



Control Number: 48819



Item Number: 138

Addendum StartPage: 0

SOAH DOCKET NO. 473-20-1674.WS

4PUC DOCKET NO. 48819

APPLICATION OF NORTHTOWN § BEFORE THE STATE OFFICE  
ACRES WATER SUPPLY FOR § OF  
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

**MARK PARKER STATUS REPORT IN RESPONSE TO SOAH ORDER NO. 3**

**COMES NOW** the intervening party “Mark Parker” file this Status Report in Response to SOAH Order No. 3. In support thereof, shows the following:

**I. BACKGROUND**

1. Northtown Acres last Approved Rate increase was effective 10/1/2009.
2. Northtown’s Owner Herb Madison passed away 2013 and Northtown Acres was inherited by his Daughter Sheroll and her husband Roger Richardson.
3. An application for sale, transfer, merger (STM) has never been accomplished to effect this change.
4. Several rate increases have been attempted dating back to 2/21/18. Dockets opened, attempts made, delays occurred, refillings, etc.. all withdrawn and closed i.e. Dockets No. 48084, 48089. Also a formal complaint file by Frank Marx case Docket No. 50285 concerning being over billed for the past three years is pending SOAH request for hearing.
5. Several known Unapproved Rate Increases have been implemented by Northtown Acres starting back to at least April 2017 and possibly sooner - (1st known Unapproved April 2017 rate increase was mentioned by PUC Staff in Docket 48089 document/Item 8. New Northtown Unapproved Current rates showed up in their rate increase notice to Ratepayers dated 1/30/19 and were correct (i.e. what was being billed at that time but had not been Approved). And in Frank Marx’s complaint case Northtown showed yet again another different set (Even Higher) Unapproved Rates contained in a bill that breaks out the rates used - (Docket No. 50285 Item/Doc 1).

138

## **II.**

## **STATUS REPORT**

Mark Parker respectfully submits two documents attached to this status report - meant to assist in making informed decisions as it pertains to this case.

1. Northtown Acres Rate Increase - Rate Comparisons
2. Northtown Acres Rate Increase - Historical Analysis

### **Open Issues Pertaining to Mark Parker:**

1. Timeliness of Notice to Ratepayers to Intervene in this case: Notice was sent to Ratepayers during the Christmas/New Year's Holidays with a very short time constraint to file a request to intervene - making that Notice Deficient.
2. A Motion to Abate and Rescind Interim Rate Increase: Based on non compliance due to the lack of a completed STM. But also (I think) everyone involved agrees the Interim Rates are Wrong, Excessive, Unrealistic, Way Out of Line (see the attached Rate Comparisons / Analysis provided with this status report). Interim Rates are Higher than the Proposed Rate Increase. Northtown has no incentive to move forward with these excessive Interim Rates in place. And considering Northtown has been working on an "approved" rate increase for two or three years (according to Sharon Richardson since January 2017 lost in the mail or something) or at least since 2/21/18 - Docket No. 48089, I don't think we should continue with these Interim Rates any longer - they're a travesty.

3. Rescind the Interim Rates back to What? Options could be the following:

1. The Unapproved rates used 2018 & 2019 prior to the Interim Rates? They are more than adequate to run their business. But they are Unapproved & disproportional.
2. Back to the 10/1/2009 Approved Rates? Probably not adequately sufficient to cover all of Northtown's business expenses.
3. PUC Construct New Temporary Rates? That would comply with PUC standards for IOU rates - Straight forward, Clearly understood, Fair, with Separate and easy Pass-thru rate structure to accommodate subsequent rate increases, and for this case that closely match to the revenue generated from the Unapproved 2018 & 2019 Rates. In doing these PUC Temporary Rates - It will provide a solid foundation for moving forward and facilitate the years ahead.

### III.

### CONCLUSION

The Parties respectfully request the entry of an Order consistent with the preceding discussion.

Dated: February 13, 2020

Respectfully submitted,

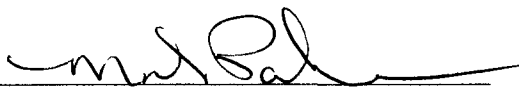


Mark Parker  
3300 NE CR 0092  
Corsicana, Texas 75109  
(903) 676-8555

**SOAH DOCKET NO. 473-20-1674.WS  
PUC DOCKET NO. 48819**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on  
February 13, 2020

  
Mark Parker

## **Northtown Acres Rate Increase - Rate Comparisons**

Purpose to clearly identify rates - used by Corsicana and Northtown - including Northtown's Proposed 6/29/19 Rate Increase and Northtown's Approved 11/6/19 Interim Rates.

