

GARY E. GEORGE

P. O. Box 1485 * Quitman, TX 75783 * (903) 878-2242 * gar2sea@aol.com

July 26, 2011

The Honorable Kevin P. Eltife
Texas State Senator
P. O. Box 12068
Austin, TX 78711-2068

RE: Anomalies in Monarch's Rate Application

Dear Senator Eltife:

I took information from Monarch's 1743 page application to create the attached Percent of Sales Analysis, and I researched data from Fidelity.com to create the Return on Sales Percentages, and the Return on Investment Percentages spreadsheets and graphs. Then, I took Test Year Revenue from the TCEQ database, and modified Monarch's application in Monarch 2010 Picture.

The first thing that popped of the page at me is the Miscellaneous operating expense of \$13.4 million. It is 2.6 times the Salaries, Wages, and Contract Labor figure. I have not been able to do much research on this, but it appears Monarch is paying affiliates more than they are paying their employees. Does that seem reasonable to you?

Even if you agree with this huge Miscellaneous figure, the operating expense subtotal is almost exactly half of total sales. In simple terms, Monarch's gross profit is 50% of sales. This is the gross profit of a monopoly operating under the direction of the TCEQ? Does that seem reasonable to you?

Looking at the graph or spreadsheet for Return on Sales (ROS) Percentages of 84 utilities in the United States, we see that Monarch's ROS is 39.09%. Monarch may argue that I should not add their income taxes to this figure, but Monarch Utility I, L.P. does not pay taxes. But, even if you remove the income taxes from this figure, Monarch's ROS of 26.59% is still at the top. Considering the median ROS of 84 utilities operating in the U.S.A. is 8.2%, does this seem reasonable to you?

Looking at the Return on Investment (ROI) Percentages of 84 utilities in the United States, we see that Monarch's ROI is 10.24% while the median is 4.0%. For the water utilities in this list besides Monarch the median is 3.79%. How can the TCEQ give Monarch an 11.20% ROIC yielding an ROI of 10.24% when utility bond rates are less than six percent? Does this seem reasonable to you?

Looking at Monarch 2010 Picture, we see from the TCEQ database that Monarch and its mergers had total receipts of \$35,091,096.12 in 2010. This means the calculated increase in revenue is 59.98% for combined water/sewer compared to Monarch's 54.8%. I made some modifications to the Rate Application data, such as removing the payments to affiliates in Miscellaneous, removing the income tax additional profit, and reducing the ROI to 5 %. Even with these changes, 2010 was a very good year for Monarch, ROS is 20.75% and the 5 % ROI is one percent above the median for all U.S. utilities and 1.21% above that for water utilities. Monarch does not need a rate increase.

Rate payers desperately need your help. The TCEQ has coddled their largest monopolies for so long, they can't perform their tasks. This rate increase should be stopped in the hearing to approve the mergers. The TCEQ needs new direction, and new oversight. And, rate payers need long term relief from the decade of rate abuse they have suffered.

