



Control Number: 48819



Item Number: 216

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APPLICATION OF NORTHTOWN ACRES
WATER SUPPLY FOR AUTHORITY TO
CHANGE RATES

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BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

**NORTHTOWN ACRES' RESPONSE TO COMMISSION STAFF'S FIFTH SET OF
REQUESTS FOR INFORMATION**

Sheroll and Roger Richardson d.b.a. Northtown Acres Water Supply ("Northtown Acres") provides this Response to the Public Utility Commission ("Commission") Staff's ("Staff") Fifth Set of Requests for Information and would respectfully show as follows:

I. INTRODUCTION

On December 16, 2020, Northtown Acres filed their amended application for authority to change rates. On June 1, 2021, Staff issued its Fifth Request for Information ("RFIs") to Northtown Acres. Northtown Acres and Staff agreed to extend the deadline for filing responses to Staff's Fifth Set of RFIs to June 28, 2021. Pursuant to 16 Texas Administrative Code ("TAC") 26.407(f)(1)(A), Northtown Acres' responses are timely filed.

II. WRITTEN RESPONSES

Attached hereto and incorporated herein by reference are Northtown Acres' written responses to the aforementioned requests for information. Each such response is set forth separately beneath a restatement of the relevant request. Such responses are made without waiver of Northtown Acres' right to contest the admissibility of any such matters upon hearing. Northtown Acres hereby stipulates that its responses may be treated by all parties exactly as if they were filed under oath.

Respectfully submitted,

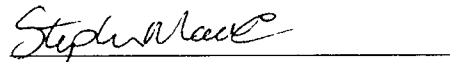


Stephen Mack
State Bar No. 24041374
Naman, Howell, Smith & Lee, PLLC
8310 North Capital of Texas Highway
Building One, Suite 490
Austin, Texas 78731
Office: (512) 807-2479
Fax: (512) 474-1901
Cell: (682) 554-7694
SMack@namanhowell.com

*Attorney for Sheroll and Roger Richardson
d.b.a. Northtown Acres Water Supply*

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on June 28, 2021, in accordance with 16 TAC § 22.74.



Stephen Mack

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-1 Please admit or deny that North Petty Chapel Water Supply is an affiliate of Northtown Acres. If deny, please explain the relationship between North Petty Chapel Water Supply and Northtown Acres.

Response:

Deny. "North Petty Chapel" is used to refer to a geographic area within the service territory of Northtown Acres. The area was incorporated into the certificate of convenience ("CCN") and necessity in Docket No. 50819. Prior to that case the area was treated separately for certain annual reporting purposes.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-2 Please admit or deny that North Petty Chapel Water Supply is a legal entity that is separate from Northtown Acres Water Supply. If deny, please explain who or what the label North Petty Chapel Water Supply refers to in relation to Northtown Acres' business structure or operations.

Response:

Deny. See Northtown Acres' response to Staff 5-1.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-3 If the application includes expenses common to both North Petty Chapel Water Supply and Northtown Acres, please explain if and how these common costs are allocated between North Petty Chapel Water Supply and Northtown Acres.

Response:

See Northtown Acres' response to Staff 5-1. Consistent with the final order approving the CCN amendment to incorporate the area into Northtown Acres' CCN, there is no distinction in costs incurred and no allocation or assignment of costs to specific areas within the CCN.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-4 If the application includes expenses that are not common to both North Petty Chapel Water Supply and Northtown Acres, please describe the types of expenses that are not common and identify the amount of the expenses included in the amended application, by NARUC account, that are direct billed to North Petty Chapel Water Supply and the amount direct billed to Northtown Acres.

Response:

No expenses were allocated or direct billed to specific areas.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-5 If the response to Staff 5-1 is admit, please provide documentation demonstrating that the price charged to Northtown Acres for services provided by North Petty Chapel Water Supply is no higher than prices charged to other affiliates or unaffiliated third parties for the same item or items (Tex. Water Code Ann. § 13.185(e)).

Response:

Not applicable.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-6 Please clarify if the requested revenue requirement includes (1) a salary for Sheroll Richardson only; (2) a salary for Roger Richardson only; or (3) a salary for Sheroll Richardson and a salary for Roger Richardson.

Response:

The application includes a salary for Sheroll Richardson of \$150 per week and a salary for Roger Richardson of \$500 per week.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-7 Please provide a contract, service agreement, or other documentation demonstrating that Northtown Acres has started obtaining service from the contract positions included in the requested revenue requirement.