Intent is to help everyone concerned moving forward (and working off the same page) and to assist in making informed decisions.

### NORTHTOWN ACRES RATES COMPARISON FOR 5K, 25K, 50K GALS

Gallons	(1) Corsicana Residents Current Rates Effective 11/01/19	(2) Northtown Unapproved Rates used 2018 & 2019	(3) Northtown Proposed Received 6/29/19	(4) Northtown Interim Rates Approved 11/06/19
5,000 Gals	\$32.60	\$42.77	\$69.34	\$50.99
25,000 Gals	\$112.85	\$138.02	\$192.14	\$213.44
50,000 Gals	\$216.60	\$260.52	\$345.64	\$419.94

(1) Corsicana Residents Current Rates - Class 1 effective 11/01/19. What Corsicana Residents Currently pay - includes the most recent 2.5% increase effective 11/1/19 for Corsicana Residents.

(2) Northtown Unapproved Rates used throughout 2018 & 2019 until the approved Interim Northtown Rates became effective 11/06/19. These Northtown unapproved rates were shown in Northtown's Rate Increase notice sent to ratepayers dated 1/30/19, and also found in Docket 48819 Item 3 (Northtown's Class B Rate/Tariff Change Application) - although the Item 3 document has different meter charges versus the actual document received by the Ratepayers.

Note: Actual bills received did vary slightly higher thru the 2018 and 2019 billing period but were close to these rates.

(3) Northtown Proposed Increase - Received 6/29/19. Awaiting STM Application completion & approval, Primary Order completion and approval containing 46 Issues to be addressed and of course the Final Hearing and Approval.

Note: Received Northtown rate increase notice dated 1/30/19, which showed the current (unapproved) rates that ratepayers were actually being charged at that time. Then another Northtown Rate Increase Notice was received 6/29/19 showing different/wrong/much cheaper current rates - which were the Old PUC Approved 10/1/2009 Rates which have not been used in years - at least going back to April 2017 - see Docket 48089 Item Number 8 (Commissions Staff's Recommendations and Proposed Procedural Schedule) which talks about Northtown had implemented Unapproved pass-thru rates in April 2017. It's possible Northtown starting changing and charging unapproved rates as early as 2015 to coincide with Corsicana's Rate increase effective December 2014.

(4) Northtown Interim Rates Approved 11/06/19 by PUC, effective 11/06/19 and being charged by Northtown starting with the ratepayers November 2019 water bills.

# **NORTHTOWN ACRES RATES COMPARISON FOR 5K, 25K, 50K GALS & ANALYSIS**

Gallons	Corsicana Residents Current Rates Effective 11/01/19		Northtown Unapproved Rates used 2018 & 2019		Northtown Proposed Received 6/29/19		Northtown Interim Rates Approved 11/06/19	
5,000 Gals	\$32.60	31%—>	\$42.77	62%—>	\$69.34	<—26%	\$50.99	
25,000 Gals	\$112.85	22%—>	\$138.02	39%—>	\$192.14	11%—>	\$213.44	
50,000 Gals	<u>\$216.60</u>	20%—>	<u>\$260.52</u>	33%—>	<u>\$345.64</u>	21%—>	<u>\$419.94</u>	
Total	\$362.05	22%—>	\$441.31	38%—>	\$607.12	13%—>	\$684.37	

---

Gallons	Corsicana Residents Current Rates Effective 11/01/19		Northtown Interim Rates Approved 11/06/19		*	Northtown Unapproved Rates Used 2018 & 2019		Northtown Interim Rates Approved 11/06/19	
5,000 Gals	\$32.60	56%—>	\$50.99		*	\$42.77	19%—>	\$50.99	
25,000 Gals	\$112.85	89%—>	\$213.44		*	\$138.02	55%—>	\$213.44	
50,000 Gals	<u>\$216.60</u>	94%—>	<u>\$419.94</u>		*	<u>\$260.52</u>	61%—>	<u>\$419.94</u>	
Total	\$362.05	89% —>	\$684.37		*	\$441.31	55%—>	\$684.37	