Very truly yours,

Gary E. George

Gary E. George

Monarch Rate Application

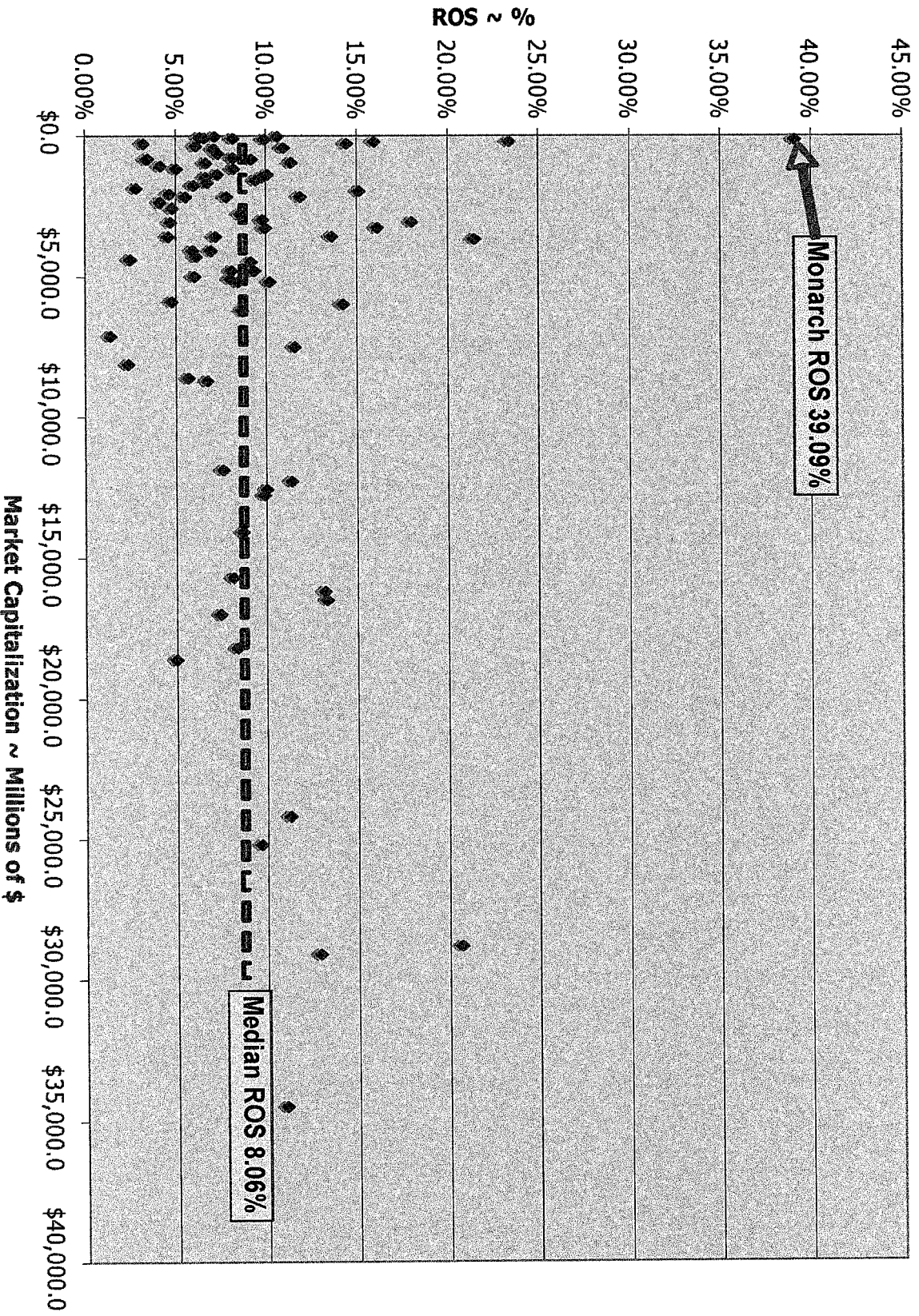
Percent of Sales Analysis

Rates effective August 1, 2011

	WATER	% of Sales	SEWER	% of Sales	TOTAL	% of Sales	Notes:
Base Sales							
Meter Equivalents	35,400		13,026				These numbers do not match Table VII
Base Monthly Fee	\$59,822		\$46,599				
Monthly Revenue	\$2,117,628.00		\$606,881.34		\$2,724,509.34		
Annual Revenue	\$25,411,536.00	58.45%	\$7,282,576.08	57.51%	\$32,694,112.08	58.24%	
Tap Revenue	\$291,321.00		\$310,443.00		\$601,764.00		
Other Revenue	\$877,504.00		\$419,487.00		\$1,296,991.00		
Total Base Sales	\$26,580,361.00	61.14%	\$8,012,506.08	63.27%	\$34,592,867.08	61.62%	
Gallonge Sales							
Up to 20,000 gal.	2,043,352		824,721				
Rate up to 20K	\$7.00		\$5.64				
Sales up to 20K	\$14,303,464.00	32.90%	\$4,651,426.44	36.73%	\$18,954,890.44	33.76%	
Over 20K	287,797						
Rate over 20K	\$9.00						
Sales over 20K	\$2,590,173.00	5.96%					
Total Gallonge Sales	\$16,893,637.00	38.86%	\$4,651,426.44	36.73%	\$21,545,063.44	38.38%	
Total Annual Revenue	\$43,473,998.00	100.00%	\$12,663,932.52	100.00%	\$56,137,930.52	100.00%	
Expenses							
Salaries, Wages, Contract	\$3,907,610	8.99%	\$1,200,990	9.48%	\$5,108,600.00	9.10%	
Purchased Water/Treatment	\$3,266,279	7.51%	\$186,224	1.47%	\$3,452,503.00	6.15%	
Chemicals	\$615,419	1.42%	\$268,787	2.12%	\$884,206.00	1.58%	
Utilities	\$1,335,792	3.07%	\$636,843	5.03%	\$1,972,635.00	3.51%	
Repairs/Maintenance	\$1,661,471	3.82%	\$482,951	3.81%	\$2,144,422.00	3.82%	
Office Expense	\$237,365	0.55%	\$49,894	0.39%	\$287,259.00	0.51%	
Accounting/Legal Fees	\$98,366	0.23%	\$24,323	0.19%	\$122,689.00	0.22%	
Insurance	\$363,652	0.84%	\$119,107	0.94%	\$482,759.00	0.86%	
Rate Case Expense	\$123,191	0.28%	\$21,932	0.17%	\$145,123.00	0.26%	
Miscellaneous	\$10,048,402	23.11%	\$3,408,102	26.91%	\$13,456,504.00	23.97%	Half of the expense is in miscellaneous?
Subtotal	\$21,657,548	49.82%	\$6,399,152	50.53%	\$28,056,700.00	49.98%	
Payroll Taxes	\$277,331	0.64%	\$47,166	0.37%	\$324,497.00	0.58%	
Property/Other Taxes	\$752,878	1.73%	\$198,201	1.57%	\$951,079.00	1.69%	
Annual Depreciation/Amort.	\$4,267,452	9.82%	\$1,695,650	13.39%	\$5,963,102.00	10.62%	
Income Taxes	\$5,552,339	12.77%	\$1,462,779	11.55%	\$7,015,118.00	12.50%	Since Rate Payers pay income taxes,
Return	\$11,813,581	27.17%	\$3,112,320	24.58%	\$14,925,901.00	26.59%	return is 26.59% + 12.50% = 39.09%
Subtotal	\$44,321,128	101.95%	\$12,915,269	101.98%	\$57,236,397.00	101.96%	
Other Revenue	(\$1,168,825)	-2.69%	(\$729,927)	-5.76%	(\$1,898,752.00)	-3.38%	Tap Fees, Penalties, Other Income
Cost of Service in Abeyance	(\$846,369)	-1.95%	(\$250,986)	-1.98%	(\$1,097,355.00)	-1.95%	\$1 million in rate change protection
Total Cost	\$42,305,934	97.31%	\$11,934,356	94.24%	\$54,240,290.00	96.62%	Amount to be recovered in rates