Response:

As provided in direct testimony, Sheroll and Roger Richardson do not currently receive compensation for their services as the revenues of Northtown Acres do not currently support the ability to acquire contract labor. In addition, for the two additional part time positions requested, no current contract exists as Northtown Acres' revenues would not currently support such expense. However, Northtown Acres is entitled to recovery of reasonable and necessary expenses, such as labor expense for the positions requested, for the provision of water service.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-8 Please identify the amount of the total requested contract labor expense that is for:
(1) the part time contractors; and (2) the accountant.

Response:

The amount of the total requested contract labor expense that is for: (1) the part time contractors is \$600 per week; and (2) the accountant is \$250 per week.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-9 Please provide invoices from the City of Corsicana for purchased water during the test year used in the amended application.

Response:

Please see attached.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

Subject: Northtown 2019**From:** City of Corsicana <customerservice@ci.corsicana.tx.us>**Date:** 6/21/2021, 12:09 PM**To:** <sharoll.richardson18@gmail.com>

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Account number

042-0000218-001

Name

NORTHTOWN ACRES

Address

NORTHTOWN ACRES

Total Due	Current Due	30 - 60 Days	60 - 90 Days	90 Plus Days	Write Off	Aged Date	Cycle	Status
4,342.90	4,342.90	0.00	0.00	0.00	0.00	01/07/2020	3	A

Trans Date	Trans Type	Water	Usage	Sewer	Garbage	Tax	Penalty	Other	Non A/R	A/R Total
01/31/2020	Payment	-5,006.90	0	0.00	0.00	0.00	0.00	0.00	0.00	-5,006.90
01/10/2020	Billing	5,006.90	1145000	0.00	0.00	0.00	0.00	0.00	0.00	5,006.90
01/07/2020	Payment	-4,654.15	0	0.00	0.00	0.00	0.00	0.00	0.00	-4,654.15
01/07/2020	Payment	-4,654.15	0	0.00	0.00	0.00	0.00	0.00	0.00	-4,654.15
01/07/2020	Void	4,654.15	0	0.00	0.00	0.00	0.00	0.00	0.00	4,654.15
12/10/2019	Billing	4,654.15	1060000	0.00	0.00	0.00	0.00	0.00	0.00	4,654.15
11/27/2019	Payment	-6,998.90	0	0.00	0.00	0.00	0.00	0.00	0.00	-6,998.90
11/12/2019	Billing	6,998.90	1625000	0.00	0.00	0.00	0.00	0.00	0.00	6,998.90
10/31/2019	Payment	-10,056.25	0	0.00	0.00	0.00	0.00	0.00	0.00	-10,056.25
10/10/2019	Billing	10,056.25	2420000	0.00	0.00	0.00	0.00	0.00	0.00	10,056.25
09/27/2019	Payment	-11,291.50	0	0.00	0.00	0.00	0.00	0.00	0.00	-11,291.50
09/10/2019	Billing	11,291.50	2725000	0.00	0.00	0.00	0.00	0.00	0.00	11,291.50
09/03/2019	Payment	-9,752.50	0	0.00	0.00	0.00	0.00	0.00	0.00	-9,752.50
08/12/2019	Billing	9,752.50	2345000	0.00	0.00	0.00	0.00	0.00	0.00	9,752.50
08/05/2019	Payment	-5,297.50	0	0.00	0.00	0.00	0.00	0.00	0.00	-5,297.50
07/10/2019	Billing	5,297.50	1245000	0.00	0.00	0.00	0.00	0.00	0.00	5,297.50
07/08/2019	Payment	-4,852.00	0	0.00	0.00	0.00	0.00	0.00	0.00	-4,852.00
06/10/2019	Billing	4,852.00	1135000	0.00	0.00	0.00	0.00	0.00	0.00	4,852.00
06/04/2019	Payment	-4,588.75	0	0.00	0.00	0.00	0.00	0.00	0.00	-4,588.75
05/10/2019	Billing	4,588.75	1070000	0.00	0.00	0.00	0.00	0.00	0.00	4,588.75
05/06/2019	Payment	-4,852.00	0	0.00	0.00	0.00	0.00	0.00	0.00	-4,852.00
04/10/2019	Billing	4,852.00	1135000	0.00	0.00	0.00	0.00	0.00	0.00	4,852.00
04/03/2019	Payment	-3,333.25	0	0.00	0.00	0.00	0.00	0.00	0.00	-3,333.25
03/11/2019	Billing	3,333.25	760000	0.00	0.00	0.00	0.00	0.00	0.00	3,333.25
03/05/2019	Payment	-3,799.00	0	0.00	0.00	0.00	0.00	0.00	0.00	-3,799.00
02/12/2019	Billing	3,799.00	875000	0.00	0.00	0.00	0.00	0.00	0.00	3,799.00
02/05/2019	Payment	-3,961.00	0	0.00	0.00	0.00	0.00	0.00	0.00	-3,961.00
01/10/2019	Billing	3,961.00	915000	0.00	0.00	0.00	0.00	0.00	0.00	3,961.00
01/08/2019	Payment	-3,637.00	0	0.00	0.00	0.00	0.00	0.00	0.00	-3,637.00
12/10/2018	Billing	3,637.00	835000	0.00	0.00	0.00	0.00	0.00	0.00	3,637.00
11/30/2018	Payment	-4,568.50	0	0.00	0.00	0.00	0.00	0.00	0.00	-4,568.50
11/13/2018	Billing	4,568.50	1065000	0.00	0.00	0.00	0.00	0.00	0.00	4,568.50
11/01/2018	Payment	-6,188.50	0	0.00	0.00	0.00	0.00	0.00	0.00	-6,188.50