**NORTHTOWN ACRES RATE INCREASES (CALCULATIONS)  
FOR 25,000 & 50,000 GALLONS WATER USAGE**

***Corsicana Residents Current Rates Effective 11/01/19 - Class 1 Rates***

Meter 5/8 or 3/4 Includes 1,000 Gals =	\$17.00
1,000 to 10,000 Gals \$3.90 x 9 =	\$35.10
10,001 to 25,000 Gals \$4.05 x 15 =	\$60.75 (25K Gals)= \$112.85
25,001 + Gals \$4.15 x 25 =	<u>\$103.75</u>
<b>Total (50K Gals)</b>	<b>\$216.60</b>

***Northtown Unapproved Rates used most of 2018 & 2019 (until Interim Rate Increase)***

Meter 5/8 or 3/4 Includes 0 Gals =	\$19.52
0 to 10,000 Gals \$4.65 x 10 =	\$46.50
10,001 to 25,000 Gals \$4.80 x 15 =	\$72.00 (25K Gals)= \$138.02
25,001 + Gals \$4.90 x 25 =	<u>\$122.50</u>
<b>Total (50k Gals)</b>	<b>\$260.52</b>

***Northtown Proposed Received 6/26/19 Rate Increase***

Meter 5/8 or 3/4 Includes 0 Gals =	\$38.64
\$6.14 per 1,000 x 50 =	<u>\$307.00</u> (25K Gals)= \$192.14
<b>Total (50K Gals)</b>	<b>\$345.64</b>

***Northtown Interim Rate Increase Approved 11/6/19***

Meter 5/8 or 3/4 Includes 2,000 Gals =	\$18.70
2,000 to 10,000 Gals \$3.88 x 8 =	\$31.04
10,001 to 25,000 Gals \$4.03 x 15 =	\$60.45 (25K Gals)= \$110.19
25,001 + Gals \$4.15 x 25 =	<u>\$103.25</u>
<b>Northtown Portion</b>	<b>\$213.44</b>

<b>Corsicana Cost/Pass Thru Portion \$4.13 x 50</b>	<b><u>\$206.50</u> (25K Gals)= \$103.25</b>
<b>Total Interim (50K Gals)</b>	<b>\$419.94 (25K) \$213.44</b>

**NORTHTOWN ACRES RATE INCREASES (CALCULATIONS)  
FOR 5,000 GALLONS WATER USAGE.**

***Corsicana Residents Current Rates Effective 11/01/19 - Class 1 Rates***

Meter 5/8 or 3/4 Includes 1,000 Gals =	\$17.00
1,000 to 10,000 Gals \$3.90 x 4 =	<u>\$15.60</u>
<b>Total ( 5K Gals)</b>	<b>\$32.60</b>

***Northtown Unapproved Rates used most of 2018 & 2019 (until Interim Rate Increase)***

Meter 5/8 or 3/4 Includes 0 Gals =	\$19.52
\$4.65 per 1,000 x 5 =	<u>\$23.25</u>
<b>Total (5K Gals)</b>	<b>\$42.77</b>

(although actual charges vary for 5,000 gals between \$42.30 and \$42.92)

***Northtown Proposed Received 6/26/19 Rate Increase***

Meter 5/8 or 3/4 Includes 0 Gals =	\$38.64
\$6.14 per 1,000 x 5 =	<u>\$30.70</u>
<b>Total (5K Gals)</b>	<b>\$69.34</b>

***Northtown Interim Rate Increase Approved 11/6/19***

Meter 5/8 or 3/4 Includes 2,000 Gals =	\$18.70
2,000 to 10,000 Gals \$3.88 per 1,000 x 3 =	<u>\$11.64</u>
<b>Northtown Portion</b>	<b>\$30.34</b>

<b>Corsicana Pass Thru Portion \$4.13 per 1,000 x 5 =</b>	<b><u>\$20.65</u></b>
<b>Total Interim (5K Gals)</b>	<b>\$50.99</b>

## **Historical Analysis Northtown Acres Rate Increase**

**Purpose:** To show and analyze - Northtown's Last Approved rates back in 2009 compared to Northtown's Unapproved rates used during 2018 & 2019. And then compare those findings to Corsicana's rates in 2009 to Corsicana's current rates.

**Intent** is to help everyone concerned moving forward (all working off the same page) and to assist in making informed decisions.