Mon Sales_Expense 110801

ROS Versus Market Capitalization for 84 U.S. Utilities



Symbol	Name	Market Cap. \$M	Return On Sales %	Country	State	Utility Type	Alt. Type
SWWC	Monarch Utilities I, LP	\$145.7	39.09%	U.S.A.	TX	W	
YORW	York Water Co.	\$227.9	23.39%	U.S.A.	PA	W	
ITC	ITC Holdings Corp.	\$3,700.0	21.47%	U.S.A.	MI	E	
D	Dominion Resources Inc.	\$28,800.0	20.67%	U.S.A.	VA	E	G
WTR	Aqua America	\$3,100.0	18.02%	U.S.A.	PA	W	
STR	Questar Corp.	\$3,300.0	16.12%	U.S.A.	UT	G	
CTWS	Connecticut Water Svc. Inc.	\$228.4	15.97%	U.S.A.	CT	W	
IDA	Idacorp Inc.	\$2,000.0	15.12%	U.S.A.	ID	E	
MSEX	Middlesex Water Co.	\$296.6	14.46%	U.S.A.	NJ	W	
NFG	National Fuel Gas Co.	\$6,000.0	14.24%	U.S.A.	NY	G	
DPL	DPL Inc.	\$3,600.0	13.64%	U.S.A.	OH	E	
PEG	Public Service Entrp. Group	\$16,500.0	13.33%	U.S.A.	NJ	E	G
PPL	PPL Corp.	\$16,200.0	13.19%	U.S.A.	PA	E	
EXC	Exelon Corp.	\$29,100.0	12.90%	U.S.A.	IL	E	
CNL	Cleco Corp.	\$2,200.0	11.89%	U.S.A.	LA	E	
WEC	Wisconsin Energy Corp.	\$7,500.0	11.59%	U.S.A.	WI	E	G
ETR	Entergy Corp.	\$12,300.0	11.40%	U.S.A.	LA	E	
MGEE	MGE Energy Inc.	\$969.4	11.39%	U.S.A.	WI	E	G
NEE	Nextera Energy Inc.	\$24,200.0	11.25%	U.S.A.	FL	E	
SO	Southern Co.	\$34,500.0	10.99%	U.S.A.	GA	E	
SJW	SJW Corp.	\$451.2	10.98%	U.S.A.	CA	W	
JUHL	Juhl Wind Inc.	\$30.3	10.63%	U.S.A.	MN	E	
AWK	American Water Works, Inc.	\$5,200.0	10.19%	U.S.A.	NJ	W	
EE	El Paso Electric Co.	\$1,400.0	10.09%	U.S.A.	TX	E	
SRE	Sempra Energy	\$12,600.0	10.01%	U.S.A.	CA	E	G
AGL	AGL Resources Inc.	\$3,300.0	9.96%	U.S.A.	GA	G	
PNNW	Pennichuck Corp.	\$133.8	9.92%	U.S.A.	NH	W	
EIX	Edison International	\$12,800.0	9.89%	U.S.A.	CA	E	
WR	Westar Energy Inc.	\$3,000.0	9.81%	U.S.A.	KS	E	
ALE	Allete Inc.	\$1,500.0	9.78%	U.S.A.	MN	E	
DUK	Duke Energy Corp.	\$25,200.0	9.64%	U.S.A.	NC	E	
SJI	South Jersey Industries Inc.	\$1,600.0	9.44%	U.S.A.	NJ	E	G
PNW	Pinnacle West Capital Corp.	\$4,800.0	9.35%	U.S.A.	AZ	E	
EDE	Empire Distr. Electric Co.	\$860.6	9.19%	U.S.A.	MO	E	
LNT	Alliant Energy Corp.	\$4,500.0	9.16%	U.S.A.	WI	E	G
PGN	Progress Energy Inc.	\$14,100.0	8.70%	U.S.A.	NC	E	
NU	Northeast Utilities	\$6,200.0	8.68%	U.S.A.	MA	E	
GXP	Great Plains Energy Inc.	\$2,800.0	8.57%	U.S.A.	MO	E	
SCG	Scana Corp.	\$5,200.0	8.46%	U.S.A.	SC	E	G
AEP	American Electric Pwr. Co.	\$18,200.0	8.36%	U.S.A.	OH	E	
NWN	Northwest Natural Gas Co.	\$1,200.0	8.23%	U.S.A.	OR	G	
DGAS	Delta Natural Gas Co. Inc.	\$109.3	8.20%	U.S.A.	KY	G	
CWT	California Water Service Grp.	\$798.7	8.19%	U.S.A.	CA	W	
ED	Consolidated Edison Inc.	\$15,700.0	8.15%	U.S.A.	NY	E	
NST	Nstar	\$4,800.0	8.09%	U.S.A.	MA	E	G
OGE	OGE Energy Corp.	\$5,100.0	8.04%	U.S.A.	OK	E	G
PNY	Piedmont Natural Gas Co.	\$2,200.0	7.81%	U.S.A.	NC	G	
XEL	XCEL Energy Inc.	\$11,900.0	7.60%	U.S.A.	MN	E	G
PCG	P G & E Corp.	\$17,000.0	7.45%	U.S.A.	CA	E	G
AWR	American States Water Co.	\$648.5	7.35%	U.S.A.	CA	W	
UNS	Unisource Energy Corp.	\$1,400.0	7.33%	U.S.A.	AZ	E	
NVE	NV Energy Inc.	\$3,600.0	7.21%	U.S.A.	NV	E	
CNIG	Corning Natural Gas Corp.	\$30.0	7.19%	U.S.A.	NY	G	
CV	Central Vermont Pub. Svc.	\$471.1	7.13%	U.S.A.	VT	E	
TE	Teco Energy Inc.	\$4,100.0	6.97%	U.S.A.	FL	E	
UIL	UIL Holdings Corp.	\$1,700.0	6.79%	U.S.A.	CT	E	G
DTE	DTE Energy Co.	\$8,700.0	6.76%	U.S.A.	MI	E	G
AVA	Avista Corp.	\$1,500.0	6.68%	U.S.A.	WA	E	
ORA	Ormat Technologies Inc.	\$982.7	6.68%	U.S.A.	NV	E	
EGAS	Gas Natural Inc.	\$93.7	6.61%	U.S.A.	MT	G	
RGCO	RGC Resources Inc.	\$72.4	6.34%	U.S.A.	VA	G	