Attachments:

Subject: North Pettys Chapel 2019**From:** City of Corsicana <customerservice@ci.corsicana.tx.us>**Date:** 6/21/2021, 12:11 PM**To:** <sharoll.richardson18@gmail.com>

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Account number		942-0000148-001	Name		NORTH PETTYS CHAPEL	Address		NORTH PETTYS CHAPEL	
Total Due	Current Due	30 - 60 Days	60 - 90 Days	90 Plus Days	Write Off	Aged Date	Cycle	Status	
1,276.05	1,276.05	0.00	0.00	0.00	0.00	01/07/2020	3	A	

Trans Date	Trans Type	Water	Usage	Sewer	Garbage	Tax	Penalty	Other	Non A/R	A/R Total
01/31/2020	Payment	-1,168.15	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,168.15
01/10/2020	Billing	1,168.15	220000	0.00	0.00	0.00	0.00	0.00	0.00	1,168.15
01/07/2020	Payment	-1,168.90	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,168.90
01/07/2020	Payment	-1,168.90	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,168.90
01/07/2020	Void	1,168.90	0	0.00	0.00	0.00	0.00	0.00	0.00	1,168.90
12/10/2019	Billing	1,168.90	225000	0.00	0.00	0.00	0.00	0.00	0.00	1,168.90
11/27/2019	Payment	-1,587.30	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,587.30
11/12/2019	Billing	1,587.30	321000	0.00	0.00	0.00	0.00	0.00	0.00	1,587.30
10/31/2019	Payment	-2,235.70	0	0.00	0.00	0.00	0.00	0.00	0.00	-2,235.70
10/10/2019	Billing	2,235.70	489000	0.00	0.00	0.00	0.00	0.00	0.00	2,235.70
09/27/2019	Payment	-2,017.00	0	0.00	0.00	0.00	0.00	0.00	0.00	-2,017.00
09/10/2019	Billing	2,017.00	435000	0.00	0.00	0.00	0.00	0.00	0.00	2,017.00
09/03/2019	Payment	-1,899.55	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,899.55
08/12/2019	Billing	1,899.55	406000	0.00	0.00	0.00	0.00	0.00	0.00	1,899.55
08/05/2019	Payment	-1,340.65	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,340.65
07/10/2019	Billing	1,340.65	268000	0.00	0.00	0.00	0.00	0.00	0.00	1,340.65
07/08/2019	Payment	-1,138.15	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,138.15
06/10/2019	Billing	1,138.15	218000	0.00	0.00	0.00	0.00	0.00	0.00	1,138.15
06/04/2019	Payment	-1,061.20	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,061.20
05/10/2019	Billing	1,061.20	199000	0.00	0.00	0.00	0.00	0.00	0.00	1,061.20
05/06/2019	Payment	-1,543.15	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,543.15
04/10/2019	Billing	1,543.15	318000	0.00	0.00	0.00	0.00	0.00	0.00	1,543.15
04/03/2019	Payment	-866.80	0	0.00	0.00	0.00	0.00	0.00	0.00	-866.80
03/11/2019	Billing	866.80	151000	0.00	0.00	0.00	0.00	0.00	0.00	866.80
03/05/2019	Payment	-1,138.15	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,138.15
02/12/2019	Billing	1,138.15	218000	0.00	0.00	0.00	0.00	0.00	0.00	1,138.15
02/05/2019	Payment	-1,045.00	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,045.00
01/10/2019	Billing	1,045.00	195000	0.00	0.00	0.00	0.00	0.00	0.00	1,045.00
01/08/2019	Payment	-1,166.50	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,166.50
12/10/2018	Billing	1,166.50	225000	0.00	0.00	0.00	0.00	0.00	0.00	1,166.50
11/30/2018	Payment	-1,231.30	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,231.30
11/13/2018	Billing	1,231.30	241000	0.00	0.00	0.00	0.00	0.00	0.00	1,231.30
11/01/2018	Payment	-1,705.15	0	0.00	0.00	0.00	0.00	0.00	0.00	-1,705.15

