

Control Number: 48819



Item Number: 147

Addendum StartPage: 0

SOAH DOCKET NO. 473-20-1674.WS  
3PUC DOCKET NO. 48819



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

**MARK PARKER RESPONSE TO SOAH ORDER NO. 4**

**COMES NOW** the intervening party "Mark Parker" file this Response to SOAH Order No. 4. In support thereof, shows the following

**I. BACKGROUND**

- 1 Northtown Acre's 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 all withdrawn and closed i.e. Dockets No. 48084, 48089.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)

6 SOAH Order No. 4 request Staff and NTAW to submit lower/new Interim Rates by  
3/31/2020

## **II. RESPONSE TO SOAH ORDER NO. 4**


- 1 Staff & NTAW submitted their response 3/31/2020 with a new proposed Interim Rate that results in approximately a 33% operating margin/revenue, (33% increase over the cost of Corsicana's purchased water (using Corsicana's current rates effective 11/1/2019))
- 2 NTAW has never operated at that high of Margin (33%) (to my knowledge) Looking back to NTAW's last approved rate increase of 10/1/2009 - it was then approximately a 23% Margin/Revenue increase over the then current cost of Corsicana Water. And looking at each of the Unapproved Rate increases that NTAW has implemented since then - they have all maintained approximately a 23% Margin/Revenue increase over the then current Corsicana's Rates
- 3 Therefore - I recommend these New Interim Rates not to exceed a 23% Margin over the cost of Corsicana's Water Rates. Considering the past 3 years of this case and having no STM and all the pending issues for an official rate increase - the ratepayers may be stuck with these New Interim Rates indefinitely. NTAW needs incentive to Move Forward with this case and these higher Interim Rates could impede progress for this case. Also these new Interim Rates do not contain a Pass-through charge that reflects accurately the cost of Corsicana's purchased water (needed to facilitate subsequent Corsicana Pass-Through imposed rate increases)

## **III. CONCLUSION**

We have a chance now to affect an Interim Rate that is Just and Fair to all concerned (approximately a 23% margin/increase over the cost of purchased water). The Ratepayers respectfully request the entry of an Order consistent with the preceding discussion.

Dated April 2, 2020

Respectfully submitted.

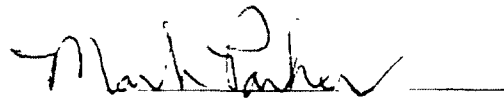


Mark Parker  
3300 NE CR 0092  
Corsicana, Texas 75109  
(903) 676-8533

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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served via Email on all parties of record on  
April 2, 2020

  
Mark Parker