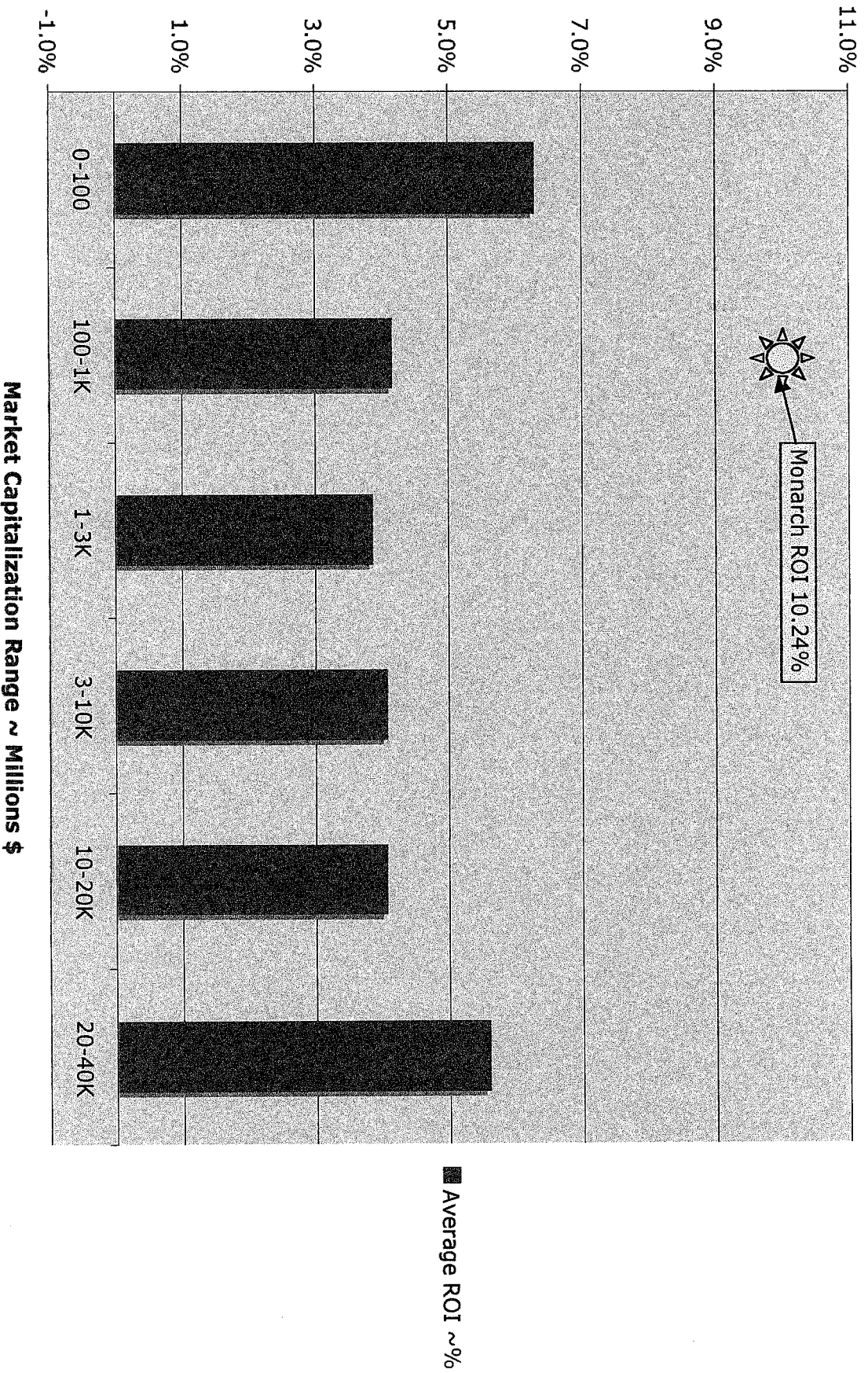
U.S.A Public Utilities

Return on Sales Percentage

Compared to Monarch Utility I, L.P.