Attachments:

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-10 Please refer to the Northtown Acres invoices labeled "Estimate" in the top right hand corner on pages 180, 181, 186, 207, 210, 211, 213, 215 and 216 of the amended application. Please identify the person or entity that performed the work or provided the service described in each invoice.

Response:

The estimated invoices are documentation of repairs of leaks performed by Roger Richardson, at times assisted by Daniel Cope. The repairs are repairs to customer service lines, which requires flushing, or repairs in excess of \$100 on the water distribution system. Northtown Acres withdraws the request for recovery of these expenses as they would be recovered either as a subset of Northtown Acres' known and measurable adjustment for contract labor expense or as a subset of rate base invested capital.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-11 Please refer to the invoices on the pages listed in Staff 5-10 and provide the actual invoices that correspond to the nine invoices labeled "Estimate."

Response:

See Northtown Acres' response to Staff 5-10.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-12 Please identify the beneficiary for the Farm Bureau life insurance policy.

Response:

The beneficiary is Sheroll Richardson.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-13 Please identify the beneficiary of the Symetra life insurance policy.

Response:

The beneficiary is Sheroll Richardson.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
STAFF'S FIFTH REQUEST FOR INFORMATION
DOCKET NO. 48819**

Staff 5-14 Please refer to Schedule I-1 of the amended application. Please provide detailed invoices for rate case expenses for the test year and the known and measurable changes.

Response:

See the Direct Testimony of Sheroll Richardson at page 9 (Regulatory Expense) and 18 (Rate Case Expenses).

Regulatory Expenses:

The Regulatory Expenses on Schedule I-1 are intended to approximate annual regulatory expenses for professional assistance with reports and incremental rate proceedings going forward. To date, Northtown Acres has received legal regulatory assistance on a pro bono basis and only has been charged actual expenses so does not have invoices for professional legal services. As such it is necessary to estimate a known and measurable adjustment for future professional regulatory assistance.

Rate Case Expenses:

As stated in testimony, Northtown Acres will provide updated rate case expense data with rebuttal testimony or in subsequent filings. Although there are no rate case expenses associated with legal hourly fees, Northtown Acres has incurred legal expense items for mailing and contracting for non-legal professional reports. In addition, to the extent that any professional witness is needed to address any items in rebuttal, such expenses will be requested as rate case expenses in this proceeding.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

**NORTHTOWN ACRES' RESPONSES TO
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DOCKET NO. 48819**

Staff 5-15 Please refer to Schedule I-1 of the amended application. Please provide detailed statements and proof of payment for taxes other than income for the test year and known and measurable changes.

Response:

Please see attached for payment of the TCEQ revenue assessment. The TCEQ assessment is not built into the revenue requirement as it is invoiced on customer bills and paid directly to TCEQ.

The taxes of other than income taxes lists on Schedule I-1 are gross receipt taxes, which are not payable by sole proprietorships. Consistent with required use of an imputed corporate federal income tax rate for purposes of calculating federal income taxes, which reduces the revenue requirement, Northtown Acres should also be permitted to recover imputed corporate gross receipts taxes paid by corporations to offset the reduction in revenue requirement. The known and measurable adjustment is based on the change in revenue related tax associated with the requested increase in revenues. See Schedule IV Rev Related Tax Exp. Any change in revenues would impact the calculation and associated requested known and measurable adjustment.

Prepared by: Sheroll Richardson
Sponsored by: Sheroll Richardson

NORTHTOWN ACHING WATER SUPPLY
1870 FM 703 N
DANSON, TX 76633

5737

08-026/11/02

2/10/2020 Date

Pay to the
Order of

TCEA

\$ 1458.69

One Thousand Four Hundred Fifty Eight & 69/100



CITIZENS STATE BANK

DANSON, TEXAS 76633

for Acct. 89911704

A. Richardson

02/19/2020 5737 \$1,458.69