which could then reduce their workforce (no meter readers). Did these meters actually save Monarch money? Did they reduce the \$71 million by those reduced costs?

--Monarch stated the need for this increase based on paying for their previous expenditures, IF THAT IS REALLY TRUE, WHY IS THERE NO STATEMENT ABOUT WHEN THAT DEBT WILL BE PAID OFF AND THE RATES RETURNED TO THE PRESENT RATES?

--Monarch's Schedule IV-12.1 lists \$6,476,047 as "Salaries and Wages"

Schedule IV-12.2 lists \$4,363,042 as "Salaries and Wages to Employees.

Subtraction yields that \$2,113,005 was Salaries and Wages to Non-Employees, or Profits. Were these profits subtracted from the \$71 million?

6. MONARCH'S "IMPROVEMENTS" DO NOT EQUAL THEIR \$71 Million REQUEST.:

Monarch's application listed 'improvements' in support of their request for \$71 million. Those alleged 'improvements' are miniscule in value and questionable 'improvements'.

--"after-hour" customer support": This could have been achieved by adding a recorder to the Monarch phone line. Recorders are not really all that expensive.

--"adding e-billing": many of the people served do not use computers and would not know what an e-bill is. AND that the meters are now read electronically is not a benefit to the consumer, but to Monarch's cost of operations.

--"sending out quarterly information sheets": this seems to be a method by which Monarch is attempting to assure the customers, that no matter the color or smell of the water, it is really 'good', after all. Monarch is supposed to produce clean water.

--"alerting customer to high usage leaks": I can personally attest to the fact that I had 3 large leaks under my trailer and the only "alert" I got from Monarch was an increased bill.

--"winter averaging": this might be a temporary help to a few, but NOT really a benefit as in the end, the customer still needs to pay the entire bill.

7. CONSUMER BY TYPE NOT PIPE SIZE:

It is my position that the water rates should be delineated not by the size of the pipe servicing the client, but by the type of customer and then again by the amount of usage.

It is my position that a business customer should pay more for his water than a residential customer, regardless of the size of the pipe.

--The business customer uses water as a convenience for the public visitors, and/ or in the production of his product and/or to beautify the grounds around his business all to attract more visitors. All to make more money. All of these uses can be deducted as business expenses and passed directly on to others in the cost of the product-the cost of doing business.

--On the other hand, the residential customer uses water first TO live and second to embellish his homestead and accoutrements, none of which can be passed on to anyone else as a "living" expense. ( See #8 below).

**8. POSITION AND SUGGESTIONS FOR WATER RATES AND SERVICES :**

--Have two sets of water/sewer rates, one for businesses and one for residential:  
Businesses should pay more than persons, because businesses exist to make money( profit).  
The 80 yr. old man needs and must have water to live, but can not pass that expense on to anyone else.

The business rates to be set at whatever the business community will bear. The more water they use, the more they should pay. Using Monarch's water is a CHOICE for a business and reflects the owner's business persona.

The residential rates should be tiered differently from today's method:

Using at or less than 2000 gallons/month water is NOT really a CHOICE for the residential customer and THOSE customers should be charged an absolute MINIMUM RATE FOR WATER. Those customers are not wasting a limited human resource, at 1500 gal/mon., they are obviously being prudent, conservative, and using the water at a life sustaining ONLY level.

Using over 2000 gallons/month, even for Residential customers, IS a CHOICE.

These customers should benefit from the low rate initial rate, but then the next 1000 and next 1000 gallons (etc.) should be incrementally at a higher and higher rates. These people are apparently using the water for more than drinking and more than flushing the toilet and more than washing their clothes. These people may have chosen to have a pool, or chosen to maintain a nice green lawn or chosen to irrigate a farm or todo whatever with the water.

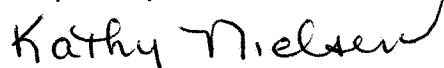
Larger families might complain somewhat, but it is a CHOICE to have a large family and it is NOT an 'inexpensive' choice. If you choose to have 5 children, then there are all the accompanying expenses that go with 5 children and using water is one of them.

--Right now, the people using more water benefit by paying a lesser rate! That is backwards !!  
The more water you use, the more the usage is CHOICE. The more that user should pay.

--Right now, the person using the LEAST water, is paying the most per gallon !!! And it is that person who can least afford to pay the most!! Further, his usage (at 1500 gal/mon.) is not a CHOICE, but a NECESSITY.

--There is no time like NOW to right a wrong.

Respectfully submitted,



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Kathy Nielsen