CPK	Chesapeake Utilities Corp.	\$377.7	6.14%	U.S.A.	DE	E	G
MDU	MDU Resources Group Inc.	\$4,300.0	6.14%	U.S.A.	ND	E	G
CMS	CMS Energy Corp.	\$5,000.0	6.04%	U.S.A.	MI	E	G
SWX	Southwest Gas Corp.	\$1,800.0	6.02%	U.S.A.	NV	G	
TEG	Integrus Energy Group Inc.	\$4,100.0	5.97%	U.S.A.	IL	E	G
CNP	Centerpoint Energy Inc.	\$8,600.0	5.70%	U.S.A.	TX	E	G
VVC	Vectren Corp.	\$2,200.0	5.56%	U.S.A.	IN	E	G
BKH	Black Hills Corp.	\$1,200.0	5.06%	U.S.A.	SD	E	G
FE	First Energy Corp.	\$18,600.0	5.02%	U.S.A.	OH	E	
GAS	Nicor Inc.	\$2,600.0	4.82%	U.S.A.	IL	G	
NI	Nisource Inc.	\$5,900.0	4.80%	U.S.A.	IN	E	G
ATO	Atmos Energy Corp.	\$3,100.0	4.72%	U.S.A.	TX	G	
WGL	WGL Holdings Inc.	\$2,100.0	4.68%	U.S.A.	DC	G	
UGI	UGI Corp.	\$3,600.0	4.62%	U.S.A.	PA	G	
AT	Atlantic Power Corp.	\$1,100.0	4.19%	U.S.A.	MA	E	
HE	Hawaiian Electric Ind. Inc.	\$2,400.0	4.17%	U.S.A.	HI	E	
CHG	CH Energy Group Inc.	\$840.3	3.49%	U.S.A.	NY	E	G
LG	LaClede Group Inc.	\$854.5	3.41%	U.S.A.	MO	G	
UTL	Unitil Corp.	\$290.5	3.24%	U.S.A.	NH	E	G
NJR	New Jersey Resources Corp.	\$1,900.0	2.85%	U.S.A.	NJ	G	
POM	Pepco Holdings Inc.	\$4,400.0	2.52%	U.S.A.	DC	E	G
OKE	Oneok Inc.	\$8,100.0	2.39%	U.S.A.	OK	E	G
AEE	Ameren Corp.	\$7,100.0	1.42%	U.S.A.	MO	E	
	Median of Utilities	\$3,100.00	8.20%	U.S.A.			