Thursday, February 13, 2020

### NORTHTOWN ACRES HISTORICAL RATES COMPARISON FOR 5K, 25K, 50K GALS

Gallons	Northtown PUC Approved Rates Effective 10/1/2009		Northtown Unapproved Rates used 2018 & 2019		Corsicana Approved Rates Effective 8/1/2009		Corsicana Approved Rates Effective 11/1/2019	
5,000 Gals	\$30.34	41%—>	\$42.77		\$29.00	12%—>	\$32.60	
25,000 Gals	\$114.37	21%—>	\$138.02		\$91.25	24%—>	\$112.85	
50,000 Gals	<u>\$218.12</u>	19%—>	<u>\$260.52</u>		<u>\$172.50</u>	25%—>	<u>\$216.60</u>	
Total	\$362.83	22%—>	\$441.31		\$292.75	24%—>	\$362.05	

The historical analysis shows Northtown has changed their (albeit unapproved) rates over time to be very, very front loaded (I'm thinking that's where most of their customer base (monies received) comes from).

They achieved this by going from base charges (meter charges) that initially included 2,000 gallons to increasing the base charges (meter charges) and dropping to 0 Gallons included. Of course they also increased Gallonage charge rates at each level/tier as well.

Overall if you compare Northtown's rate increases to Corsicana's rate increases they are fairly proportional. Makes you question if a rate increase is necessary at all?

Northtown's current Unapproved Rates are out of whack, not proportioned properly, don't have a simple straight forward Pass-Thru rate structure but are very close (overall) to being in line with Corsicana's rate increases.

The analysis shows the Unapproved Northtown Rate increases do not only cover Corsicana's cost of water increases but also includes rate increases for Northtown's portion/margin/service rates.

# **NORTHTOWN ACRES RATE HISTORY (CALCULATIONS) FOR 5,000, 25,000 & 50,000 GALLONS WATER USAGE**

## ***Northtown PUC Approved Rates effective 10/1/2009***

Meter 5/8 or 3/4 Includes 2,000 Gals =	\$18.70
3,000 to 10,000 Gals \$3.88 x 9 =	\$34.92 (5K Gals)= \$30.34
10,001 to 25,000 Gals \$4.03 x 15 =	\$60.75 (25K Gals)= \$114.37
25,001 + Gals \$4.13 x 25 =	<u>\$103.75</u>
<b>Total (50K Gals)</b>	<b>\$218.12</b>

## ***Northtown Current Unapproved Rates used 2018 & 2019 (until Interim rates on 11/6/19)***

Meter 5/8 or 3/4 Includes 0 Gals =	\$19.52
0 to 10,000 Gals \$4.65 x 10 =	\$46.50 (5K Gals)= \$42.77
10,001 to 25,000 Gals \$4.80 x 15 =	\$72.00 (25K Gals)= \$138.02
25,001 + Gals \$4.90 x 25 =	<u>\$122.50</u>
<b>Total (50k Gals)</b>	<b>\$260.52</b>

5,000 Gals \$30.34 - \$42.77 = \$12.43 Increase / \$30.34 = 41% Increase Over 10/1/2009 Rates

## ***Corsicana Approved Rates effective 8/1/2009***

Meter 5/8 or 3/4 Includes 1,000 Gals =	\$17.00
1,000 to 10,000 Gals \$3.00 x 9 =	\$27.00 (5K Gals)= \$29.00
10,001 to 25,000 Gals \$3.15 x 15 =	\$47.25 (25K Gals)= \$91.25
25,001 + Gals \$3.25 x 25 =	<u>\$81.25</u>
<b>Total (50K Gals)</b>	<b>\$172.50</b>

## ***Corsicana Approved Rates effective 11/01/2019***

Meter 5/8 or 3/4 Includes 1,000 Gals =	\$17.00
1,000 to 10,000 Gals \$3.90 x 9 =	\$35.10 (5K Gals)= \$32.60
10,001 to 25,000 Gals \$4.05 x 15 =	\$60.75 (25K Gals)= \$112.85
25,001 + Gals \$4.15 x 25 =	<u>\$103.75</u>
<b>Total (50K Gals)</b>	<b>\$216.60</b>

5,000 Gals \$29.00 - \$32.60 = \$3.60 Increase / \$29 = 12% Increase over 8/1/2009 Rates