



Control Number: 45570



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P.U.C. DOCKET NO. 45570

RATEPAYER COMMENTS

2016 MAR 30 AM 11:19  
PUBLIC UTILITY COMMISSION  
FILING CLERK

If you wish to comment on, or intervene in, the proposed rate change, submit this form and 10 copies to:

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

CUSTOMER INFORMATION (to be completed by customers submitting comments or requests to intervene)

First Name: James Last Name: Teague

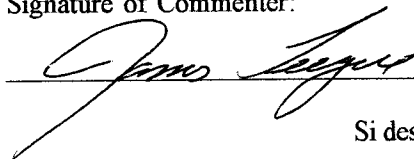
Phone Number: 832-494-8250 Fax Number: N/A

Address, City, State: 7447 Colony Bend Lane, Missouri City, TX 77459

Location where service is received: 135 Key Largo Loop, Point Blank, TX 77364

I wish to be a COMMENTER. I understand that: I am NOT a party to this case; my comments are not considered evidence in this case; and I have no further obligation to participate in the proceeding. Public comments may help inform the PUC of the public concerns and identify issues to be explored. Please provide comments below. Attach a separate page, if necessary.

Signature of Commenter:



Date: 03/09/16

Si desea informacion en Espanol, puede llamar al  
1-888-782-8477

Hearing- and speech-impaired individuals with text telephones may contact the PUC's Customer Assistance Hotline at  
512-936-7136

To: Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, TX 78711-3326

From: James and Gwen Teague, Property Owner's  
Holiday Villages of Livingston

Subject: Ratepayer Comments / Notice of Proposed Rate Change / P.U.C. Docket 45570

We have been fortunate, for the last 2 years, to own a second home on the shores of Lake Livingston, in Point Blank, Texas. The residential community where our home is located, Holiday Villages of Livingston, is serviced for water and sewer by Monarch Utilities. The subject Notice of Proposed Rate Change is the third such notice I'm aware of in 2 years of property ownership.

I would offer the following comments for your consideration to the Notice of Proposed Rate Change:

- 1) The stated reason for the request is "Monarch has invested almost 71 million since acquisition to bring water and waste water systems up to state and federal regulatory standards and improve customer service. Monarch has tightly controlled operating expenses such that they are not increasing over prior rate application". Customer Service is a portion of operating expenses, which it describes as being tightly controlled and not increasing. Therefore, the reason for the request can only come from capital improvements, for which NO detail description has been given.
- 2) For us, the need for capital improvements is derived from a) compliance with governmental regulatory requirements or b) improving the product that comes out of the faucet when it's turned on. In the two years I have been served by this utility, no noted improvements in water quality or service have been noted. The only capital improvement noted at our local service site is an office/workshop has been built. So the question in my mind is "What have they spent \$71 million on?"
- 3) The water, while likely nominally meeting governmental water quality requirements, is usually high in sediment and has strong chlorine or other odors. Mineral deposits build up at a rapid rate on faucets, dishwashers, clothes washers, etc.; leading to lower than expected service life. My wife and I only use the water for bathing and washing, not for drinking. My friends and neighbors in the community report the same. Quality of product produced has not improved.
- 4) The cover letter included with the notice notes "Monarch has invested significantly to improve customer service, including our billing systems, meter reading, and payment options." This sentence leads one to believe that a portion of the claimed \$71 million in improvements has been spent solely for the purpose of improving how they obtain payments from customers more efficiently; i.e. their cash flow position. Why should we pay for it?
- 5) Monarch Utilities has a "Minimum Billing" policy; i.e. all customers must pay for at least 1,000 gallons of water use per month. Our calculated actual monthly use has been about 300 gallons, as we commonly use the residence only on weekends, yet I must pay for 1000 gallons of water. My solution has been to use the balance that I'm stuck with paying for to water the yard. Under

the Proposed Rate Change, appearances are the monthly minimum will increase to 2,000 gallons of water per month, effectively doubling my water bill. Since the Sewer Rate proposal is coupled to water usage, that bill will effectively double as well. So, my \$125 per month water/sewer bill will effectively double to \$250 per month, or \$3,000 per year; for a residence utilized approximately 125 days per year.

- 6) Because the sewer rates are tied to water usage, and increasing in minimum charge as well as rate, the option I currently use (watering the yard with excess to needs water I am required to buy) will likely prove to be not financially viable, leaving me stuck in the position of paying for water and sewer I do not use. This, to me, seems to be patently unfair and unreasonable.
- 7) There are approximately 76 water systems affected by this proposal, I can only offer commentary for one. In my community, property ownership (customers) is pretty evenly divided between those who are full time residents and those who are "Weekenders" like us. I would be curious to know just how many customers are in similar circumstance, i.e. paying a minimum usage fee and essentially giving Monarch free money.
- 8) It is my belief the additional revenue noted in this proposal is suspect, failing to take into account the minimum usage quantity change. No methodology for calculating the anticipated revenue is presented.
- 9) There is no conformity between rate increases for water and sewer. Water rates go up +/- 16%, yet sewer rates go up by +/- 27%.
- 10) For comparison purposes (professionally I refer to them as "Sanity Checks"), my primary residence is in Missouri City, Tx. My latest monthly water, sewer bill was \$46.00. My last monthly bill from Monarch was \$132.00, or tripled. My anticipated rate, should the change be approved, will be \$250 per month. Granted there are vast differences between the City of Missouri City and Monarch Utilities; the sanity check is, are those differences 5 times the cost? I think not.
- 11) And finally, I note the date of last rate change is 1/1/15. I guess its ok to ask for more money a year after the Company began receiving more money. I would request that research be done into ALL the rate increases since 2004. I'd be willing to wager that rates have risen dramatically over the 10 year period.

To summarize, this rate request, as applies to me, the single customer is onerous and unreasonable. There is insufficient justification, merely a remark that "We've spent \$71 million since acquisition in 2004". This begs the question: What have all the other rates increases since the aforementioned 2004 acquisition, as recently as 1/1/2015, been for?

Bottom Line: The water quality is the worst we have experienced; just take a poll of the Holiday Villages sub-division. We should not be forced to pay for something we don't use. They are lining their pockets with the water money we don't use but have to pay for.

The concept of fair and reasonable is now the exception and not the rule for our State and Country. The P.U.C. has an opportunity to correct this.