ROI of 84 U.S. Utilities



Symbol	Name	Market Cap. \$M	Return on Investment %	Country	State	Utility Type	Alt. Type
SWWC	Monarch Utilities I, LP	\$145.7	10.24%	U.S.A.	TX	W	
D	Dominion Resources Inc.	\$28,800.0	9.17%	U.S.A.	VA	E	G
JUHL	Juhl Wind Inc.	\$30.3	8.63%	U.S.A.	MN	E	
DPL	DPL Inc.	\$3,600.0	8.26%	U.S.A.	OH	E	
EXC	Exelon Corp.	\$29,100.0	7.52%	U.S.A.	IL	E	
STR	Questar Corp.	\$3,300.0	7.05%	U.S.A.	UT	G	
NFG	National Fuel Gas Co.	\$6,000.0	6.65%	U.S.A.	NY	G	
PEG	Public Service Entrp. Group	\$16,500.0	6.57%	U.S.A.	NJ	E	G
SJI	South Jersey Industries Inc.	\$1,600.0	6.03%	U.S.A.	NJ	E	G
EGAS	Gas Natural Inc.	\$93.7	6.01%	U.S.A.	MT	G	
MGEE	MGE Energy Inc.	\$969.4	5.84%	U.S.A.	WI	E	G
CPK	Chesapeake Utilities Corp.	\$377.7	5.71%	U.S.A.	DE	E	G
UGI	UGI Corp.	\$3,600.0	5.68%	U.S.A.	PA	G	
CNIG	Corning Natural Gas Corp.	\$30.0	5.39%	U.S.A.	NY	G	
GAS	Nicor Inc.	\$2,600.0	5.34%	U.S.A.	IL	G	
WGL	WGL Holdings Inc.	\$2,100.0	5.27%	U.S.A.	DC	G	
RGCO	RGC Resources Inc.	\$72.4	5.16%	U.S.A.	VA	G	
MDU	MDU Resources Group Inc.	\$4,300.0	5.03%	U.S.A.	ND	E	G
PPL	PPL Corp.	\$16,200.0	5.00%	U.S.A.	PA	E	
WEC	Wisconsin Energy Corp.	\$7,500.0	4.98%	U.S.A.	WI	E	G
OGE	OGE Energy Corp.	\$5,100.0	4.77%	U.S.A.	OK	E	G
PNY	Piedmont Natural Gas Co.	\$2,200.0	4.74%	U.S.A.	NC	G	
NJR	New Jersey Resources Corp.	\$1,900.0	4.72%	U.S.A.	NJ	G	
TEG	Integrus Energy Group Inc.	\$4,100.0	4.67%	U.S.A.	IL	E	G
YORW	York Water Co.	\$227.9	4.64%	U.S.A.	PA	W	
CV	Central Vermont Pub. Svc.	\$471.1	4.52%	U.S.A.	VT	E	
AGL	AGL Resources Inc.	\$3,300.0	4.48%	U.S.A.	GA	G	
EE	El Paso Electric Co.	\$1,400.0	4.45%	U.S.A.	TX	E	
SRE	Sempra Energy	\$12,600.0	4.43%	U.S.A.	CA	E	G
LNT	Alliant Energy Corp.	\$4,500.0	4.40%	U.S.A.	WI	E	G
ETR	Entergy Corp.	\$12,300.0	4.34%	U.S.A.	LA	E	
ALE	Allete Inc.	\$1,500.0	4.34%	U.S.A.	MN	E	
IDA	Idacorp Inc.	\$2,000.0	4.28%	U.S.A.	ID	E	
TE	Teco Energy Inc.	\$4,100.0	4.28%	U.S.A.	FL	E	
MSEX	Middlesex Water Co.	\$296.6	4.23%	U.S.A.	NJ	W	
DGAS	Delta Natural Gas Co. Inc.	\$109.3	4.22%	U.S.A.	KY	G	
EIX	Edison International	\$12,800.0	4.20%	U.S.A.	CA	E	
LG	LaClede Group Inc.	\$854.5	4.20%	U.S.A.	MO	G	
SO	Southern Co.	\$34,500.0	4.18%	U.S.A.	GA	E	
NEE	Nextera Energy Inc.	\$24,200.0	4.17%	U.S.A.	FL	E	
WTR	Aqua America	\$3,100.0	4.13%	U.S.A.	PA	W	
CNL	Cleco Corp.	\$2,200.0	4.05%	U.S.A.	LA	E	
NST	Nstar	\$4,800.0	3.95%	U.S.A.	MA	E	G
SWX	Southwest Gas Corp.	\$1,800.0	3.93%	U.S.A.	NV	G	
ITC	ITC Holdings Corp.	\$3,700.0	3.92%	U.S.A.	MI	E	
NU	Northeast Utilities	\$6,200.0	3.92%	U.S.A.	MA	E	
CTWS	Connecticut Water Svc. Inc.	\$228.4	3.81%	U.S.A.	CT	W	
CWT	California Water Service Grp.	\$798.7	3.79%	U.S.A.	CA	W	
ATO	Atmos Energy Corp.	\$3,100.0	3.79%	U.S.A.	TX	G	
SCG	Scana Corp.	\$5,200.0	3.78%	U.S.A.	SC	E	G
NWN	Northwest Natural Gas Co.	\$1,200.0	3.78%	U.S.A.	OR	G	
ED	Consolidated Edison Inc.	\$15,700.0	3.78%	U.S.A.	NY	E	
XEL	XCEL Energy Inc.	\$11,900.0	3.73%	U.S.A.	MN	E	G
CMS	CMS Energy Corp.	\$5,000.0	3.72%	U.S.A.	MI	E	G
PGN	Progress Energy Inc.	\$14,100.0	3.69%	U.S.A.	NC	E	
UNS	Unisource Energy Corp.	\$1,400.0	3.66%	U.S.A.	AZ	E	
UIL	UIL Holdings Corp.	\$1,700.0	3.63%	U.S.A.	CT	E	G
SJW	SJW Corp.	\$451.2	3.62%	U.S.A.	CA	W	
OKE	Oneok Inc.	\$8,100.0	3.62%	U.S.A.	OK	E	G
AVA	Avista Corp.	\$1,500.0	3.60%	U.S.A.	WA	E	
AWR	American States Water Co.	\$648.5	3.58%	U.S.A.	CA	W	
PCG	P G & E Corp.	\$17,000.0	3.48%	U.S.A.	CA	E	G
PNW	Pinnacle West Capital Corp.	\$4,800.0	3.39%	U.S.A.	AZ	E	

U.S.A. Public Utilities

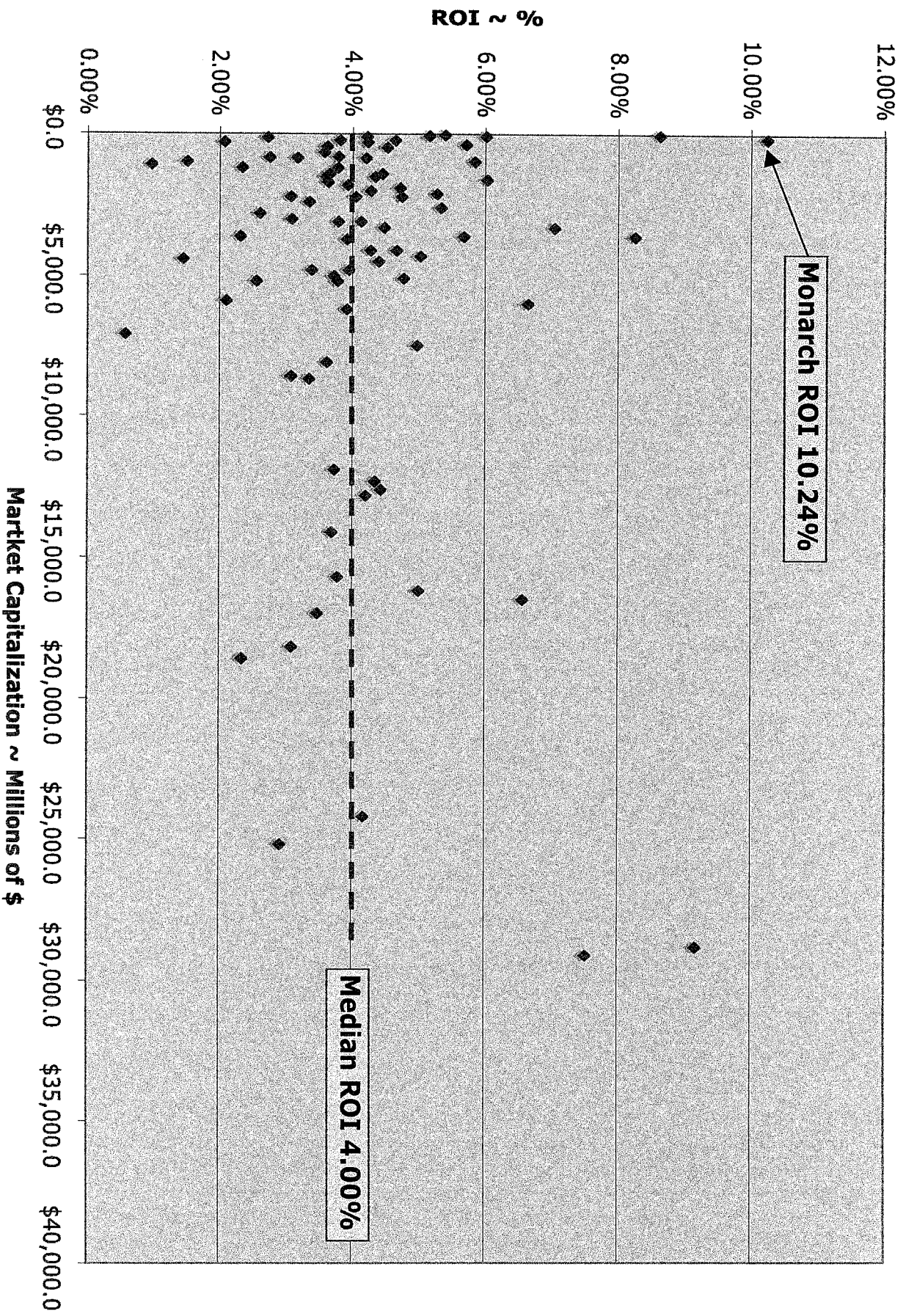
Return on Investment Percentage

Compared to Monarch Utility I, L.P.

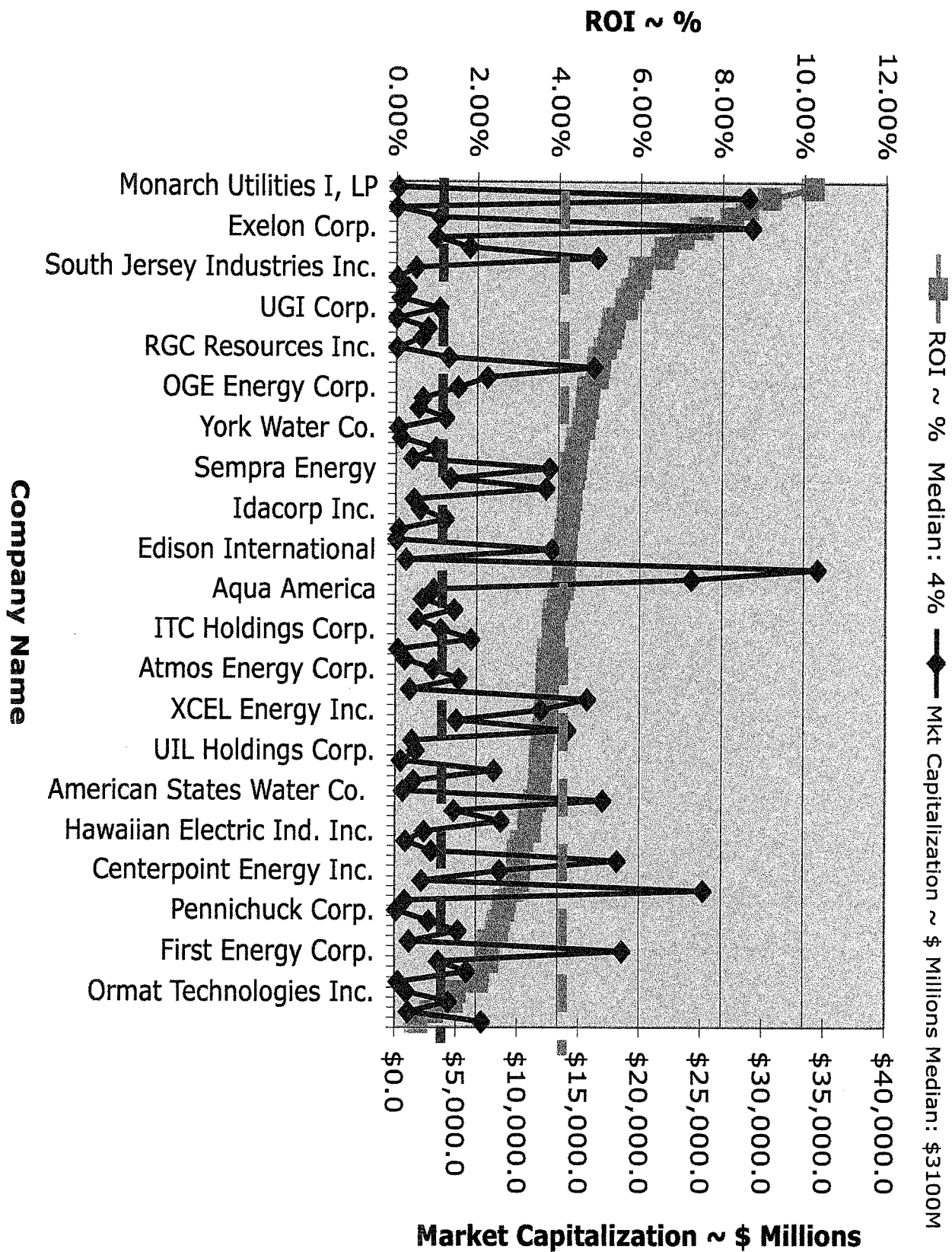
DTE	DTE Energy Co.	\$8,700.0	3.35%	U.S.A.	MI	E	G
HE	Hawaiian Electric Ind. Inc.	\$2,400.0	3.35%	U.S.A.	HI	E	
EDE	Empire Distr. Electric Co.	\$860.6	3.17%	U.S.A.	MO	E	
WR	Westar Energy Inc.	\$3,000.0	3.09%	U.S.A.	KS	E	
AEP	American Electric Pwr. Co.	\$18,200.0	3.09%	U.S.A.	OH	E	
CNP	Centerpoint Energy Inc.	\$8,600.0	3.08%	U.S.A.	TX	E	G
VVC	Vectren Corp.	\$2,200.0	3.07%	U.S.A.	IN	E	G
DUK	Duke Energy Corp.	\$25,200.0	2.92%	U.S.A.	NC	E	
CHG	CH Energy Group Inc.	\$840.3	2.75%	U.S.A.	NY	E	G
PNNW	Pennichuck Corp.	\$133.8	2.72%	U.S.A.	NH	W	
GXP	Great Plains Energy Inc.	\$2,800.0	2.61%	U.S.A.	MO	E	
AWK	American Water Works, Inc.	\$5,200.0	2.56%	U.S.A.	NJ	W	
BKH	Black Hills Corp.	\$1,200.0	2.34%	U.S.A.	SD	E	G
FE	First Energy Corp.	\$18,600.0	2.34%	U.S.A.	OH	E	
NVE	NV Energy Inc.	\$3,600.0	2.31%	U.S.A.	NV	E	
NI	Nisource Inc.	\$5,900.0	2.10%	U.S.A.	IN	E	G
UTL	Unitil Corp.	\$290.5	2.07%	U.S.A.	NH	E	G
ORA	Ormat Technologies Inc.	\$982.7	1.51%	U.S.A.	NV	E	
POM	Pepco Holdings Inc.	\$4,400.0	1.45%	U.S.A.	DC	E	G
AT	Atlantic Power Corp.	\$1,100.0	0.97%	U.S.A.	MA	E	
AEE	Ameren Corp.	\$7,100.0	0.58%	U.S.A.	MO	E	
	Median of Utilities	\$3,100.00	4.00%	U.S.A.			

CCN	Name	Meters	Total Receipts	Avg Monthly Per Meter
11106	Water Services Inc.	1,554	\$1,117,089.02	\$59.90
11471	Windermere Utility Co. Inc.	4,836	\$8,059,766.06	\$138.88
11571	Midway Water Utilities Inc.	375	\$237,163.44	\$52.70
11971	Huntington Utility Company Inc.	126	\$98,184.49	\$64.94
11978	Hornsby Bend Utility Company Inc.	1,731	\$3,048,276.64	\$146.75
12865	Diamond Water Co.	725	\$565,195.83	\$64.97
12284	SW Utility Company	42	\$16,485.79	\$32.71
12914	Mid-Tex Utilities Inc.	0	0	
12983	Monarch Utility I L.P.	13,081	\$21,948,934.85	\$139.83
	Monarch Test Year Revenue:		\$35,091,096.12	
	Monarch Rate Application Revenue Request:		\$56,137,930.52	
	Requested Increase in Revenue:		\$21,046,834.40	
	Requested Percentage Increase:		59.98%	
	From Rate Application with Modifications			
Expenses	Salaries, Wages, Contract Labor		\$5,108,600.00	14.56%
	Purchased Water/Treatment		\$3,452,503.00	9.84%
	Chemicals		\$884,206.00	2.52%
	Utilities		\$1,972,635.00	5.62%
	Repairs/Maintenance		\$2,144,422.00	6.11%
	Office Expense		\$287,259.00	0.82%
	Accounting/Legal Fees		\$122,689.00	0.35%
	Insurance		\$482,759.00	1.38%
	Rate Case Expense		\$145,123.00	0.41%
	Miscellaneous Less Affiliate Fees		\$5,225,121.00	Miscellaneous still > Salaries, Wages, Contr. 14.89%
	Subtotal		\$19,825,317.00	56.50%
	Payroll Taxes		\$324,497.00	0.92%
	Property/Other Taxes		\$951,079.00	2.71%
	Annual Depreciation/Amort.		\$5,963,102.00	16.99%
	Income Taxes		\$0.00	0.00%
	Return @ 5.00%		\$7,281,114.60	Test Year ROS, V High 20.75%
	Subtotal		\$34,345,109.60	97.87%
	Other Revenue		(\$1,898,752.00)	
	Cost of Service in Abeyance		(\$1,097,355.00)	
	Total Cost		\$31,349,002.60	Revenue Requirement 89.34%
	Test Year Revenue over Total Cost:		\$3,742,093.52	Test Year Net of Sales 10.66%
	Monarch Does Not Need a Rate Increase			

ROI versus Market Capitalization For 84 US Utilities



ROI For USA Utility Companies



Return on Sales ~ 85 Utilities

ROS ~ % Median: 8.2% Mkt Capitalization ~ \$Millions Median: \$3100M

